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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2025**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **001-41951**

AMERICAN HEALTHCARE REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland	**47-2887436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
18191 Von Karman Avenue, Suite 300 Irvine, California	**92612**
(Address of principal executive offices)	(Zip Code)

(949) 270-9200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	AHR	New York Stock Exchange

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

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

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

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

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

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

As of May 5, 2025, American Healthcare REIT, Inc. had 159,496,793 shares of Common Stock outstanding.

AMERICAN HEALTHCARE REIT, INC.
(A Maryland Corporation)

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

As of March 31, 2025 and December 31, 2024

(In thousands, except share and per share amounts) (Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Real estate investments, net	$ 3,337,008	$ 3,366,648
Debt security investment, net	91,698	91,264
Cash and cash equivalents	86,064	76,702
Restricted cash	41,389	46,599
Accounts and other receivables, net	222,657	211,104
Identified intangible assets, net	156,426	161,473
Goodwill	234,942	234,942
Operating lease right-of-use assets, net	153,349	163,987
Other assets, net	140,518	135,338
Total assets	$ 4,464,051	$ 4,488,057
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Liabilities:		
Mortgage loans payable, net(1)	$ 1,000,489	$ 982,071
Lines of credit and term loan, net(1)	642,567	688,534
Accounts payable and accrued liabilities(1)	272,274	258,324
Identified intangible liabilities, net	2,810	3,001
Financing obligations(1)	34,599	34,870
Operating lease liabilities(1)	153,585	165,239
Security deposits, prepaid rent and other liabilities(1)	53,019	51,856
Total liabilities	2,159,343	2,183,895
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interests (Note 11)	220	220
Equity:		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; 200,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, $0.01 par value per share; 700,000,000 shares authorized; 159,065,005 and 157,446,697 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1,583	1,564
Additional paid-in capital	3,768,030	3,720,268
Accumulated deficit	(1,504,861)	(1,458,089)
Accumulated other comprehensive loss	(2,336)	(2,512)
Total stockholders' equity	2,262,416	2,261,231
Noncontrolling interests (Note 12)	42,072	42,711
Total equity	2,304,488	2,303,942
Total liabilities, redeemable noncontrolling interests and equity	$ 4,464,051	$ 4,488,057

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS — (Continued)
As of March 31, 2025 and December 31, 2024
(In thousands) (Unaudited)

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(1) Such liabilities of American Healthcare REIT, Inc. represented liabilities of American Healthcare REIT Holdings, LP or its consolidated subsidiaries as of March 31, 2025 and December 31, 2024. American Healthcare REIT Holdings, LP is a variable interest entity, or VIE, and a consolidated subsidiary of American Healthcare REIT, Inc. The creditors of American Healthcare REIT Holdings, LP or its consolidated subsidiaries do not have recourse against American Healthcare REIT, Inc., except for the 2024 Credit Facility, as defined in Note 8, held by American Healthcare REIT Holdings, LP in the amount of $643,000 and $689,000 as of March 31, 2025 and December 31, 2024, respectively, which was guaranteed by American Healthcare REIT, Inc.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Three Months Ended March 31, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Resident fees and services	$ 497,176	$ 452,118
Real estate revenue	43,427	47,415
Total revenues	540,603	499,533
Expenses:		
Property operating expenses	432,423	403,629
Rental expenses	13,643	13,727
General and administrative	13,155	11,828
Business acquisition expenses	1,837	2,782
Depreciation and amortization	41,114	42,767
Total expenses	502,172	474,733
Other income (expense):		
Interest expense:		
Interest expense	(22,945)	(36,438)
(Loss) gain in fair value of derivative financial instruments	(750)	6,417
(Loss) gain on dispositions of real estate investments, net	(359)	2,263
Impairment of real estate investment	(21,706)	—
Loss from unconsolidated entities	(1,848)	(1,205)
Foreign currency gain (loss)	1,416	(426)
Other income, net	1,525	1,863
Total net other expense	(44,667)	(27,526)
Loss before income taxes	(6,236)	(2,726)
Income tax expense	(604)	(278)
Net loss	(6,840)	(3,004)
Net loss (income) attributable to noncontrolling interests	36	(888)
Net loss attributable to controlling interest	$ (6,804)	$ (3,892)
Net loss per share of Common Stock, Class T common stock and Class I common stock attributable to controlling interest:		
Basic	$ (0.04)	$ (0.04)
Diluted	$ (0.04)	$ (0.04)
Weighted average number of shares of Common Stock, Class T common stock and Class I common stock outstanding:		
Basic	156,922,819	104,295,142
Diluted	156,922,819	104,295,142
Net loss	$ (6,840)	$ (3,004)
Other comprehensive income (loss):		
Foreign currency translation adjustments	176	(43)
Total other comprehensive income (loss)	176	(43)
Comprehensive loss	(6,664)	(3,047)
Comprehensive loss (income) attributable to noncontrolling interests	36	(888)
Comprehensive loss attributable to controlling interest	$ (6,628)	$ (3,935)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three Months Ended March 31, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended March 31, 2025								
	Stockholders' Equity								
	Common Stock								
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
BALANCE — December 31, 2024	157,446,697	$ 1,564	$ 3,720,268	$ (1,458,089)	$ (2,512)	$ 2,261,231	$ 42,711	$ 2,303,942	
Issuance of common stock in an offering	1,577,113	16	47,650	—	—	47,666	—	47,666	
Offering costs — common stock	—	—	(542)	—	—	(542)	—	(542)	
Vested restricted common stock and stock units(1)	41,195	3	(1,892)	—	—	(1,889)	—	(1,889)	
Amortization of nonvested restricted common stock and stock units	—	—	2,551	—	—	2,551	—	2,551	
Distributions to noncontrolling interests	—	—	—	—	—	—	(608)	(608)	
Adjustment to value of redeemable noncontrolling interests	—	—	(5)	—	—	(5)	—	(5)	
Distributions declared ($0.25 per share)	—	—	—	(39,968)	—	(39,968)	—	(39,968)	
Net loss	—	—	—	(6,804)	—	(6,804)	(31)	(6,835)	(2)
Other comprehensive income	—	—	—	—	176	176	—	176	
BALANCE — March 31, 2025	159,065,005	$ 1,583	$ 3,768,030	$ (1,504,861)	$ (2,336)	$ 2,262,416	$ 42,072	$ 2,304,488	

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY — (Continued)
For the Three Months Ended March 31, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended March 31, 2024												
	Stockholders' Equity												
	Common Stock		Class T Common Stock		Class I Common Stock								
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
BALANCE — December 31, 2023	—	$ —	19,552,856	$ 194	46,673,320	$ 467	$ 2,548,307	$ (1,276,222)	$ (2,425)	$ 1,270,321	$ 155,014	$ 1,425,335	
Issuance of common stock in an offering	64,400,000	644	—	—	—	—	772,156	—	—	772,800	—	772,800	
Offering costs — common stock	—	—	—	—	—	—	(53,542)	—	—	(53,542)	—	(53,542)	
Issuance of nonvested restricted common stock	972,222	—	—	—	—	—	—	—	—	—	—	—	
Amortization of nonvested restricted common stock and stock units	—	—	—	—	—	—	1,914	—	—	1,914	—	1,914	
Stock based compensation	—	—	—	—	—	—	—	—	—	—	21	21	
Repurchase of common stock	—	—	(431)	—	—	—	(14)	—	—	(14)	—	(14)	
Purchase of noncontrolling interest	—	—	—	—	—	—	(478)	—	—	(478)	37	(441)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(992)	(992)	
Reclassification of noncontrolling interests from mezzanine equity, net	—	—	—	—	—	—	—	—	—	—	15,282	15,282	
Adjustment to value of redeemable noncontrolling interests	—	—	—	—	—	—	6,909	—	—	6,909	(8)	6,901	
Distributions declared ($0.25 per share)	—	—	—	—	—	—	—	(33,076)	—	(33,076)	—	(33,076)	
Net (loss) income	—	—	—	—	—	—	—	(3,892)	—	(3,892)	909	(2,983)	(2)
Other comprehensive loss	—	—	—	—	—	—	—	—	(43)	(43)	—	(43)	
BALANCE — March 31, 2024	65,372,222	$ 644	19,552,425	$ 194	46,673,320	$ 467	$ 3,275,252	$ (1,313,190)	$ (2,468)	$ 1,960,899	$ 170,263	$ 2,131,162	

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(1) The amounts are shown net of common stock withheld to satisfy employee minimum tax withholding requirements in connection with the vesting of restricted common stock and stock units. See Note 12, Equity — Equity Compensation Plans, for further discussion.

(2) For the three months ended March 31, 2025 and 2024, amounts exclude $5 and $21, respectively, of net loss attributable to redeemable noncontrolling interests. See Note 11, Redeemable Noncontrolling Interests, for further discussion.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2025 and 2024
(In thousands) (Unaudited)

	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (6,840)	$ (3,004)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	41,114	42,767
Other amortization	9,816	11,799
Deferred rent	(735)	(1,132)
Stock based compensation	2,551	1,935
Loss (gain) on dispositions of real estate investments, net	359	(2,263)
Impairment of real estate investment	21,706	—
Loss from unconsolidated entities	1,848	1,205
Foreign currency (gain) loss	(1,472)	434
Loss on extinguishments of debt	482	1,280
Change in fair value of derivative financial instruments	750	(6,417)
Changes in operating assets and liabilities:		
Accounts and other receivables	(10,037)	(32,116)
Other assets	(5,477)	(9,736)
Accounts payable and accrued liabilities	12,998	(1,866)
Operating lease liabilities	(7,887)	(8,893)
Security deposits, prepaid rent and other liabilities	1,440	53
Net cash provided by (used in) operating activities	60,616	(5,954)
CASH FLOWS FROM INVESTING ACTIVITIES		
Developments and capital expenditures	(21,181)	(19,886)
Acquisitions of real estate investments	(16,442)	(352)
Proceeds from dispositions of real estate investments	9,575	14,522
Investments in unconsolidated entities	(2)	—
Issuances of real estate notes receivable	(4,405)	(7,753)
Principal repayments on real estate notes receivable	2,975	8,383
Real estate and other deposits	(3,296)	(137)
Net cash used in investing activities	(32,776)	(5,223)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under mortgage loans payable	30,000	15,535
Payments on mortgage loans payable	(11,484)	(181,190)
Borrowings under the lines of credit and term loan	34,000	147,600
Payments on the lines of credit and term loan	(80,032)	(612,323)
Payments on financing and other obligations	(690)	(782)
Deferred financing costs	(259)	(5,838)
Debt extinguishment costs	(26)	—
Proceeds from issuance of common stock in offerings	47,666	772,800
Payment of offering costs	(591)	(47,534)
Distributions paid	(39,548)	(16,596)
Repurchase of common stock	—	(14)
Payments to taxing authorities in connection with common stock directly withheld from employees	(1,889)	—
Purchase of noncontrolling interest	—	(441)
Distributions to noncontrolling interests	(604)	(991)

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)
For the Three Months Ended March 31, 2025 and 2024
(In thousands) (Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Redemption of noncontrolling interest	$ —	$ (25,312)
Security deposits	(319)	48
Net cash (used in) provided by financing activities	(23,776)	44,962
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 4,064	$ 33,785
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	88	(36)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — Beginning of period	123,301	90,782
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — End of period	$ 127,453	$ 124,531
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period:		
Cash and cash equivalents	$ 76,702	$ 43,445
Restricted cash	46,599	47,337
Cash, cash equivalents and restricted cash	$ 123,301	$ 90,782
End of period:		
Cash and cash equivalents	$ 86,064	$ 77,026
Restricted cash	41,389	47,505
Cash, cash equivalents and restricted cash	$ 127,453	$ 124,531
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 20,715	$ 35,617
Income taxes	$ 231	$ 157
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued developments and capital expenditures	$ 22,447	$ 24,127
Capital expenditures from financing and other obligations	$ —	$ 353
Tenant improvement overage	$ —	$ 1,553
Acquisition of real estate investments with assumed mortgage loans payable, net of debt discount	$ —	$ 91,472
Reclassification of noncontrolling interests from mezzanine equity, net	$ —	$ 15,282
Distributions declared but not paid	$ 40,795	$ 34,069
Accrued offering costs	$ 94	$ 2,446
The following represents the net increase (decrease) in certain assets and liabilities in connection with our acquisitions and dispositions of investments:		
Accounts and other receivables	$ 15	$ 343
Other assets, net	$ (248)	$ (3,749)
Accounts payable and accrued liabilities	$ —	$ (12)
Security deposits	$ —	$ (236)

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2025 and 2024

The use of the words “we,” “us” or “our” refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

1. Organization and Description of Business

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed real estate investment trust, or REIT, that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, or SNFs, outpatient medical, or OM, buildings and other healthcare-related facilities. We have built a fully-integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom and the Isle of Man. We own and operate our integrated senior health campuses and senior housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a “RIDEA” structure. We have also originated and acquired secured loans and may acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of March 31, 2025 and December 31, 2024, we owned 98.8% and 98.7%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 1.2% and 1.3% of the OP units, respectively, were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, the non-executive Chairman of our board of directors, or our board, Danny Prosky, our Chief Executive Officer, President and director, and Mathieu B. Streiff, one of our non-executive directors; and (ii) a wholly owned subsidiary of Griffin Capital Company, LLC. See Note 11, Redeemable Noncontrolling Interests, and Note 12, Equity — Noncontrolling Interests in Total Equity, for a further discussion of the ownership in our operating partnership.

Our Real Estate Investments Portfolio

We currently operate through four reportable business segments: integrated senior health campuses, OM, SHOP and triple-net leased properties. As of March 31, 2025, we owned and/or operated 312 buildings and integrated senior health campuses representing approximately 19,031,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of $4,523,782,000. In addition, as of March 31, 2025, we also owned a real estate-related debt investment purchased for $60,429,000.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our accompanying condensed consolidated financial statements. Such condensed consolidated financial statements and the accompanying notes thereto are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, or GAAP, in all material respects, and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our operating partnership, the wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries in which we have control, as well as any VIEs in which we are the primary beneficiary. The portion of equity in any subsidiary that is not wholly owned by us is presented in our accompanying condensed consolidated financial statements as a noncontrolling interest. We evaluate our ability to control an entity, and whether the entity is a VIE and we are the primary beneficiary, by considering substantive terms of the arrangement and identifying which enterprise has the power to direct the activities of the entity that most significantly impacts the entity’s economic performance.

We operate and intend to continue to operate in an umbrella partnership REIT structure in which our operating partnership, wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries of which we have control will own substantially all of the interests in properties acquired on our behalf. We are the sole general partner of our operating partnership and as of March 31, 2025 and December 31, 2024, we owned a 98.8% and 98.7%, respectively, general partnership interest therein, and the remaining 1.2% and 1.3%, respectively, partnership interest was owned by the limited partners.

The accounts of our operating partnership are consolidated in our accompanying condensed consolidated financial statements because we are the sole general partner of our operating partnership and have unilateral control over its management and major operating decisions (even if additional limited partners are admitted to our operating partnership). All intercompany accounts and transactions are eliminated in consolidation.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the U.S. Securities and Exchange Commission, or SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to the SEC's rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments which are, in our view, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such full-year results may be less favorable.

In preparing our accompanying condensed consolidated financial statements, management has evaluated subsequent events through the financial statement issuance date. We believe that although the disclosures contained herein are adequate to prevent the information presented from being misleading, our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Use of Estimates

The preparation of our accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of our condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, the initial and recurring valuation of certain assets acquired and liabilities assumed through property acquisitions including through business combinations, goodwill and its impairment, revenues, allowance for credit losses, impairment of long-lived and intangible assets and contingencies. These estimates are made and evaluated on an on-going basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions.

Revenue Recognition — Resident Fees and Services Revenue

Disaggregation of Resident Fees and Services Revenue

The following tables disaggregate our resident fees and services revenue by line of business, according to whether such revenue is recognized at a point in time or over time, for the periods presented below (in thousands):

	Three Months Ended March 31,					
	2025			2024		
	Integrated Senior Health Campuses	SHOP(1)	Total	Integrated Senior Health Campuses	SHOP(1)	Total
Over time	$ 353,127	$ 71,768	$ 424,895	$ 324,517	$ 57,620	$ 382,137
Point in time	70,237	2,044	72,281	68,605	1,376	69,981
Total resident fees and services	$ 423,364	$ 73,812	$ 497,176	$ 393,122	$ 58,996	$ 452,118

The following tables disaggregate our resident fees and services revenue by payor class, for the periods presented below (in thousands):

	Three Months Ended March 31,					
	2025			2024		
	Integrated Senior Health Campuses	SHOP(1)	Total	Integrated Senior Health Campuses	SHOP(1)	Total
Medicare	$ 167,302	$ 1,672	$ 168,974	$ 120,349	$ 1,243	$ 121,592
Private and other payors	161,962	61,783	223,745	184,322	51,176	235,498
Medicaid	94,100	10,357	104,457	88,451	6,577	95,028
Total resident fees and services	$ 423,364	$ 73,812	$ 497,176	$ 393,122	$ 58,996	$ 452,118

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(1) Includes fees for basic housing, as well as fees for assisted living or skilled nursing care. We record revenue when services are rendered at amounts billable to individual residents. Residency agreements are generally for a term of 30 days, with resident fees billed monthly in advance. For residents under reimbursement arrangements with third-party payors, including Medicaid, Medicare, and private insurers, revenue is recorded based on contractually agreed-upon amounts or rates on a daily, per resident basis or as services are performed.

Accounts Receivable, Net — Resident Fees and Services Revenue

The beginning and ending balances of accounts receivable, net — resident fees and services are as follows (in thousands):

	Private and Other Payors	Medicare	Medicaid	Total
Beginning balance — January 1, 2025	$ 69,198	$ 57,807	$ 39,966	$ 166,971
Ending balance — March 31, 2025	68,392	62,550	46,583	177,525
(Decrease)/Increase	$ (806)	$ 4,743	$ 6,617	$ 10,554

Deferred Revenue — Resident Fees and Services Revenue

Deferred revenue is included in security deposits, prepaid rent and other liabilities in our accompanying condensed consolidated balance sheets. The beginning and ending balances of deferred revenue — resident fees and services, almost all of which relates to private and other payors, are as follows (in thousands):

	Total
Beginning balance — January 1, 2025	$ 24,727
Ending balance — March 31, 2025	26,013
Increase	$ 1,286

Resident and Tenant Receivables and Allowances

Resident receivables, which are related to resident fees and services revenue, are carried net of an allowance for credit losses. An allowance is maintained for estimated losses resulting from the inability of residents and payors to meet the contractual obligations under their lease or service agreements. Substantially all of such allowances are recorded as direct reductions of resident fees and services revenue as contractual adjustments provided to third-party payors or implicit price concessions in our accompanying condensed consolidated statements of operations and comprehensive loss. Our determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, the residents' financial condition, security deposits, cash collection patterns by payor and by state, current economic conditions, future expectations in estimating credit losses and other relevant factors. Tenant receivables, which are related to real estate revenue, and unbilled deferred rent receivables are reduced for amounts where collectability is not probable, which are recognized as direct reductions of real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive loss.

The following is a summary of our adjustments to allowances for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	$ 22,582	$ 17,037
Additional allowances	9,573	6,603
Write-offs	(2,834)	(3,258)
Recoveries collected or adjustments	(2,054)	(1,856)
Ending balance	$ 27,267	$ 18,526

Accounts Payable and Accrued Liabilities

As of March 31, 2025 and December 31, 2024, accounts payable and accrued liabilities primarily include reimbursement of payroll-related costs to the managers of our SHOP and integrated senior health campuses of $56,364,000 and $45,438,000, respectively, insurance reserves of $49,182,000 and $47,578,000, respectively, accrued distributions of $40,795,000 and $40,375,000, respectively, accrued property taxes of $24,371,000 and $23,540,000, respectively, and accrued developments and capital expenditures of $22,447,000 and $22,644,000, respectively.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standard Board, or FASB, issued Accounting Standard Update, or ASU, 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* or ASU 2023-09, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively; however, retrospective application is permitted. We expect to include additional tax disclosures in the notes to our annual financial statements upon our adoption of ASU 2023-09 beginning with our 2025 Annual Report on Form 10-K, and no other changes to our existing disclosures or consolidated financial statements are expected to result from the adoption of such standard.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* or ASU 2024-03. Further, in January 2025, the FASB issued ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, or ASU 2025-01. ASU 2024-03 requires new financial statement disclosure to be provided in the notes to the financial statements in a tabular presentation related to the disaggregation of certain expense captions presented on the face of the income statement within continuing operations that include expense categories such as: (i) purchases of inventory; (ii) employee compensation; (iii) depreciation; and (iv) intangible asset amortization. ASU 2024-03 and ASU 2025-01 are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and may be applied retrospectively or prospectively. We are currently evaluating this guidance to determine the impact on our consolidated financial statement disclosures beginning with our 2027 Annual Report on Form 10-K.

3. Real Estate Investments, Net

Our real estate investments, net consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Building, improvements and construction in process	$ 3,615,941	$ 3,619,555
Land and improvements	350,930	353,317
Furniture, fixtures and equipment	269,169	262,742
	4,236,040	4,235,614
Less: accumulated depreciation	(899,032)	(868,966)
Total	$ 3,337,008	$ 3,366,648

Depreciation expense for the three months ended March 31, 2025 and 2024 was $36,577,000 and $37,135,000, respectively.

The following is a summary of our capital expenditures by reportable segment for the period presented below (in thousands):

	Three Months Ended March 31, 2025
Integrated senior health campuses	$ 15,210
SHOP	2,935
OM	2,695
Total	$ 20,840

Included in the capital expenditure amounts above are costs for the development and expansion of our integrated senior health campuses. For the three months ended March 31, 2025, we did not place in service any developments or expansions.

Acquisitions of Real Estate Investments

For the three months ended March 31, 2025, we acquired nine land parcels in Indiana for an aggregate contract purchase price of $250,000, plus closing costs, for the future development of integrated senior health campuses. For the three months ended March 31, 2025, using cash and debt financing, we also acquired one previously leased real estate investment located in Indiana. The following is a summary of such acquisition, which is included in our integrated senior health campuses segment (in thousands):

Location	Date Acquired	Contract Purchase Price	Line of Credit
Evansville, IN	02/26/25	$ 16,087	$ 8,000

We accounted for such acquisitions of land and real estate investment completed during the three months ended March 31, 2025 as asset acquisitions. The following table summarizes the purchase price of such assets acquired at the time of acquisition based on their relative fair values and adjusted for $6,374,000 operating lease right-of-use assets and $7,445,000 operating lease liabilities (in thousands):

	2025 Acquisitions
Building and improvements	$ 13,697
Land	2,534
Total assets acquired	$ 16,231

Dispositions of Real Estate Investments

For the three months ended March 31, 2025, we disposed of one SHOP and one integrated senior health campus. We recognized a total aggregate loss on such dispositions of $343,000. The following is a summary of such dispositions (dollars in thousands):

Location	Number of Buildings	Type	Date Disposed	Contract Sales Price
Lansing, MI	1	SHOP	02/11/25	$ 3,250
Greenville, OH	1	Integrated Senior Health Campus	03/01/25	6,700
Total	2			$ 9,950

Impairment of Real Estate Investment

As we continue to evaluate our properties based on their historical operating performance and our expected holding period, for the three months ended March 31, 2025, we recognized an impairment charge of $21,706,000 for one OM building. The fair value of such OM was determined by the sales price from an executed purchase and sale agreement with a third-party buyer, which was considered a Level 2 measurement within the fair value hierarchy. For three months ended March 31, 2024, we did not recognize any impairment of real estate investments.

Business Combination

On February 1, 2024, we acquired a portfolio of 14 senior housing properties in Oregon from an unaffiliated third party, which properties are included in our SHOP segment. These properties are part of the underlying collateral pool of real estate assets securing our debt security investment, as defined and described in Note 4. We acquired such properties by assuming the outstanding principal balance of each related mortgage loan payable from one of the borrowers since such borrower was in default. The aggregated principal balance of such assumed mortgage loans payable was $94,461,000 at the time of acquisition. No cash consideration was exchanged as part of the transaction; however, we incurred transaction costs of $2,636,000 related to the acquisition of such properties. See Note 4, Debt Security Investment, Net, for a further discussion. Based on quantitative and qualitative considerations, such business combination was not material to us and therefore, pro forma financial information was not provided.

We did not complete any real estate acquisitions accounted for as business combinations for the three months ended March 31, 2025. The table below summarizes the acquisition date fair values of the assets acquired and liabilities assumed of our business combination during the three months ended March 31, 2024 (in thousands):

	2024 Acquisition
Building and improvements	$ 64,350
Land	14,210
In-place leases	12,912
Accounts receivable	343
Other assets	9
Total assets acquired	91,824
Mortgage loans payable (including debt discount of $2,989)	(91,472)
Accounts payable and accrued liabilities	(352)
Total liabilities assumed	(91,824)
Net assets acquired	$ —

4. Debt Security Investment, Net

Our investment in a commercial mortgage-backed debt security, or debt security, bears an interest rate on the stated principal amount thereof equal to 4.24% per annum, the terms of which security provide for monthly interest-only payments. The debt security was issued by an unaffiliated mortgage trust and represented an approximate 10.0% beneficial ownership interest in such mortgage trust. The debt security is subordinate to all other interests in the mortgage trust and is not guaranteed by a government-sponsored entity. The debt security was originally due to mature on August 25, 2025 at an aggregate stated amount of $93,433,000.

On each of February 1, 2024 and September 3, 2024, we acquired a portfolio of 14 senior housing properties in Oregon and five senior housing properties in Washington, respectively, from unaffiliated third parties, which are included in the underlying collateral pool of real estate assets securing our debt security investment. We acquired such properties by assuming the outstanding principal balance of each related mortgage loan payable from one of the borrowers since such borrower was in default. Further, we extended the maturity dates of the related mortgage loans payable from August 25, 2025 to January 1, 2028, thereby extending the maturity date of our debt security investment.

As of March 31, 2025 and December 31, 2024, the carrying amount of the debt security investment was $91,698,000 and $91,264,000, respectively, net of unamortized closing costs of $128,000 and $165,000, respectively. Accretion on the debt security for the three months ended March 31, 2025 and 2024 was $471,000 and $1,125,000, respectively, which is recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive loss. Amortization expense of closing costs for the three months ended March 31, 2025 and 2024 was $37,000 and $76,000, respectively, which is recorded as a decrease to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive loss. We evaluated credit quality indicators such as the agency ratings and the underlying collateral of such investment in order to determine expected future credit loss. We did not record a credit loss for either the three months ended March 31, 2025 or 2024.

5. Identified Intangible Assets and Liabilities

Identified intangible assets, net and identified intangible liabilities, net consisted of the following as of March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025	December 31, 2024
Amortized intangible assets:		
In-place leases, net of accumulated amortization of $35,636 and $41,764 as of March 31, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 6.3 years and 5.9 years as of March 31, 2025 and December 31, 2024, respectively)	$ 25,063	$ 28,906
Above-market leases, net of accumulated amortization of $8,630 and $8,309 as of March 31, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 6.8 years and 6.9 years as of March 31, 2025 and December 31, 2024, respectively)	12,096	12,700
Unamortized intangible assets:		
Certificates of need	99,000	99,600
Trade names	20,267	20,267
Total identified intangible assets, net	$ 156,426	$ 161,473
Amortized intangible liabilities:		
Below-market leases, net of accumulated amortization of $2,585 and $2,442 as of March 31, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 4.8 years and 5.0 years as of March 31, 2025 and December 31, 2024, respectively)	$ 2,810	$ 3,001
Total identified intangible liabilities, net	$ 2,810	$ 3,001

Amortization expense on identified intangible assets for the three months ended March 31, 2025 and 2024 was $4,427,000 and $5,713,000, respectively, which included $604,000 and $716,000, respectively, of amortization recorded as a decrease to real estate revenue for above-market leases in our accompanying condensed consolidated statements of operations and comprehensive loss.

Amortization expense on below-market leases for the three months ended March 31, 2025 and 2024 was $191,000 and $290,000, respectively, which is recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive loss.

The aggregate weighted average remaining life of the identified intangible assets was 6.5 years and 6.2 years as of March 31, 2025 and December 31, 2024, respectively. The aggregate weighted average remaining life of the identified intangible liabilities was 4.8 years and 5.0 years as of March 31, 2025 and December 31, 2024, respectively. As of March 31, 2025, estimated amortization expense on the identified intangible assets and liabilities for the remaining nine months ending December 31, 2025 and for each of the next four years ending December 31, and thereafter was as follows (in thousands):

	Amortization Expense	
Year	Intangible Assets	Intangible Liabilities
2025	$ 7,971	$ (535)
2026	6,256	(609)
2027	5,739	(594)
2028	4,687	(478)
2029	3,925	(338)
Thereafter	8,581	(256)
Total	$ 37,159	$ (2,810)

6. Other Assets

Other assets, net consisted of the following as of March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025	December 31, 2024
Deferred rent receivables	$ 48,404	$ 47,520
Prepaid expenses, deposits, other assets and deferred tax assets, net	37,510	29,859
Inventory — finished goods	19,365	19,477
Lease commissions, net of accumulated amortization of $8,734 and $8,270 as of March 31, 2025 and December 31, 2024, respectively	17,853	17,680
Investments in unconsolidated entities	12,078	13,924
Deferred financing costs, net of accumulated amortization of $1,119 and $9,224 as of March 31, 2025 and December 31, 2024, respectively	2,719	3,760
Lease inducement, net of accumulated amortization of $2,982 and $2,895 as of March 31, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 5.8 years and 5.9 years as of March 31, 2025 and December 31, 2024, respectively)	2,018	2,105
Derivative financial instruments	571	1,013
Total	$ 140,518	$ 135,338

Deferred financing costs included in other assets were related to the Trilogy Credit Facility, as defined in Note 8, as well as the senior unsecured revolving credit facility portions of the 2024 Credit Facility, as defined in Note 8, and our previous credit facility. In March 2025, in connection with the termination of the Trilogy Credit Facility, we incurred a loss on extinguishment of $508,000 primarily consisting of the write-off of unamortized deferred financing costs associated with the Trilogy Credit Facility. In February 2024, in connection with the replacement of our previous credit facility with the 2024 Credit Facility, we incurred an aggregate loss on extinguishment of $565,000 due to the partial write-off of unamortized deferred financing costs related to the senior unsecured revolving credit facility portion of our previous credit facility. Loss on extinguishment of debt is recorded as an increase to interest expense in our accompanying condensed consolidated statements of operations and comprehensive loss. See Note 8, Lines of Credit and Term Loan, for further discussion of our lines of credit. Amortization expense on lease inducement for both the three months ended March 31, 2025 and 2024 was $87,000, which is recorded as a decrease to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive loss.

7. Mortgage Loans Payable, Net

Mortgage loans payable, net consisted of the following as of March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025	December 31, 2024
Fixed-rate debt (89 loans as of both March 31, 2025 and December 31, 2024, respectively)	$ 1,023,241	$ 1,004,724
Less: deferred financing costs, net	(10,623)	(10,007)
Add: premium	87	103
Less: discount	(12,216)	(12,749)
Mortgage loans payable, net	$ 1,000,489	$ 982,071

Based on interest rates in effect as of both March 31, 2025 and December 31, 2024, effective interest rates on mortgage loans payable ranged from 2.21% to 5.99% per annum, with a weighted average effective interest rate of 3.72% and 3.67%, respectively. We are required by the terms of certain loan documents to meet certain reporting requirements and covenants, such as net worth ratios, fixed charge coverage ratios and leverage ratios.

The following table reflects the changes in the carrying amount of mortgage loans payable, net for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	$ 982,071	$ 1,302,396
Additions:		
Borrowings under mortgage loans payable	30,000	15,535
Assumption of mortgage loans payable due to acquisition of real estate investments, net	—	91,472
Amortization of deferred financing costs	400	780
Amortization of discount/premium on mortgage loans payable, net	517	1,374
Deductions:		
Scheduled principal payments on mortgage loans payable	(4,880)	(5,045)
Early payoff of mortgage loans payable	—	(176,145)
Payoff of a mortgage loan payable due to disposition of real estate investment	(6,604)	—
Deferred financing costs	(1,015)	(1,932)
Ending balance	$ 1,000,489	$ 1,228,435

Amortization of deferred financing costs and amortization of discount/premium on mortgage loans payable is included in interest expense in our accompanying condensed consolidated statements of operations and comprehensive loss. For the three months ended March 31, 2025, we did not incur any loss on the extinguishment of mortgage loans payable. For the three months ended March 31, 2024, we incurred an aggregate loss on the early extinguishment of a mortgage loan payable of $715,000, which is recorded as an increase to interest expense in our accompanying condensed consolidated statements of operations and comprehensive loss. Such aggregate loss was primarily related to the early payoff of mortgage loans payable in February 2024.

As of March 31, 2025, the principal payments due on our mortgage loans payable for the remaining nine months ending December 31, 2025 and for each of the next four years ending December 31, and thereafter were as follows (in thousands):

Year	Amount
2025	$ 28,173
2026	160,412
2027	56,937
2028	140,297
2029	17,305
Thereafter	620,117
Total	$ 1,023,241

8. Lines of Credit and Term Loan

2024 Credit Facility

We, through our operating partnership, as borrower, and certain of our subsidiaries, or the subsidiary guarantors, collectively, with us, as guarantors, are party to an amended loan agreement, or the 2024 Credit Agreement, with Bank of America, N.A., or Bank of America, KeyBank National Association, or KeyBank, Citizens Bank, National Association and a syndicate of other banks, as lenders, for a credit facility with an aggregate maximum principal amount up to $1,150,000,000, or the 2024 Credit Facility. The 2024 Credit Facility consists of a senior unsecured revolving credit facility in the initial aggregate amount of $600,000,000 and a senior unsecured term loan facility in the initial aggregate amount of $550,000,000. The proceeds of loans made under the 2024 Credit Facility may be used for general corporate purposes including for working capital, capital expenditures, refinancing existing indebtedness and other corporate purposes not inconsistent with obligations under the 2024 Credit Agreement. We may also obtain up to $25,000,000 in the form of standby letters of credit pursuant to the 2024 Credit Facility. Unless defined herein, all capitalized terms under this "2024 Credit Facility" subsection are defined in the 2024 Credit Agreement.

Under the terms of the 2024 Credit Agreement, the Revolving Loans mature on February 14, 2028, and may be extended for one 12-month period, subject to the satisfaction of certain conditions, including payment of an extension fee. The Term Loan matures on January 19, 2027, and may not be extended. The maximum principal amount of the 2024 Credit Facility may be increased by an aggregate incremental amount of $600,000,000, subject to: (i) the terms of the 2024 Credit Agreement and (ii) at least five business days' prior written notice to Bank of America.

At our option, the 2024 Credit Facility bears interest at varying rates based upon (i) Daily SOFR, plus the Applicable Rate for Daily SOFR Rate Loans or (ii) Term SOFR, plus the Applicable Rate for Term SOFR Rate Loans. If, under the terms of the 2024 Credit Agreement, there is an inability to determine the Daily SOFR or the Term SOFR, then the 2024 Credit Facility will bear interest at a rate per annum equal to the Base Rate plus the Applicable Rate for Base Rate Loans. The loans may be repaid in whole or in part without prepayment premium or penalty, subject to certain conditions.

We are required to pay a fee on the unused portion of the lenders' commitments under the 2024 Credit Agreement computed at (a) 0.25% per annum if the actual daily Commitment Utilization Percentage for such quarter is less than or equal to 50% and (b) 0.20% per annum if the actual daily Commitment Utilization Percentage for such quarter is greater than 50%, which fee shall be computed on the actual daily amount of the Available Commitments during the period for which payment is made and payable in arrears on a quarterly basis.

The 2024 Credit Agreement requires us to add additional subsidiaries as guarantors in the event the value of the assets owned by the subsidiary guarantors falls below a certain threshold as set forth in the 2024 Credit Agreement. In the event of default, Bank of America has the right to terminate the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions under the 2024 Credit Agreement and to accelerate the payment on any unpaid principal amount of all outstanding loans and all interest accrued and unpaid thereon.

As of both March 31, 2025 and December 31, 2024, our aggregate borrowing capacity under the 2024 Credit Facility was $1,150,000,000, excluding the $25,000,000 standby letters of credit described above. As of March 31, 2025 and December 31, 2024, borrowings outstanding under the 2024 Credit Facility totaled $643,000,000 ($642,567,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2024 Credit Facility), and $689,000,000 ($688,502,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2024 Credit Facility), respectively, and the weighted average interest rate on such borrowings outstanding was 5.67% per annum.

Trilogy Credit Facility

We, through Trilogy RER, LLC, were party to an amended loan agreement, or the Trilogy Credit Agreement, by and among certain subsidiaries of Trilogy OpCo, LLC, Trilogy RER, LLC, and Trilogy Pro Services, LLC; KeyBank; CIT Bank, N.A.; Regions Bank; KeyBanc Capital Markets, Inc.; Regions Capital Markets; Bank of America; The Huntington National Bank; and a syndicate of other banks, as lenders named therein, with respect to a senior secured revolving credit facility that had an aggregate maximum principal amount of $400,000,000, consisting of: (i) a $365,000,000 secured revolver supported by real estate assets and ancillary business cash flow and (ii) a $35,000,000 accounts receivable revolving credit facility supported by eligible accounts receivable, or the Trilogy Credit Facility.

As of December 31, 2024, our aggregate borrowing capacity under the Trilogy Credit Facility was $400,000,000 and borrowings outstanding totaled $32,000 with a weighted average interest rate of 7.30% per annum. The Trilogy Credit Facility was originally due to mature on June 5, 2025. On March 3, 2025, we repaid all borrowings and terminated the Trilogy Credit Facility, and therefore as of March 31, 2025, we do not have any obligations under the Trilogy Credit Agreement.

9. Derivative Financial Instruments

We use derivative financial instruments to manage interest rate risk associated with variable-rate debt. We recorded such derivative financial instruments in our accompanying condensed consolidated balance sheets as either an asset or a liability, as applicable, measured at fair value. The following table lists the derivative financial instruments held by us as of March 31, 2025 and December 31, 2024, which were included in other assets and other liabilities in our accompanying condensed consolidated balance sheets (dollars in thousands):

						Fair Value	
Instrument	**Notional Amount**	**Index**	**Interest Rate**	**Effective Date**	**Maturity Date**	**March 31, 2025**	**December 31, 2024**
Swap	$ 275,000	Daily SOFR	3.74%	02/01/23	01/19/26	$ 571	$ 1,013
Swap	$ 275,000	Daily SOFR	4.41%	08/08/23	01/19/26	(908)	(909)
Swap	$ 350,000	Daily SOFR	3.51%	01/20/26	01/19/27	(191)	—
Swap	$ 200,000	Daily SOFR	3.52%	01/20/26	01/19/27	(118)	—
						$ (646)	$ 104

As of both March 31, 2025 and December 31, 2024, none of our derivative financial instruments were designated as hedges. Derivative financial instruments not designated as hedges are not speculative and are used to manage our exposure to interest rate movements, but do not meet the strict hedge accounting requirements. For the three months ended March 31, 2025 and 2024, we recorded a net (loss) gain in the fair value of derivative financial instruments of $(750,000) and $6,417,000, respectively, as an (increase) decrease to total interest expense in our accompanying condensed consolidated statements of operations and comprehensive loss related to the change in the fair value of our derivative financial instruments.

See Note 13, Fair Value Measurements, for a further discussion of the fair value of our derivative financial instruments.

10. Commitments and Contingencies

Litigation

We are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which, if determined unfavorably to us, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow a policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our properties, we are not currently aware of any environmental liability with respect to our properties that would have a material adverse effect on our consolidated financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business, which include calls/puts to sell/acquire properties. In our view, these matters are not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

11. Redeemable Noncontrolling Interests

As of March 31, 2025 and December 31, 2024, we, through our direct and indirect subsidiaries, owned a 98.8% and 98.7%, respectively, general partnership interest in our operating partnership, and the remaining 1.2% and 1.3%, respectively, limited partnership interest in our operating partnership was owned by limited partners. Some of the limited partnership units outstanding had redemption features outside of our control and were accounted for as redeemable noncontrolling interests presented outside of permanent equity prior to February 9, 2024. As a result of the closing of the February 2024 Offering, as defined and described in Note 12, and listing of our Common Stock, as defined and described in Note 12, on the New York Stock Exchange, or NYSE, such redemption features are no longer outside of our control, and we reclassified the carrying amount of such interests as of such date to noncontrolling interests in total equity in our accompanying condensed consolidated balance sheet. See Note 12, Equity, for a further discussion.

As of March 31, 2025 and December 31, 2024, we own, through our operating partnership, approximately 98.0% of the joint ventures with an affiliate of Meridian Senior Living, LLC, or Meridian, that own Pinnacle Beaumont ALF and Pinnacle Warrenton ALF. The noncontrolling interests held by Meridian have redemption features outside of our control and are accounted for as redeemable noncontrolling interests in our accompanying condensed consolidated balance sheets.

We record the carrying amount of redeemable noncontrolling interests at the greater of: (i) the initial carrying amount, increased or decreased for the noncontrolling interests' share of net income or loss and distributions or (ii) the redemption value. The changes in the carrying amount of redeemable noncontrolling interests consisted of the following for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	$ 220	$ 33,843
Reclassification from equity	—	21
Reclassification to equity	—	(15,303)
Distributions	—	(3)
Adjustment to redemption value	5	(6,901)
Net loss attributable to redeemable noncontrolling interests	(5)	(21)
Ending balance	$ 220	$ 11,636

12. Equity

Preferred Stock

Pursuant to our charter, we are authorized to issue 200,000,000 shares of our preferred stock, $0.01 par value per share. As of both March 31, 2025 and December 31, 2024, no shares of preferred stock were issued and outstanding.

Common Stock

Pursuant to our charter, as amended, we are authorized to issue 1,000,000,000 shares of our common stock, $0.01 par value per share, whereby 200,000,000 shares are classified as Class T common stock, 100,000,000 shares are classified as Class I common stock and 700,000,000 shares are classified as Common Stock without any designation as to class or series.

On February 9, 2024, we closed our underwritten public offering, or the February 2024 Offering, and issued 64,400,000 shares of Common Stock for a total of $772,800,000 in gross offering proceeds. In conjunction with the February 2024 Offering, such shares of Common Stock were listed on the NYSE, under the trading symbol "AHR" and began trading on February 7, 2024. We received $724,625,000 in net offering proceeds, after deducting the underwriting discount, which was primarily used to repay $176,145,000 of mortgage loans payable and $545,010,000 on our lines of credit in February 2024.

Following the closing of the February 2024 Offering and until August 5, 2024, we presented our Common Stock, Class T common stock and Class I common stock, as separate classes of common stock within our condensed consolidated balance sheets and condensed consolidated statements of equity. Any references to Common Stock in this Quarterly Report on Form 10-Q refer to our NYSE-listed shares of common stock, whereas Class T common stock and Class I common stock refer to our historical non-listed shares of common stock. This applies to all historical periods presented herein. On August 5, 2024, 180 days after the listing of our Common Stock shares on the NYSE, each share of our Class T common stock and Class I common stock automatically, and without any stockholder action, converted into one share of our listed Common Stock.

On September 20, 2024, we closed our follow-on underwritten public offering, or the September 2024 Offering, and issued 20,010,000 shares of Common Stock for a total of $471,236,000 in gross offering proceeds. We received $451,207,000 in net offering proceeds, after deducting the underwriting discount, which was used to: (i) exercise our option to purchase our joint venture partner's 24.0% minority membership interest in Trilogy REIT Holdings LLC, or Trilogy REIT Holdings; (ii) repay $116,000,000 of borrowings outstanding under the Trilogy Credit Facility; and (iii) repay $78,000,000 of borrowings outstanding under the 2024 Credit Facility. See "Noncontrolling Interests in Total Equity – Membership Interest in Trilogy REIT Holdings" section below for a further discussion of the purchase of such joint venture interest.

On November 18, 2024, we entered into a sales agreement and established an at-the-market equity offering program, or ATM Offering, pursuant to which we may offer and sell shares of Common Stock, having an aggregate gross sales price of up to $500,000,000. Shares sold through the ATM Offering may be offered and sold in amounts to be determined by us from time to time, and are sold in negotiated transactions at market prices prevailing at the time of sale in accordance with Rule 415 under the Securities Act of 1933, as amended.

During the three months ended March 31, 2025, we issued an aggregate of 1,577,113 shares of Common Stock under the ATM Offering for gross proceeds of $47,666,000 at an average gross price of $30.22 per share. As of March 31, 2025, the remaining amount available under the ATM Offering for future sales of Common Stock was $332,114,000.

Noncontrolling Interests in Total Equity

Membership Interest in Trilogy REIT Holdings

Prior to September 20, 2024, we were the indirect owner of a 76.0% interest in Trilogy REIT Holdings pursuant to an amended joint venture agreement with an indirect, wholly-owned subsidiary of NorthStar Healthcare Income, Inc., or NHI. NHI indirectly owned a 24.0% membership interest in Trilogy REIT Holdings, and as such, for the three months ended March 31, 2024, 24.0% of the net earnings of Trilogy REIT Holdings were allocated to noncontrolling interests.

On September 20, 2024, using the net proceeds from the September 2024 Offering, we exercised our option pursuant to a membership interest purchase agreement to purchase NHI's 24.0% minority membership interest in Trilogy REIT Holdings that was owned by NHI, for a total all-cash purchase price of $258,001,000. In connection with such purchase and as of September 20, 2024, we own 100% of Trilogy REIT Holdings and indirectly own 100% of Trilogy Investors, LLC.

Other Noncontrolling Interests

As of March 31, 2025, we own a 100% interest in a consolidated limited liability company that owned Lakeview IN Medical Plaza. We previously owned an 86.0% interest in such company until February 6, 2024, when we purchased the remaining 14.0% membership interest in such company from an unaffiliated third party for a contract purchase price of $441,000. As such, from January 1, 2024 through February 5, 2024, 14.0% of the net earnings of Lakeview IN Medical Plaza were allocated to noncontrolling interests.

As discussed in Note 1, Organization and Description of Business, as of March 31, 2025 and December 31, 2024, we, through our direct and indirect subsidiaries, owned a 98.8% and 98.7%, respectively, general partnership interest in our operating partnership and the remaining 1.2% and 1.3%, respectively, of the OP units in our operating partnership were owned by limited partners. Some of the limited partnership units outstanding had redemption features outside of our control and were accounted for as redeemable noncontrolling interests presented outside of permanent equity prior to February 9, 2024. As a result of the closing of the February 2024 Offering and the listing of our Common Stock on the NYSE, such redemption features are no longer outside of our control and we reclassified the remaining carrying amount of such redeemable noncontrolling interests as of such date to noncontrolling interests in total equity. See Note 11, Redeemable Noncontrolling Interests, for a further discussion.

Equity Compensation Plans

AHR Incentive Plan

Pursuant to our Second Amended and Restated 2015 Incentive Plan, or the AHR Incentive Plan, our board (with respect to options and restricted shares of common stock granted to independent directors) or our compensation committee (with respect to any other award) may grant options, restricted shares of common stock, stock purchase rights, stock appreciation rights or other awards to our independent directors, officers, employees and consultants. The AHR Incentive Plan terminates on June 15, 2033, and the maximum number of shares of our common stock that may be issued pursuant to such plan is 4,000,000 shares.

Restricted common stock

Pursuant to the AHR Incentive Plan, through March 31, 2025, we granted an aggregate of 1,316,561 shares of our restricted common stock, or RSAs, as defined in the AHR Incentive Plan. RSAs were granted to our independent directors in connection with their initial election or re-election to our board or in consideration of their past services rendered, as well as to certain executive officers and key employees. RSAs generally have a vesting period between one to four years and are subject to continuous service through the vesting dates.

Restricted stock units

Pursuant to the AHR Incentive Plan, through March 31, 2025, we granted to our executive officers an aggregate 465,665 of performance-based restricted stock units, or PBUs, representing the right to receive shares of our common stock upon vesting. We also granted to our executive officers and certain employees 590,268 time-based restricted stock units, or TBUs, representing the right to receive shares of our common stock upon vesting. PBUs and TBUs are collectively referred to as RSUs. RSUs granted to executive officers and employees generally have a vesting period of up to three years and are subject to continuous service through the vesting dates and any performance conditions, as applicable.

A summary of the status of our nonvested RSAs and RSUs as of March 31, 2025 and December 31, 2024, and the changes for the three months ended March 31, 2025 is presented below:

	Number of Nonvested RSAs	Weighted Average Grant Date Fair Value - RSAs	Number of Nonvested RSUs	Weighted Average Grant Date Fair Value - RSUs
Balance — December 31, 2024	1,002,153	$ 13.53	650,352	$ 21.96
Granted	—	$ —	327,120	$ 34.21
Vested	(244,087) (1)	$ 13.22	(104,866) (1)	$ 20.03
Forfeited/cancelled	—	$ —	(3,983)	$ 37.16
Balance — March 31, 2025	758,066	$ 13.62	868,623	$ 26.73

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(1) Amount includes 63,671 shares of common stock that were withheld to satisfy employee tax minimum withholding requirements associated with the vesting of RSAs and RSUs during the three months ended March 31, 2025.

For the three months ended March 31, 2025 and 2024, we recognized stock compensation expense related to awards granted pursuant to the AHR Incentive Plan of $2,529,000 and $1,914,000, respectively. Such expense was based on the grant date fair value for time-based awards and for performance-based awards that are probable of vesting, which fair value calculation used the most recently published estimated per share net asset value for awards granted prior to the February 2024 Offering, and the closing market price of our listed Common Stock commencing with awards granted effective as of the February 2024 Offering date. Stock compensation expense is included in general and administrative expenses in our accompanying condensed consolidated statements of operations and comprehensive loss.

Employee Stock Purchase Plan

In November 2024, we adopted the 2024 Employee Stock Purchase Plan, or the ESPP, pursuant to which eligible employees may purchase shares of our Common Stock at a purchase price equal to the lesser of 85.0% of the fair market value of a share on the applicable enrollment date for such offering period or on the applicable exercise date. The maximum number of shares of our common stock that may be issued pursuant to the ESPP is 1,000,000 shares. As of March 31, 2025 and December 31, 2024, no shares were purchased or issued under the ESPP.

13. Fair Value Measurements

Assets and Liabilities Reported at Fair Value

The table below presents our assets and liabilities measured at fair value on a recurring basis as of March 31, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Derivative financial instrument	$ —	$ 571	$ —	$ 571
Total assets at fair value	$ —	$ 571	$ —	$ 571
Liabilities:				
Derivative financial instruments	$ —	$ (1,217)	$ —	$ (1,217)
Total liabilities at fair value	$ —	$ (1,217)	$ —	$ (1,217)

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2024, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Derivative financial instrument	$ —	$ 1,013	$ —	$ 1,013
Total assets at fair value	$ —	$ 1,013	$ —	$ 1,013
Liabilities:				
Derivative financial instruments	$ —	$ (909)	$ —	$ (909)
Total liabilities at fair value	$ —	$ (909)	$ —	$ (909)

There were no transfers into and out of fair value measurement levels during the three months ended March 31, 2025 and 2024.

Derivative Financial Instruments

We entered into interest rate swaps to manage interest rate risk associated with variable-rate debt. The valuation of these instruments was determined using widely accepted valuation techniques including a discounted cash flow analysis on the expected cash flows of each derivative. Such valuation reflected the contractual terms of the derivatives, including the period to maturity, and used observable market-based inputs, including interest rate curves, as well as option volatility. The fair values of our interest rate swaps were determined by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts were based on an expectation of future interest rates derived from observable market interest rate curves.

We incorporated credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although we determined that the majority of the inputs used to value our derivative financial instruments fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with this instrument utilized Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparty. However, as of March 31, 2025, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety were classified in Level 2 of the fair value hierarchy.

Financial Instruments Disclosed at Fair Value

Our accompanying condensed consolidated balance sheets include the following financial instruments: debt security investment, cash and cash equivalents, restricted cash, accounts and other receivables, accounts payable and accrued liabilities, mortgage loans payable and borrowings under our lines of credit and term loan.

We consider the carrying values of cash and cash equivalents, restricted cash, accounts and other receivables and accounts payable and accrued liabilities to approximate the fair value for these financial instruments based upon an evaluation of the underlying characteristics and market data, in light of the short period of time between origination of the instruments and their expected realization. The fair values of such financial instruments are classified in Level 2 of the fair value hierarchy.

The fair value of our debt security investment is estimated using a discounted cash flow analysis using interest rates available to us for investments with similar terms and maturities. The fair values of our mortgage loans payable and our lines of credit and term loan are estimated using discounted cash flow analyses using borrowing rates available to us for debt instruments with similar terms and maturities. We have determined that the valuations of our debt security investment, mortgage loans payable and lines of credit and term loan are classified in Level 2 within the fair value hierarchy. The carrying amounts and estimated fair values of such financial instruments as of March 31, 2025 and December 31, 2024 were as follows (in thousands):

	March 31, 2025		December 31, 2024	
	Carrying Amount(1)	Fair Value	Carrying Amount(1)	Fair Value
Financial Assets:				
Debt security investment	$ 91,698	$ 93,066	$ 91,264	$ 93,369
Financial Liabilities:				
Mortgage loans payable	$ 1,000,489	$ 902,639	$ 982,071	$ 858,102
Lines of credit and term loan	$ 639,848	$ 643,059	$ 684,774	$ 688,945

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(1) Carrying amount is net of any discount/premium and unamortized deferred financing costs.

14. Income Taxes

As a REIT, we generally will not be subject to U.S. federal income tax on taxable income that we distribute to our stockholders. We have elected to treat certain of our consolidated subsidiaries as taxable REIT subsidiaries, or TRS, pursuant to the Code. TRS may participate in services that would otherwise be considered impermissible for REITs and are subject to federal and state income tax at regular corporate tax rates.

Current Income Tax

Federal and state income taxes are generally a function of the level of income recognized by our TRS. Foreign income taxes are generally a function of our income on our real estate located in the United Kingdom, or UK, and Isle of Man.

Deferred Taxes

Deferred income tax is generally a function of the period’s temporary differences (primarily basis differences between tax and financial reporting for real estate assets and equity investments) and generation of tax net operating loss that may be realized in future periods depending on sufficient taxable income.

We recognize the effects of an uncertain tax position on the financial statements, when it is more likely than not, based on the technical merits of the tax position, that such a position will be sustained upon examination by the relevant tax authorities. If the tax benefit meets the “more likely than not” threshold, the measurement of the tax benefit will be based on our estimate of the ultimate tax benefit to be sustained if audited by the taxing authority. As of both March 31, 2025 and December 31, 2024, we did not have any tax benefits or liabilities for uncertain tax positions that we believe should be recognized in our accompanying condensed consolidated financial statements.

We assess the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A valuation allowance is established if we believe it is more likely than not that all or a portion of the deferred tax assets are not realizable. As of both March 31, 2025 and December 31, 2024, our valuation allowance fully reserves the net deferred tax assets due to historical losses and inherent uncertainty of future income. We will continue to monitor industry and economic conditions and our ability to generate taxable income based on our business plan and available tax planning strategies, which would allow us to utilize the tax benefits of the net deferred tax assets and thereby allow us to reverse all, or a portion of, our valuation allowance in the future.

15. Leases

Lessor

We have operating leases with tenants that expire at various dates through 2050. For the three months ended March 31, 2025 and 2024, we recognized $42,508,000 and $46,008,000, respectively, of revenues related to operating lease payments, of which $9,741,000 and $9,659,000, respectively, was for variable lease payments. As of March 31, 2025, the following table sets forth the undiscounted cash flows for future minimum base rents due under operating leases for the remaining nine months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter for properties that we wholly own (in thousands):

Year	Amount
2025	$ 89,874
2026	114,302
2027	108,013
2028	95,971
2029	83,428
Thereafter	457,327
Total	$ 948,915

Lessee

We lease certain land, buildings, campus, office equipment and automobiles. We have lease agreements with lease and non-lease components, which are generally accounted for separately. Most leases include one or more options to renew, with renewal terms that generally can extend at various dates through 2107, excluding extension options. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. As of March 31, 2025, we had future lease payments of $1,566,000 for an operating lease that had not yet commenced. Such operating lease will commence in fiscal year 2025 with a lease term of five years.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain of our lease agreements include rental payments that are adjusted periodically based on the United States Bureau of Labor Statistics' Consumer Price Index and may also include other variable lease costs (i.e., common area maintenance, property taxes and insurance). Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The components of lease costs were as follows (in thousands):

		Three Months Ended March 31,	
Lease Cost	Classification	2025	2024
Operating lease cost(1)	Property operating expenses, rental expenses or general and administrative expenses	$ 8,941	$ 10,776
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	17	561
Interest on lease liabilities	Interest expense	4	157
Sublease income	Resident fees and services revenue or other income	(141)	(144)
Total lease cost		$ 8,821	$ 11,350

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(1) Includes short-term leases and variable lease costs, which are immaterial.

Additional information related to our leases for the periods presented below was as follows (dollars in thousands):

Lease Term and Discount Rate	March 31, 2025	December 31, 2024
Weighted average remaining lease term (in years):		
Operating leases	11.2	11.0
Finance leases	3.7	3.8
Weighted average discount rate:		
Operating leases	5.85 %	5.85 %
Finance leases	10.72 %	10.60 %

Supplemental Disclosure of Cash Flows Information	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating cash outflows related to finance leases	$ 4	$ 157
Financing cash outflows related to finance leases	$ 14	$ 11
Right-of-use assets obtained in exchange for operating lease liabilities	$ 1,281	$ —

Operating Leases

As of March 31, 2025, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining nine months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter, as well as the reconciliation of those cash flows to operating lease liabilities on our accompanying condensed consolidated balance sheet (in thousands):

Year	Amount
2025	$ 22,232
2026	29,619
2027	30,555
2028	30,471
2029	28,215
Thereafter	93,578
Total undiscounted operating lease payments	234,670
Less: interest	81,085
Present value of operating lease liabilities	$ 153,585

Finance Leases and Financing Obligations

As of March 31, 2025, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining nine months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter, as well as a reconciliation of those cash flows to finance lease liabilities and financing obligations (in thousands):

Year	Amount
2025	$ 3,178
2026	4,167
2027	3,905
2028	3,556
2029	31,971
Thereafter	92
Total undiscounted payments	46,869
Less: interest	(12,270)
Present value of finance lease liabilities and financing obligations	$ 34,599

16. Segment Reporting

Our chief operating decision maker, or CODM, who is our Chief Executive Officer and President, evaluates our business and makes resource allocations based on four operating segments: integrated senior health campuses, OM, SHOP and triple-net leased properties. These operating segments are also our reportable segments.

Our integrated senior health campuses each provide a range of independent living, assisted living, memory care, skilled nursing services and certain ancillary businesses that are owned and operated utilizing a RIDEA structure. Our OM buildings are typically leased to multiple tenants under separate leases, thus requiring active management and responsibility for many of the associated operating expenses (much of which are, or can effectively be, passed through to the tenants). Our SHOP segment includes senior housing, which may provide assisted living care, independent living, memory care or skilled nursing services that are owned and operated utilizing a RIDEA structure. Our triple-net leased properties segment includes senior housing, skilled nursing facilities and hospital investments, which are single-tenant properties for which we lease the properties to unaffiliated tenants under triple-net and generally master leases that transfer the obligation for all property operating costs (including maintenance, repairs, taxes, insurance and capital expenditures) to the tenant. In addition, our triple-net leased properties segment includes our debt security investment.

Our CODM evaluates the performance of our combined properties in each reportable segment and determines how to allocate resources to those segments, primarily based on net operating income, or NOI, for each segment. NOI excludes certain items that are not associated with the operations of our properties. Our CODM also primarily uses NOI for each segment in the annual budget and forecasting process. Further, our CODM considers budget-to-actual variances in NOI on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. We define segment NOI as total revenues, less property operating expenses and rental expenses, which excludes depreciation and amortization, general and administrative expenses, business acquisition expenses, interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense for each segment. We believe that segment NOI serves as an appropriate supplemental performance measure to net income (loss) because it allows investors and our management to measure unlevered property-level operating results and to compare our operating results to the operating results of other real estate companies and between periods on a consistent basis. We also believe that NOI is a widely accepted measure of comparative operating performance in the real estate community. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this performance measure.

Interest expense, depreciation and amortization and other expenses not attributable to individual properties are not allocated to individual segments for purposes of assessing segment performance. Non-segment assets primarily consist of corporate assets, including cash and cash equivalents, deferred financing costs, operating lease right-of-use asset and other assets not attributable to individual properties.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Summary information for our reportable segments, including a summary of segment operating expenses, during the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Integrated Senior Health Campuses	SHOP	OM	Triple-Net Leased Properties	Three Months Ended March 31, 2025
Revenues:					
Resident fees and services	$ 423,364	$ 73,812	$ —	$ —	$ 497,176
Real estate revenue	—	—	33,194	10,233	43,427
Total revenues	423,364	73,812	33,194	10,233	540,603
Less(1):					
Compensation expense	215,830	36,955	—	—	
Controllable expenses(2)	135,218	21,133	—	—	
Non-controllable expenses(3)	12,100	3,688	—	—	
Facility rental expense(4)	7,499	—	—	—	
Other segment items(5)	—	—	12,685	958	
Segment net operating income	$ 52,717	$ 12,036	$ 20,509	$ 9,275	$ 94,537
General and administrative					$ 13,155
Business acquisition expenses					1,837
Depreciation and amortization					41,114
Interest expense:					
Interest expense					(22,945)
Loss in fair value of derivative financial instruments					(750)
Loss on dispositions of real estate investments					(359)
Impairment of real estate investment					(21,706)
Loss from unconsolidated entities					(1,848)
Foreign currency gain					1,416
Other income, net					1,525
Loss before income taxes					(6,236)
Income tax expense					(604)
Net loss					$ (6,840)

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	Integrated Senior Health Campuses	SHOP	OM	Triple-Net Leased Properties	Three Months Ended March 31, 2024
Revenues:					
Resident fees and services	$ 393,122	$ 58,996	$ —	$ —	$ 452,118
Real estate revenue	—	—	34,067	13,348	47,415
Total revenues	393,122	58,996	34,067	13,348	499,533
Less(1):					
Compensation expense	207,194	31,331	—	—	
Controllable expenses(2)	126,013	17,276	—	—	
Non-controllable expenses(3)	9,095	3,880	—	—	
Facility rental expense(4)	8,840	—	—	—	
Other segment items(5)	—	—	13,089	638	
Segment net operating income	$ 41,980	$ 6,509	$ 20,978	$ 12,710	$ 82,177
General and administrative					$ 11,828
Business acquisition expenses					2,782
Depreciation and amortization					42,767
Interest expense:					
Interest expense					(36,438)
Gain in fair value of derivative financial instruments					6,417
Gain on dispositions of real estate investments, net					2,263
Loss from unconsolidated entities					(1,205)
Foreign currency loss					(426)
Other income, net					1,863
Loss before income taxes					(2,726)
Income tax expense					(278)
Net loss					$ (3,004)

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(1) The significant expense categories and amounts below align with the segment-level information that is regularly provided to our CODM.

(2) Controllable expenses include utilities, food, repairs and maintenance, and other operating expenses.

(3) Non-controllable expenses include property taxes and insurance.

(4) Facility rental expense relates to properties operated, but not owned.

(5) Other segment items for the following reportable segments primarily includes:

- OM — property taxes, insurance, utilities, management fees and certain overhead expenses.
- Triple-Net Leased Properties — property taxes and insurance.

Total assets by reportable segment as of March 31, 2025 and December 31, 2024 were as follows (in thousands):

	March 31, 2025	December 31, 2024
Integrated senior health campuses	$ 2,214,378	$ 2,202,582
OM	1,110,996	1,140,785
SHOP	714,255	729,466
Triple-net leased properties	400,966	401,782
Other	23,456	13,442
Total assets	$ 4,464,051	$ 4,488,057

As of both March 31, 2025 and December 31, 2024, goodwill of $168,177,000, $47,812,000 and $18,953,000 was allocated to our integrated senior health campuses, OM and triple-net leased properties segments, respectively.

Our portfolio of properties and other investments are located in the United States, the UK and Isle of Man. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for our operations for the periods presented below (in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenues:		
United States	$ 539,049	$ 497,646
International	1,554	1,887
Total	$ 540,603	$ 499,533

The following is a summary of real estate investments, net by geographic regions as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Real estate investments, net:		
United States	$ 3,294,401	$ 3,324,982
International	42,607	41,666
Total	$ 3,337,008	$ 3,366,648

17. Concentration of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk are primarily our debt security investment, cash and cash equivalents, restricted cash and accounts and other receivables. We are exposed to credit risk with respect to our debt security investment, but we believe collection of the outstanding amount is probable. Cash and cash equivalents are generally invested in investment-grade, short-term instruments with a maturity of three months or less when purchased. We have cash and cash equivalents in financial institutions that are insured by the Federal Deposit Insurance Corporation, or FDIC. As of March 31, 2025 and December 31, 2024, we had cash and cash equivalents in excess of FDIC insured limits. We believe this risk is not significant. Concentration of credit risk with respect to accounts receivable from tenants and residents is limited. We perform credit evaluations of prospective tenants and security deposits are obtained at the time of property acquisition and upon lease execution.

Based on leases as of March 31, 2025, properties in three states in the United States accounted for 10.0% or more of our total consolidated property portfolio's annualized base rent or annualized NOI, which is based on contractual base rent from leases in effect for our non-RIDEA properties and annualized NOI for our SHOP and integrated senior health campuses as of March 31, 2025. Properties located in Indiana, Ohio and Michigan accounted for 46.8%, 13.1% and 11.5%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI. Accordingly, there is a geographic concentration of risk subject to fluctuations in each state's economy.

Based on leases in effect as of March 31, 2025, our integrated senior health campuses, OM, SHOP and triple-net leased properties accounted for 54.9%, 24.3%, 13.1% and 7.7%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI. As of March 31, 2025, none of our tenants at our properties accounted for 10.0% or more of our total consolidated property portfolio's annualized base rent or annualized NOI.

18. Earnings Per Share

Basic earnings (loss) per share for all periods presented are computed by dividing net income (loss) applicable to common stock by the weighted average number of shares of our common stock outstanding during the period. Diluted earnings (loss) per share are computed based on the weighted average number of shares of our common stock and all dilutive securities, if any. TBUs, RSAs, common stock issued pursuant to the ESPP and limited OP units are participating securities and give rise to potentially dilutive shares of our common stock.

The following participating securities were excluded from the computation of diluted earnings (loss) per share because such securities were anti-dilutive during the periods presented below:

	Three Months Ended March 31,	
	2025	2024
Nonvested TBUs	443,835	395,108
Nonvested RSAs	758,066	1,118,215
OP units	2,004,216	3,501,976

For the three months ended March 31, 2025 and 2024, 424,788 and 309,256 nonvested PBUs, respectively, were treated as contingently issuable shares pursuant to Accounting Standards Codification Topic 718, Compensation — Stock Compensation. Such contingently issuable shares were excluded from the computation of diluted earnings (loss) per share because they were anti-dilutive during the period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The use of the words "we," "us" or "our" refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to promote understanding of our results of operations and financial condition. Such discussion is provided as a supplement to, and should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and in our 2024 Annual Report on Form 10-K, as filed with the United States Securities and Exchange Commission, or SEC, on February 28, 2025. Such condensed consolidated financial statements and information have been prepared to reflect our financial position as of March 31, 2025 and December 31, 2024, together with our results of operations and cash flows for the three months ended March 31, 2025 and 2024. Our results of operations and financial condition, as reflected in the accompanying condensed consolidated financial statements and related notes, are subject to management's evaluation and interpretation of business conditions, changing capital market conditions, and other factors that could affect the ongoing operations and occupancy of our tenants and residents.

Forward-Looking Statements

Certain statements contained in this report, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995 (collectively with the "Securities Act and Exchange Act, or the Acts"). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Acts. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "can," "expect," "intend," "anticipate," "estimate," "believe," "continue," "possible," "initiatives," "focus," "seek," "objective," "goal," "strategy," "plan," "potential," "potentially," "preparing," "projected," "future," "long-term," "once," "should," "could," "would," "might," "uncertainty," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the SEC.

Any such forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of, and assumptions made by, our management and involve uncertainties that could significantly affect our financial results. Such statements include, but are not limited to: (i) statements about our plans, strategies, initiatives and prospects, including any future capital-raising initiatives and planned or future acquisitions or dispositions of properties and other assets; and (ii) statements about our future results of operations, capital expenditures and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation: changes in economic conditions generally and the real estate market specifically; legislative and regulatory changes, including changes to laws governing the taxation of real estate investment trusts, or REITs, and regulations or proposed regulations governing the operations and sales of health care properties; the availability of capital; our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; changes in interest rates, and foreign currency risk; competition in the real estate industry; changes in accounting principles generally accepted in the United States of America, or GAAP, policies and guidelines applicable to REITs; the success of our investment strategy; cybersecurity incidents and information technology failures, including unauthorized access to our computer systems and/or our vendors' computer systems and our third-party management companies' computer systems and/or their vendors' computer systems; our ability to retain our executive officers and key employees; unexpected labor costs and inflationary pressures; and those risks identified in Item 1A, Risk Factors in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, this Quarterly Report on Form 10-Q, and any future filings we make with the SEC. These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements. Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date on which such statements are made, and undue reliance should not be placed on such statements. We undertake no obligation to update any such statements that may become untrue because of subsequent events. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed REIT that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, or SNFs, outpatient medical, or OM, buildings, and other healthcare-related facilities. We have built a fully-integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom and the Isle of Man. We own and operate our integrated senior health campuses and senior-housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a "RIDEA" structure. We have also originated and acquired secured loans and may acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of March 31, 2025 and December 31, 2024, we owned 98.8% and 98.7%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 1.2% and 1.3% of the OP units, respectively, were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, the non-executive Chairman of our board of directors, or our board, Danny Prosky, our Chief Executive Officer, President and director, and Mathieu B. Streiff, one of our non-executive directors; and (ii) a wholly owned subsidiary of Griffin Capital Company, LLC. See Note 11, Redeemable Noncontrolling Interests, and Note 12, Equity — Noncontrolling Interests in Total Equity, to our accompanying condensed consolidated financial statements for a further discussion of the ownership in our operating partnership.

Our Real Estate Investments Portfolio

We currently operate through four reportable business segments: integrated senior health campuses, OM, SHOP and triple-net leased properties. As of March 31, 2025, we owned and/or operated 312 buildings and integrated senior health campuses, representing approximately 19,031,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of $4,523,782,000. In addition, as of March 31, 2025, we also owned a real estate-related debt investment purchased for $60,429,000.

Critical Accounting Estimates

Our accompanying condensed consolidated financial statements are prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying footnotes. These estimates are made and evaluated on an ongoing basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions. The complete listing of our Critical Accounting Estimates was previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, and there have been no material changes to our Critical Accounting Estimates as disclosed therein, except as included within Note 2, Summary of Significant Accounting Policies, to our accompanying condensed consolidated financial statements.

Interim Unaudited Financial Data

For a discussion of interim unaudited financial data, see Note 2, Summary of Significant Accounting Policies — Interim Unaudited Financial Data, to our accompanying condensed consolidated financial statements. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Acquisitions and Dispositions in 2025

For a discussion of our acquisitions and dispositions of investments in 2025, see Note 3, Real Estate Investments, Net, to our accompanying condensed consolidated financial statements.

Factors Which May Influence Results of Operations

Other than the effects of inflation discussed below, as well as other national economic conditions affecting real estate generally, and as otherwise disclosed in our risk factors, we are not aware of any material trends or uncertainties that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, disposition, management and operation of our properties. For a further discussion of these and other factors that could impact our future results or performance, see "Forward-Looking Statements" above and Part II, Item 1A, Risk Factors, of this Quarterly Report on Form 10-Q and those Risk Factors previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Inflation

During the three months ended March 31, 2025 and 2024, inflation has affected our operations. The annual rate of inflation in the United States was 2.4% in March 2025 and 3.5% in March 2024, as measured by the Consumer Price Index. We believe inflation has impacted our operations such that we have experienced, and continue to experience, increases in the cost of labor, services, energy and supplies, and therefore continued inflationary pressures on our integrated senior health campuses and SHOP could continue to impact our profitability in future periods. To offset the impact of inflation on the cost of labor and services, we had our RIDEA managers bill higher than average annual rent and care fee increases for existing residents in 2024 and 2025, as compared to prior years, while adjusting market rates as frequently as needed based on competitor pricing and market conditions. We believe this practice will improve operating performance in our integrated senior health campuses and SHOP, as well as increase rent coverage and the stability of our real estate revenue in our triple-net leased properties over time.

For properties that are not operated under a RIDEA structure, there are provisions in the majority of our tenant leases that help us mitigate the impact of inflation. These provisions include negotiated rental increases, which historically range from 2% to 3% per year, reimbursement billings for operating expense pass-through charges and real estate tax and insurance reimbursements. However, due to the long-term nature of existing leases, among other factors, the leases may not reset frequently enough to cover inflation.

In addition, inflation has also caused an increase in the cost of our variable-rate debt due to historically rising interest rates. See Item 3, Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk, of this Quarterly Report on Form 10-Q for a further discussion.

Scheduled Lease Expirations

Excluding our SHOP and integrated senior health campuses, as of March 31, 2025, our properties were 89.9% leased, and, during the remainder of 2025, 10.0% of the leased GLA is scheduled to expire. Our leasing strategy focuses on negotiating renewals for leases scheduled to expire during the next 12 months. In the future, if we are unable to negotiate renewals, we will try to identify new tenants or collaborate with existing tenants who are seeking additional space to occupy. As of March 31, 2025, our remaining weighted average lease term was 6.7 years, excluding our SHOP and integrated senior health campuses.

Our combined SHOP and integrated senior health campuses were 87.6% leased as of March 31, 2025. Substantially all of our leases with residents at such properties are for a term of one year or less.

Results of Operations

Comparison of Three Months Ended March 31, 2025 and 2024

Our operating results are primarily comprised of income derived from our portfolio of properties and expenses in connection with the acquisition and operation of such properties. Our primary sources of revenue include rent generated by our leased, non-RIDEA properties and resident fees and services revenue from our RIDEA properties. Our primary expenses include property operating expenses and rental expenses. In general, we expect such revenues and expenses related to our portfolio of RIDEA properties to increase in the future due to an overall increase in occupancies, resident fees and pricing of care services provided.

We segregate our operations into reporting segments in order to assess the performance of our business in the same way that management reviews our performance and makes operating decisions. As of March 31, 2025, we operated through four reportable business segments: integrated senior health campuses, OM, SHOP and triple-net leased properties.

The most significant drivers behind changes in our consolidated results of operations for the three months ended March 31, 2025 compared to the corresponding period in 2024 were primarily due to: the increase in resident occupancies and billing rates; the adverse impact of inflation, which resulted in increases in the cost of labor, services, energy and supplies; and our acquisitions and dispositions of investments. Additional information behind the changes in our consolidated results of operations is discussed in more detail below. See Note 3, Real Estate Investments, Net, to our accompanying condensed consolidated financial statements for a further discussion of our acquisitions and dispositions during 2025. As of March 31, 2025 and 2024, we owned and/or operated the following types of properties (dollars in thousands):

	March 31,					
	2025			2024		
	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)
Integrated senior health campuses	125	$ 2,025,365	88.4 %	126	$ 1,967,091	86.1 %
OM	84	1,205,145	87.4 %	86	1,239,845	88.1 %
SHOP	83	920,107	85.8 %	78	889,928	83.9 %
Triple-net leased properties	20	373,165	100 %	28	469,965	100 %
Total/weighted average(2)	312	$ 4,523,782	89.9 %	318	$ 4,566,829	91.0 %

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(1) Leased percentage includes all third-party leased space at our non-RIDEA properties (including master leases), except for our SHOP and integrated senior health campuses where leased percentage represents resident occupancy of the available units/beds therein.

(2) Weighted average leased percentage excludes our SHOP and integrated senior health campuses.

Revenues

Our primary sources of revenue include resident fees and services revenue generated by our RIDEA properties and rent from our leased, non-RIDEA properties. For the three months ended March 31, 2025 and 2024, resident fees and services revenue primarily consisted of rental fees related to resident leases, extended health care fees and other ancillary services, and real estate revenue primarily consisted of base rent and expense recoveries. The amount of revenues generated by our RIDEA properties depends principally on our ability to maintain resident occupancy rates. The amount of revenues generated by our non-RIDEA properties is dependent on our ability to maintain tenant occupancy rates of currently leased space and to lease available space at the then existing rental rates. Revenues by reportable segment consisted of the following for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Resident Fees and Services Revenue		
Integrated senior health campuses	$ 423,364	$ 393,122
SHOP	73,812	58,996
Total resident fees and services revenue	497,176	452,118
Real Estate Revenue		
OM	33,194	34,067
Triple-net leased properties	10,233	13,348
Total real estate revenue	43,427	47,415
Total revenues	$ 540,603	$ 499,533

Resident Fees and Services Revenue

For our integrated senior health campuses segment, we increased resident fees and services revenue by $30,242,000 for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to increased resident occupancy and higher resident fees as a result of an increase in billing rates and levels of service.

For our SHOP segment, resident fees and services revenue increased $14,816,000 for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to: (i) an increase of $4,771,000 due to the acquisition of five senior housing properties in Washington in September 2024; (ii) an increase of $4,348,000 due to the acquisition of 14 senior housing properties in Oregon in February 2024; and (iii) an increase of $1,043,000 due to the acquisition of one senior housing property in Georgia in October 2024. The remaining increase in resident fees and services revenue for our SHOP segment was primarily attributable to increased resident occupancy and higher resident fees as a result of an increase in billing rates.

Real Estate Revenue

For the three months ended March 31, 2025, real estate revenue within our triple-net leased properties segment decreased $3,115,000, as compared to the three months ended March 31, 2024, primarily due to the disposition of eight triple-net leased properties in Missouri in December 2024 and straight-line rent adjustment recognized in connection with the early extension of a tenant lease at one of our triple-net leased properties.

Real estate revenue for our OM segment decreased $873,000 for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to dispositions of OM buildings in 2024.

Property Operating Expenses and Rental Expenses

Integrated senior health campuses and SHOP typically have a higher percentage of direct operating expenses to revenue than OM buildings and triple-net leased properties due to the nature of RIDEA-type facilities where we conduct day-to-day operations. Property operating expenses and property operating expenses as a percentage of resident fees and services revenue, as well as rental expenses and rental expenses as a percentage of real estate revenue, by reportable segment consisted of the following for the periods presented below (dollars in thousands):

	Three Months Ended March 31,			
	2025		2024	
Property Operating Expenses				
Integrated senior health campuses	$ 370,647	87.5 %	$ 351,142	89.3 %
SHOP	61,776	83.7 %	52,487	89.0 %
Total property operating expenses	$ 432,423	87.0 %	$ 403,629	89.3 %
Rental Expenses				
OM	$ 12,685	38.2 %	$ 13,089	38.4 %
Triple-net leased properties	958	9.4 %	638	4.8 %
Total rental expenses	$ 13,643	31.4 %	$ 13,727	29.0 %

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, the increase in total property operating expenses for our integrated senior health campuses segment was predominately due to: (i) increased resident occupancy at the facilities within such segment; and (ii) an increase of $2,511,000 within Trilogy’s ancillary business unit due to higher labor costs associated with the expansion of services offered and inflation’s impact on labor costs and other operating expenses.

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, total property operating expenses for our SHOP segment increased primarily due to: (i) an increase of $3,795,000 due to the acquisition of 14 senior housing properties in Oregon in February 2024; (ii) an increase of $3,688,000 due to the acquisition of five senior housing properties in Washington in September 2024; and (iii) an increase of $905,000 due to the acquisition of one senior housing property in Georgia in October 2024.

Rental expenses for our OM segment decreased for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to the dispositions of OM buildings in 2024.

Interest Expense

Interest expense, including gain or loss in fair value of derivative financial instruments, consisted of the following for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest expense:		
Lines of credit and term loan and derivative financial instruments	$ 9,650	$ 17,210
Mortgage loans payable	10,550	14,342
Amortization of deferred financing costs:		
Lines of credit and term loan	626	633
Mortgage loans payable	400	780
Amortization of debt discount/premium, net	517	1,374
Loss (gain) in fair value of derivative financial instruments	750	(6,417)
Loss on debt extinguishments	508	1,280
Interest on finance lease liabilities	4	157
Interest expense on financing obligations and other liabilities	690	662
Total	$ 23,695	$ 30,021

The decrease in total interest expense for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, was primarily due to an $11,352,000 decrease in interest expense related to a decrease in debt balances. Such decrease in debt balances was predominately a result of the payoff of our variable-rate mortgage loans payable and paydown of our variable-rate lines of credit using net proceeds raised from equity offerings during 2024. Such decrease in total interest expense for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, was partially offset by the $7,167,000 change from gain to loss in fair value of derivative financial instruments.

Gain or Loss on Dispositions of Real Estate Investments

For the three months ended March 31, 2025, we recognized an aggregate loss on sale of $359,000 primarily related to the sale of one SHOP and one integrated senior health campus. For the three months ended March 31, 2024, we recognized an aggregate net gain on dispositions of our real estate investments of $2,263,000 related to the sale of two OM buildings and one SHOP. See Note 3, Real Estate Investments, Net — Dispositions of Real Estate Investments, to our accompanying condensed consolidated financial statements for a further discussion.

Impairment of Real Estate Investments

As we continued to evaluate our properties based on their historical operating performance and our expected holding period, for the three months ended March 31, 2025, we determined that one of our OM buildings was impaired and recognized an impairment charge of $21,706,000. See Note 3, Real Estate Investments, Net — Impairment of Real Estate Investments, to our accompanying condensed consolidated financial statements for a further discussion. For the three months ended March 31, 2024, we did not recognize impairment charges on real estate investments.

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations, net proceeds from the issuances of equity securities, including through our ATM Offering (as defined and described at Note 12, Equity – Common Stock, to our accompanying condensed consolidated financial statements), borrowings under our line of credit and proceeds from the disposition of real estate investments. For the next 12 months, our principal liquidity needs are to: (i) fund property operating expenses and general and administrative expenses; (ii) meet our debt service requirements (including principal and interest); (iii) fund the acquisition of real estate investments, development activities and capital expenditures; and (iv) make distributions to our stockholders, as required for us to continue to qualify as a REIT. We believe that the sources of liquidity described above will be sufficient to satisfy our cash requirements for the next 12 months and thereafter. We do not have any material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

Material Cash Requirements

Capital Improvement Expenditures

A capital plan for each investment is established upon acquisition that contemplates the estimated capital needs of that investment, including costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan also sets forth the anticipated sources of the necessary capital, which may include operating cash generated by the investment, capital reserves, a line of credit or other loan established with respect to the investment, other borrowings or additional equity investments from us and joint venture partners. The capital plan for each investment is adjusted through ongoing, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs. As of March 31, 2025, we had $13,654,000 of restricted cash in loan impounds and reserve accounts to fund a portion of such capital expenditures. Based on the budget for the properties we owned as of March 31, 2025, we estimate that expenditures for capital and tenant improvements as of such date are approximately $61,066,000 for the remaining nine months of 2025, although actual expenditures are predominantly discretionary and are dependent on many factors which are not presently known.

Contractual Obligations

The following table provides information with respect to: (i) the maturity and scheduled principal repayment of our secured mortgage loans payable and line of credit and term loan; (ii) interest payments on our mortgage loans payable and line of credit and term loan, excluding the effect of our interest rate swaps; (iii) operating lease obligations; and (iv) financing and other obligations as of March 31, 2025 (in thousands):

	Payments Due by Period				
	2025	**2026-2027**	**2028-2029**	**Thereafter**	**Total**
Principal payments — fixed-rate debt	$ 28,173	$ 217,349	$ 157,602	$ 620,117	$ 1,023,241
Interest payments — fixed-rate debt	28,297	65,826	48,532	321,967	464,622
Principal payments — variable-rate debt	—	550,000	93,000	—	643,000
Interest payments — variable-rate debt (based on rates in effect as of March 31, 2025)	27,836	43,887	649	—	72,372
Operating lease obligations	22,232	60,174	58,686	93,578	234,670
Financing and other obligations	3,178	8,072	35,527	92	46,869
Total	$ 109,716	$ 945,308	$ 393,996	$ 1,035,754	$ 2,484,774

Distributions

For information on distributions, see the “Distributions” section below.

Credit Facility

We are party to a credit agreement, as amended, with an aggregate maximum principal amount up to $1,150,000,000, or the 2024 Credit Facility. See Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements for a further discussion.

As of March 31, 2025, our borrowing capacity under the 2024 Credit Facility was $1,150,000,000. As of March 31, 2025, our borrowings outstanding under such credit facility was $643,000,000, and we had $507,000,000 available on such facility. We believe that such resource will be sufficient to satisfy our cash requirements for the next 12 months and the longer term thereafter.

Cash Flows

The following table sets forth changes in cash flows (in thousands):

	Three Months Ended March 31,	
	2025	**2024**
Cash, cash equivalents and restricted cash — beginning of period	$ 123,301	$ 90,782
Net cash provided by (used in) operating activities	60,616	(5,954)
Net cash used in investing activities	(32,776)	(5,223)
Net cash (used in) provided by financing activities	(23,776)	44,962
Effect of foreign currency translation on cash, cash equivalents and restricted cash	88	(36)
Cash, cash equivalents and restricted cash — end of period	$ 127,453	$ 124,531

The following summary discussion of our changes in our cash flows is based on our accompanying condensed consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Operating Activities

For the three months ended March 31, 2025 and 2024, cash flows from operating activities were primarily related to property operations, offset by payments of general and administrative expenses and interest payments on our outstanding indebtedness. In general, cash flows from operating activities are affected by the timing of cash receipts and payments, and have increased since 2024 primarily due to improved resident occupancy and expense management at our properties operated under a RIDEA structure. The change from net cash used in operating activities to net cash provided by operating activities for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, was primarily driven by the increase in operating performance of our real estate investments in our integrated senior health campuses and SHOP segments, as well as a decrease in interest paid on our outstanding indebtedness as a result of mortgage payoffs and paydowns on our lines of credit using net proceeds from our equity offerings in 2024 and 2025. See the “Results of Operations” section above for a further discussion.

Investing Activities

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, the increase in net cash used in investing activities was primarily due to a $16,090,000 increase in cash paid to acquire real estate investments, a $4,947,000 decrease in proceeds from dispositions of real estate investments and $3,355,000 in deposits paid in pursuit of future real estate investments.

Financing Activities

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, the change from net cash provided by financing activities to net cash used in financing activities was primarily due to a $725,134,000 decrease in gross equity offering proceeds and a $22,952,000 increase in distributions paid. Such amounts were partially offset by a $602,862,000 decrease in net payments on our lines of credit and mortgage loans payable primarily using the net proceeds from equity offerings, a $46,943,000 decrease in the payment of offering costs, a $5,579,000 decrease in deferred financing costs paid, as well as a $25,312,000 decrease in cash paid to redeem certain equity interests owned in Trilogy Investors, LLC.

Distributions

Our board shall authorize distributions, if any, on a quarterly basis, in such amounts as our board shall determine, and each quarterly record date for the purposes of such distributions shall be determined and authorized by our board in the last month of each calendar quarter until such time as our board changes our distribution policy.

Our board has authorized a quarterly distribution equal to $0.25 per share to holders of our common stock, which we expect will continue to be paid in the future, though we cannot guarantee that our distributions will continue at the current value or at all. Such quarterly distributions were equal to an annualized distribution rate of $1.00 per share and paid in cash, only from legally available funds. The amount of the quarterly distributions paid to our common stockholders was determined by our board and was dependent on a number of factors, including funds available for payment of distributions, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our qualification as a REIT under the Code.

The following tables reflect distributions we paid for the three months ended March 31, 2025 and 2024, and the sources of distributions as compared to cash flows from operations or funds from operations attributable to controlling interest, or FFO, a non-GAAP financial measure (dollars in thousands):

	Three Months Ended March 31,			
	2025		2024	
Distributions paid in cash	$ 39,548		$ 16,596	
Sources of distributions:				
Cash flows from operations	$ 39,548	100 %	$ —	— %
Proceeds from borrowings	—	—	16,596	100
	$ 39,548	100 %	$ 16,596	100 %

	Three Months Ended March 31,			
	2025		2024	
Distributions paid in cash	$ 39,548		$ 16,596	
Sources of distributions:				
NAREIT FFO attributable to controlling interest	$ 39,548	100 %	$ 16,596	100 %
Proceeds from borrowings	—	—	—	—
	$ 39,548	100 %	$ 16,596	100 %

As of March 31, 2025, any distributions of amounts in excess of our current and accumulated earnings and profits have resulted in a return of capital to our stockholders, and some portion of a distribution to our stockholders may have been paid from borrowings. For a further discussion of FFO, including a reconciliation of our GAAP net loss to FFO, see "Funds from Operations and Normalized Funds from Operations" below.

Mortgage Loans Payable, Net

For a discussion of our mortgage loans payable, see Note 7, Mortgage Loans Payable, Net, to our accompanying condensed consolidated financial statements.

Lines of Credit and Term Loan

For a discussion of our lines of credit and term loan, see Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

REIT Requirements

In order to maintain our qualification as a REIT for U.S. federal income tax purposes, we are required to distribute to our stockholders a minimum of 90.0% of our REIT taxable income. Existing Internal Revenue Service, or IRS, guidance includes a safe harbor pursuant to which publicly offered REITs can satisfy the distribution requirement by distributing a combination of cash and stock to stockholders. In general, to qualify under the safe harbor, each stockholder must elect to receive either cash or stock, and the aggregate cash component of the distribution to stockholders must represent at least 20.0% of the total distribution. In the event that there is a shortfall in net cash available due to factors including, without limitation, the timing of such distributions or the timing of the collection of receivables, we may seek to obtain capital to make distributions by means of unsecured and secured debt financing through one or more unaffiliated third parties. We may also make distributions with cash from capital transactions including, without limitation, the sale of one or more of our properties.

Commitments and Contingencies

For a discussion of our commitments and contingencies, see Note 10, Commitments and Contingencies, to our accompanying condensed consolidated financial statements.

Debt Service Requirements

A significant liquidity need is the payment of principal and interest on our outstanding indebtedness. As of March 31, 2025, we had $1,023,241,000 of fixed-rate mortgage loans payable outstanding secured by our properties. As of March 31, 2025, we had $643,000,000 outstanding, and $507,000,000 remained available under our line of credit. The weighted average effective interest rate on our outstanding debt, factoring in our interest rate swaps, was 4.39% per annum as of March 31, 2025. See Note 7, Mortgage Loans Payable, Net, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

We are required by the terms of certain loan documents to meet various financial and non-financial covenants, such as leverage ratios, net worth ratios, debt service coverage ratios and fixed charge coverage ratios. As of March 31, 2025, we were in compliance with all such covenants and requirements on our mortgage loans payable and our line of credit and term loan. If any future covenants are violated, we anticipate seeking a waiver or amending the debt covenants with the lenders when and if such event should occur. However, there can be no assurances that management will be able to effectively achieve such plans.

Funds from Operations and Normalized Funds from Operations

Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as funds from operations, a non-GAAP financial measure, which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. The use of funds from operations is recommended by the REIT industry as a supplemental performance measure, and our management uses FFO to evaluate our performance over time. FFO is not equivalent to our net income (loss) as determined under GAAP.

We define FFO, a non-GAAP financial measure, consistent with the standards established by the White Paper on funds from operations approved by the Board of Governors of NAREIT, or the White Paper. The White Paper defines funds from operations as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of certain real estate assets, gains or losses upon consolidation of a previously held equity interest, and impairment writedowns of certain real estate assets and investments, plus depreciation and amortization related to real estate, and after adjustments for unconsolidated partnerships and joint ventures. While impairment charges are excluded from the calculation of FFO as described above, investors are cautioned that impairments are based on estimated future undiscounted cash flows. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations. Our FFO calculation complies with NAREIT’s policy described above.

Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate-related depreciation and amortization and impairments, provides a further understanding of our operating performance to investors, industry analysts and our management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, which may not be immediately apparent from net income (loss).

We define normalized FFO attributable to controlling interest, or Normalized FFO, as FFO further adjusted for the following items included in the determination of GAAP net income (loss): expensed acquisition fees and costs, which we refer to as business acquisition expenses; amounts relating to changes in deferred rent and amortization of above- and below-market leases; the non-cash impact of changes to our equity instruments; non-cash or non-recurring income or expense; the non-cash effect of income tax benefits or expenses; capitalized interest; impairment of intangible assets and goodwill; amortization of closing costs on debt security investments; mark-to-market adjustments included in net income (loss); gains or losses included in net income (loss) from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan; and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect Normalized FFO on the same basis.

However, FFO and Normalized FFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) as an indicator of our operating performance, GAAP cash flows from operations as an indicator of our liquidity or indicative of funds available to fund our cash needs, including our ability to make distributions to our stockholders. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and Normalized FFO measures and the adjustments to GAAP in calculating FFO and Normalized FFO. Presentation of this information is intended to provide useful information to investors, industry analysts and management as they compare the operating performance used by the REIT industry, although it should be noted that not all REITs calculate funds from operations and normalized funds from operations the same way, so comparisons with other REITs may not be meaningful. FFO and Normalized FFO should be reviewed in conjunction with other measurements as an indication of our performance. None of the SEC, NAREIT, or any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or Normalized FFO. In the future, the SEC, NAREIT, or another regulatory body may decide to standardize the allowable adjustments across the REIT industry and we would have to adjust our calculation and characterization of FFO or Normalized FFO.

The following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to FFO and Normalized FFO for the periods presented below (in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net loss	$ (6,840)	$ (3,004)
Depreciation and amortization related to real estate — consolidated properties	41,015	42,729
Depreciation and amortization related to real estate — unconsolidated entities	497	186
Impairment of real estate investment — consolidated properties	21,706	—
Loss (gain) on dispositions of real estate investments, net — consolidated properties	359	(2,263)
Net loss (income) attributable to noncontrolling interests	36	(888)
Depreciation, amortization, impairment and net gain/loss on dispositions — noncontrolling interests	(892)	(5,462)
NAREIT FFO attributable to controlling interest	$ 55,881	$ 31,298
Business acquisition expenses	$ 1,837	$ 2,782
Amortization of above- and below-market leases	413	426
Amortization of closing costs — debt security investment	37	76
Change in deferred rent	(672)	(589)
Non-cash impact of changes to equity instruments	2,551	1,935
Capitalized interest	(97)	(134)
Loss on debt extinguishments	508	1,280
Loss (gain) in fair value of derivative financial instruments	750	(6,417)
Foreign currency (gain) loss	(1,416)	426
Adjustments for unconsolidated entities	—	(110)
Adjustments for noncontrolling interests	(50)	125
Normalized FFO attributable to controlling interest	$ 59,742	$ 31,098

Net Operating Income

Net operating income, or NOI, is a non-GAAP financial measure that is defined as net income (loss), computed in accordance with GAAP, generated from properties before general and administrative expenses, business acquisition expenses, depreciation and amortization, interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense.

NOI is not equivalent to our net income (loss) as determined under GAAP and may not be a useful measure in measuring operational income or cash flows. Furthermore, NOI should not be considered as an alternative to net income (loss) as an indication of our operating performance or as an alternative to cash flows from operations as an indication of our liquidity. NOI should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss). NOI should be reviewed in conjunction with other measurements as an indication of our performance.

We believe that NOI is an appropriate supplemental performance measure to reflect the performance of our operating assets because NOI excludes certain items that are not associated with the operations of our properties. We believe that NOI is a widely accepted measure of comparative operating performance in the real estate community and is useful to investors in understanding the profitability and operating performance of our property portfolio. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

To facilitate understanding of this financial measure, the following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to NOI for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net loss	$ (6,840)	$ (3,004)
General and administrative	13,155	11,828
Business acquisition expenses	1,837	2,782
Depreciation and amortization	41,114	42,767
Interest expense	22,945	36,438
Loss (gain) in fair value of derivative financial instruments	750	(6,417)
Loss (gain) on dispositions of real estate investments, net	359	(2,263)
Impairment of real estate investment	21,706	—
Loss from unconsolidated entities	1,848	1,205
Foreign currency (gain) loss	(1,416)	426
Other income, net	(1,525)	(1,863)
Income tax expense	604	278
Net operating income	$ 94,537	$ 82,177

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk. There were no material changes in our market risk exposures, or in the methods we use to manage market risk, from those that were provided for in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Interest Rate Risk

We are exposed to the effects of interest rate changes primarily as a result of long-term debt used to acquire and develop properties and other investments. Our interest rate risk is monitored using a variety of techniques. Our interest rate risk management objectives are to limit the impact of interest rate increases on earnings, prepayment penalties and cash flows and to lower overall borrowing costs while taking into account variable interest rate risk. To achieve our objectives, we may borrow or lend at fixed or variable rates.

We have entered into, and may continue to enter into, derivative financial instruments, such as interest rate swaps and interest rate caps, in order to mitigate our interest rate risk on a related financial instrument. We have not elected, and may continue to not elect, to apply hedge accounting treatment to these derivatives; therefore, changes in the fair value of interest rate derivative financial instruments were recorded as a component of interest expense in gain or loss in fair value of derivative financial instruments in our accompanying condensed consolidated statements of operations and comprehensive loss. As of March 31, 2025, our interest rate swaps are recorded in other assets and other liabilities in our accompanying condensed consolidated balance sheet at their aggregate fair value of $571,000 and $(1,217,000), respectively. We do not enter into derivative transactions for speculative purposes. For information on our interest rate swaps, see Note 9, Derivative Financial Instruments, and Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for a further discussion.

As of March 31, 2025, the table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes, excluding the effect of our interest rate swaps (dollars in thousands):

	Expected Maturity Date							
	2025	2026	2027	2028	2029	Thereafter	Total	Fair Value
Assets								
Debt security held-to-maturity	$ —	$ —	$ —	$ 93,433	$ —	$ —	$ 93,433	$ 93,066
Weighted average interest rate on maturing fixed-rate debt security	— %	— %	— %	4.24 %	— %	— %	4.24 %	—
Liabilities								
Fixed-rate debt — principal payments	$ 28,173	$ 160,412	$ 56,937	$ 140,297	$ 17,305	$ 620,117	$ 1,023,241	$ 902,639
Weighted average interest rate on maturing fixed-rate debt	3.60 %	3.04 %	3.52 %	4.40 %	3.34 %	3.78 %	3.72 %	—
Variable-rate debt — principal payments	$ —	$ —	$ 550,000	$ 93,000	$ —	$ —	$ 643,000	$ 643,059
Weighted average interest rate on maturing variable-rate debt (based on rates in effect as of March 31, 2025)	— %	— %	5.66 %	5.71 %	— %	— %	5.67 %	—

Debt Security Investment, Net

As of March 31, 2025, the net carrying value of our debt security investment was $91,698,000. As we expect to hold our debt security investment to maturity and the amounts due under such debt security investment are limited to the outstanding principal balance and any accrued and unpaid interest, we do not expect that fluctuations in interest rates, and the resulting change in fair value of our debt security investment, would have a significant impact on our operations. See Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for a discussion of the fair value of our investment in a held-to-maturity debt security. The effective interest rate on our debt security investment was 4.24% per annum as of March 31, 2025.

Mortgage Loans Payable, Net and Lines of Credit and Term Loan

Mortgage loans payable were $1,023,241,000 ($1,000,489,000, net of discount/premium and deferred financing costs) as of March 31, 2025. As of March 31, 2025, we had 89 fixed-rate mortgage loans payable with effective interest rates ranging from 2.21% to 5.99% per annum and a weighted average effective interest rate of 3.72%. In addition, as of March 31, 2025, we had $643,000,000 ($642,567,000, net of deferred financing fees) outstanding under our line of credit and term loan, at a weighted average interest rate of 5.67% per annum.

As of March 31, 2025, the weighted average effective interest rate on our outstanding debt, factoring in our fixed-rate interest rate swaps, was 4.39% per annum. An increase in the variable interest rate on our variable-rate line of credit and term loan constitutes a market risk. As of March 31, 2025, a 0.50% increase in the market rates of interest would have increased our overall annualized interest expense on our variable-rate line of credit by $471,000, or 0.6% of total annualized interest expense on our line of credit and term loan. See Note 7, Mortgage Loans Payable, Net, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

Other Market Risk

In addition to changes in interest rates and foreign currency exchange rates, the value of our future investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants and residents, which may affect our ability to refinance our debt if necessary.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily are required to apply our judgment in evaluating whether the benefits of the controls and procedures that we adopt outweigh their costs.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of March 31, 2025 was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of March 31, 2025, were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of our legal proceedings, see Note 10, Commitments and Contingencies — Litigation, to our accompanying condensed consolidated financial statements.

Item 1A. Risk Factors.

There were no material changes from the risk factors previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, other than as set forth below.

The use of, or inability to use, artificial intelligence by us, our operators, our tenants and our vendors presents risks and challenges that may adversely impact our business and operating results or the business and operating results of our operators and tenants or may adversely impact the demand for properties.

We may use generative artificial intelligence and/or machine learning, or AI, tools in our operations. If our peers use AI tools to optimize operations and we fail to utilize AI tools in a comparable manner, we may be competitively disadvantaged. However, while AI tools may facilitate optimization and operational efficiencies, they also have the potential for inaccuracy, bias, infringement or misappropriation of intellectual property, and risks related to data privacy and cybersecurity. The use of AI tools may introduce errors or inadequacies that are not easily detectable, including deficiencies, inaccuracies or biases in the data used for AI training, or in the content, analyses or recommendations generated by AI applications. The results of such errors or inadequacies may adversely affect our business, financial condition and results of operations. The legal requirements relating to AI continue to evolve and remain uncertain, including how legal developments could impact our business and ability to enforce our proprietary rights or protect against infringement of those rights.

Cybersecurity threat actors may utilize AI tools to automate and enhance cybersecurity attacks against us. We utilize software and platforms designed to detect such cybersecurity threats, including AI-based tools, but these threats could become more sophisticated and harder to detect and counteract, which may pose significant risks to our data security and systems. Such cybersecurity attacks, if successful, could lead to data breaches, loss of confidential or sensitive information and financial or reputational harm.

Our vendors may use AI tools in their products or services without our knowledge, and the providers of these tools may not meet the evolving regulatory or industry standards for privacy and data protection. Consequently, this may inhibit our or our vendors' ability to uphold an appropriate level of service and data privacy. If we, our vendors or other third parties with which we conduct business experience an actual or perceived breach of privacy or security incident due to the use of AI, we may be adversely impacted, lose valuable intellectual property or confidential information and incur harm to our reputation and the public perception of the effectiveness of our security measures.

In addition, investors, analysts and other market participants may use AI tools to process, summarize or interpret our financial information or other data about us. The use of AI tools in financial and market analysis may introduce risks similar to those described above, including an inaccurate interpretation of our financial or operational performance or market trends or conditions, which in turn could result in inaccurate conclusions or investment recommendations.

Changes in federal, state or local laws or regulations may limit our opportunities to participate in the ownership of, or investment in, healthcare real estate.

Changes in federal, state, or local laws or regulations, including changes limiting REIT investment in the healthcare sector, reducing healthcare-related tax benefits for REITs, or requiring additional approvals for healthcare entities to transact with REITs, could have a material adverse effect on our ability to participate in the ownership of or invest in healthcare providers and healthcare real estate. Legislation potentially impacting REIT ownership and investment in the healthcare sector has recently been introduced or is under discussion at the federal and state level. Such legislation or similar laws or regulations, if enacted, could have a material adverse impact on our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

AHR Incentive Plan

During the three months ended March 31, 2025, we acquired shares of our Common Stock in order to satisfy employee tax withholding requirements associated with the vesting of restricted stock awards issued pursuant to the AHR Incentive Plan, as follows:

Period	Total Number of Shares Purchased	Average Price per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
January 1, 2025 to January 31, 2025	432	$ 28.42	—	—
February 1, 2025 to February 28, 2025	37,100	29.30	—	—
March 1, 2025 to March 31, 2025	26,139	30.22	—	—
Total	63,671	$ 29.67	—	—

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(1) The value of the shares withheld is based on the closing price of our Common Stock on the day prior to the vesting date, or if such date is not a trading day, the immediately preceding trading day.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the period covered by this report, none of our directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the period ended March 31, 2025 (and are numbered in accordance with Item 601 of Regulation S-K).

3.1	Fourth Articles of Amendment and Restatement of Griffin-American Healthcare REIT IV, Inc., dated October 1, 2021 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed October 1, 2021 and incorporated herein by reference)
3.2	Articles of Amendment (Reverse Stock Split) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.3	Articles of Amendment (Par Value Decrease) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.2 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.4	Articles Supplementary (Common Stock Reclassification) of American Healthcare REIT, Inc., dated January 26, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed January 30, 2024 and incorporated herein by reference)
3.5	Articles Supplementary (Subtitle 8 Opt-Out) of American Healthcare REIT, Inc., dated February 7, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 12. 2024 and incorporated herein by reference)
3.6	Second Amended and Restated Bylaws of American Healthcare REIT, Inc. (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 24, 2025 and incorporated herein by reference)
10.1*	Seventh Amendment to the First Amended and Restated Senior Secured Credit Agreement, dated as of February 4, 2025, among Trilogy RER, LLC and certain subsidiaries of Trilogy RER, LLC, Trilogy Investors, LLC, Trilogy Healthcare Holdings, Inc. and certain subsidiaries of Trilogy Healthcare Holdings, Inc.,Trilogy OpCo, LLC, and Trilogy Pro Services, LLC, KeyBank National Association and the other lenders which are parties thereto from time to time
10.2*	Agreement Regarding Termination of Commitments, dated as of March 3, 2025, among Trilogy RER, LLC and certain subsidiaries of Trilogy RER, LLC, Trilogy Investors, LLC, Trilogy Healthcare Holdings, Inc. and certain subsidiaries of Trilogy Healthcare Holdings, Inc., Trilogy OpCo, LLC, and Trilogy Pro Services, LLC, KeyBank National Association and the other lenders which are parties thereto from time to time
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* Filed herewith.

** Furnished herewith. In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		American Healthcare REIT, Inc. *(Registrant)*
May 9, 2025	By:	/s/ DANNY PROSKY
Date		Danny Prosky Chief Executive Officer, President and Director (Principal Executive Officer)
May 9, 2025	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

SEVENTH AMENDMENT TO FIRST AMENDED AND RESTATED SENIOR SECURED CREDIT AGREEMENT

THIS SEVENTH AMENDMENT TO FIRST AMENDED AND RESTATED SENIOR SECURED CREDIT AGREEMENT (this "Amendment"), dated as February 4, 2025, by and among the undersigned parties executing this Amendment as "Borrowers" (collectively, "Borrowers"), the undersigned parties executing this Amendment as "Guarantors" (collectively, "Guarantors"), **KEYBANK NATIONAL ASSOCIATION** ("KeyBank") and the other Lenders party hereto (collectively, the "Lenders"), and KeyBank as Administrative Agent for itself and the other Lenders from time to time a party to the Credit Agreement (as hereinafter defined) (KeyBank, in its capacity as Administrative Agent, is hereinafter referred to as "Administrative Agent").

W I T N E S S E T H:

WHEREAS, Borrowers, Administrative Agent and the Lenders are parties to that certain First Amended and Restated Senior Secured Credit Agreement dated as of September 5, 2019, as amended by that certain First Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of April 30, 2021, that certain Second Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of September 29, 2021, that certain Third Amendment to First Amended and Restated Senior Secured Credit Agreement and Amendment to Unconditional Guaranty of Payment and Performance (the "Third Amendment") dated as of December 20, 2022, that certain Fourth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of March 30, 2023, that certain Fifth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of December 21, 2023, and that certain Sixth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of May 21, 2024 (as the same has been and may be further varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Guarantors executed and delivered to Administrative Agent and Lenders that certain Unconditional Guaranty of Payment and Performance dated as of September 5, 2019, as amended by the Third Amendment (as varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Guaranty");

WHEREAS, Borrowers have requested that Administrative Agent and the Lenders make certain modifications to the Credit Agreement, and Administrative Agent and the Lenders have consented to such extension and other modifications, subject to the execution and delivery of this Amendment.

NOW, THEREFORE, for and in consideration of the sum of TEN and NO/100 DOLLARS ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used in this Amendment, but which are not otherwise expressly defined in this Amendment, shall have the respective meanings given thereto in the Credit Agreement.

2. Amendment of the Credit Agreement. Borrowers, Administrative Agent and the Lenders do hereby modify and amend the Credit Agreement by deleting in their entirety the definitions of "Subordinated Note" and "Subordination Agreement" appearing in Section 1.1 of the Credit Agreement and inserting in lieu thereof the following new definitions, in the appropriate alphabetical order:

""Subordinated Note" means (i) that certain Loan Commitment Note dated as of February 14, 2024 by Trilogy Investors (as assignee of Trilogy Property

Holdings, LLC, a Delaware limited liability company) in favor of Subordinated Lender, as amended by that certain First Amendment to Loan Commitment Note dated as of May 7, 2024 among Trilogy Investors and Trilogy Property Holdings, LLC, a Delaware limited liability company, in the maximum principal amount of up to $365,000,000.00, and as assigned by Trilogy Property Holdings, LLC, a Delaware limited liability company, to Trilogy Investors pursuant to that certain Assignment and Assumption Agreement dated as of May 21, 2024, (ii) that certain Loan Commitment Note dated as of September 20, 2024 by Trilogy Investors in favor of Subordinated Lender in the maximum principal amount of up to $500,000,000.00, and (iii) any other note made by Trilogy Investors in favor of Subordinated Lender in form and substance reasonably acceptable to Administrative Agent and which is subject to a Subordination Agreement, in each case, as the same may be amended, supplemented, extended, increased, renewed, replaced, consolidated or otherwise modified from time to time in accordance with the terms of this Agreement and the applicable Subordination Agreement."; and

"“Subordination Agreement” means (i) that certain Subordination and Standstill Agreement dated as of May 21, 2024, by and among Administrative Agent, Subordinated Lender, the Borrowers party thereto, Trilogy Investors and the other Guarantors, (ii) that certain Subordination and Standstill Agreement dated as of February 4, 2025, but made effective as of September 20, 2024, by and among Administrative Agent, Subordinated Lender, the Borrowers party thereto, Trilogy Investors and the other Guarantors, and (iii) any other Subordination Agreement entered into by and among Administrative Agent, Subordinated Lender, the Borrowers party thereto, Trilogy Investors and the other Guarantors with respect to a Subordinated Note in form and substance reasonably acceptable to Administrative Agent, in each case, as the same may be amended, supplemented, restated or otherwise modified from time to time."

3. References to Credit Agreement. All references in the Loan Documents to the Credit Agreement shall be deemed a reference to the Credit Agreement as modified and amended herein.

4. Consent and Acknowledgment of Borrowers and Guarantors. By execution of this Amendment, Guarantors hereby expressly consent to the modifications and amendments relating to the Credit Agreement as set forth herein and any other agreements or instruments executed in connection herewith, and Borrowers and Guarantors hereby acknowledge, represent and agree that (a) the Credit Agreement, as modified and amended herein, and the other Loan Documents remain in full force and effect and constitute the valid and legally binding obligation of Borrowers and Guarantors, as applicable, enforceable against such Persons in accordance with their respective terms, (b) that the Guaranty extends to and applies to the Credit Agreement as modified and amended herein, and (c) that the execution and delivery of this Amendment and any other agreements or instruments executed in connection herewith does not constitute, and shall not be deemed to constitute, a release, waiver or satisfaction of any Borrower’s or any Guarantor’s obligations under the Loan Documents.

5. Representations. Borrowers and Guarantors represent and warrant to Administrative Agent and the Lenders as follows:

(a) Authorization. The execution, delivery and performance of this Amendment and the transactions contemplated hereby (i) are within the authority of Borrowers and Guarantors, (ii) have been duly authorized by all necessary proceedings on the part of such Persons, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any of such Persons is subject or any judgment, order, writ, injunction, license or permit applicable to such Persons, (iv) do not and will not conflict with or constitute a default under any provision of the partnership agreement, articles of incorporation or other charter documents or bylaws of such Person, (v) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of any material agreement or other instrument binding upon, such Person or any of its properties, and (vi) do not and will not result in or require the imposition of any lien or other encumbrance on any of the properties, assets or rights of such Person other than the liens and encumbrances in favor of Administrative Agent contemplated by the Credit Agreement and the other Loan Documents.

(b) Enforceability. This Amendment and any other agreements or instruments executed in connection herewith to which any of Borrowers or Guarantors is a party are the valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and the effect of general principles of equity.

(c) Approvals. The execution, delivery and performance of this Amendment and the transactions contemplated hereby do not require the approval or consent of or approval of any Person or the authorization, consent, approval of or any license or permit issued by, or any filing or registration with, or the giving of any notice to, any court, department, board, commission or other governmental agency or authority other than those already obtained and delivered to Administrative Agent.

(d) Reaffirmation. Borrowers and Guarantors reaffirm and restate as of the date hereof each and every representation and warranty made by such Persons in the Loan Documents or otherwise made by or on behalf of such Persons in connection therewith except for representations or warranties that expressly relate to an earlier date. The representations and warranties made by Borrowers, Guarantors or their respective Subsidiaries in the Loan Documents or otherwise made by or on behalf of such Persons in connection therewith or after the date of the Credit Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the hereof, except to the extent of changes in the facts and circumstances after the date such representation and warranty was made that resulted from actions or inactions not prohibited by the Credit Agreement (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date).

(e) No Default. By execution hereof, Borrowers and Guarantors certify that such Persons are and will be in compliance with all covenants under the Loan Documents after the execution and delivery of this Amendment and the other documents executed in connection herewith, and that no Default or Event of Default has occurred and is continuing.

6. Waiver of Claims. Borrowers and Guarantors acknowledge, represent and agree that such Persons as of the date hereof have no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents, the administration or funding of the Loans or with respect to any acts or omissions of Administrative Agent or any Lender, or any past or present officers, agents or employees of Administrative Agent or any Lender, and each of Borrowers and Guarantors does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

7. Ratification. Except as hereinabove set forth or in any other document previously executed or executed in connection herewith, all terms, covenants and provisions of the Credit Agreement and the other Loan Documents remain unaltered and in full force and effect, and the parties hereto do hereby

expressly ratify and confirm the Credit Agreement, the Guaranty and the other Loan Documents. Nothing in this Amendment shall be deemed or construed to constitute, and there has not otherwise occurred, a novation, cancellation, satisfaction, release, extinguishment or substitution of the indebtedness evidenced by the Notes or the other obligations of Borrowers and Guarantors under the Loan Documents.

8. Counterparts. This Amendment may be executed in any number of counterparts which shall together constitute but one and the same agreement.

9. Miscellaneous. THIS AMENDMENT SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors, successors-in-title and assigns as provided in the Credit Agreement. This Amendment shall constitute a Loan Document.

10. Effective Date. This Amendment shall be deemed effective and in full force and effect (the "Effective Date") upon confirmation by Administrative Agent of the satisfaction of the following conditions:

(a) Execution and delivery of this Amendment by Borrowers, Guarantors, Administrative Agent and the Majority Lenders;

(b) Execution and delivery of the Subordination Agreement by Administrative Agent, Subordinated Lender, Borrowers and Guarantors with respect to the Subordinated Note dated September 20, 2024;

(d) receipt by Administrative Agent of evidence that the Borrowers shall have paid all fees due and payable with respect to this Amendment;

(e) to the extent not previously delivered, receipt by Administrative Agent of a Compliance Certificate evidencing compliance with the covenants described in §9 of the Credit Agreement and the other covenants described in such Compliance Certificate, in each case, after giving effect to this Amendment, calculated in good faith based on the pro forma consolidated financial statements of Trilogy Investors and its Subsidiaries for the calendar quarter ended September 30, 2024; and

(f) Receipt by Administrative Agent of such other resolutions, certificates, documents, lien searches, title updates and endorsements, instruments and agreements as Administrative Agent may reasonably request on or prior to the date of this Amendment.

11. Fees and Expenses. Borrowers will pay the reasonable fees and expenses of Administrative Agent in connection with this Amendment and the transactions contemplated hereby in accordance with Section 15 of the Credit Agreement.

12. Electronic Signatures. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or as an attachment to an electronic mail message in .pdf, .jpeg, .TIFF or similar electronic format shall be effective as delivery of a manually executed counterpart of this Amendment for all purposes. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and any other Loan Document to be signed in connection with this Amendment, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as manually executed signature, physical delivery thereof or the

use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require Administrative Agent to accept electronic signatures in any form or format without its prior written consent. For the purposes hereof, "Electronic Signatures" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record. Each of the parties hereto represents and warrants to the other parties hereto that it has the corporate capacity and authority to execute the Amendment through electronic means and there are no restrictions for doing so in that party's constitutive documents. Without limiting the generality of the foregoing, each Borrower and Guarantor hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among any of Administrative Agent or the Lenders and any of the Borrowers or Guarantors, electronic images of this Amendment or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of any Loan Document based solely on the lack of paper original copies of such Loan Document, including with respect to any signature pages thereto.

[CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto, acting by and through their respective duly authorized officers and/or other representatives, have duly executed this Amendment as of the day and year first above written.

BORROWERS:

PARAGON OUTPATIENT REHABILITATION SERVICES, LLC, an Indiana limited liability company
PCA-CORRECTIONS, LLC,
a Kentucky limited liability company
TRILOGY HEALTHCARE OF ALLEN II, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF BATTLE CREEK, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF COLUMBUS, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF COMMERCE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF CORYDON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF CYNTHIANA, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF FAYETTE III, LLC,
a Kentucky limited liability company
TRILOGY HEALTHCARE OF GLEN RIDGE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HAMILTON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HENRY, LLC,
an Indiana limited liability company
TRILOGY HEALTHCARE OF HENRY II, LLC,
an Indiana limited liability company
TRILOGY HEALTHCARE OF HURON, LLC,
a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY HEALTHCARE OF LIVINGSTON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF LOUISVILLE NORTHEAST, LLC, a Kentucky limited liability company
TRILOGY HEALTHCARE OF LOUISVILLE SOUTHWEST, LLC, a Delaware limited liability company
TRILOGY HEALTHCARE OF LOWELL, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF MONTGOMERY, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF NORTH BALTIMORE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF PUTNAM II, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF PUTNAM III, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF SEYMOUR, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF VANDERBURGH, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF VIGO, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF WOOD COUNTY SUCCESSOR, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY NUSCRIPTRX, LLC,
a Delaware limited liability company
TRILOGY PCA HOLDINGS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE COLUMBUS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE CYNTHIANA, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HARRISON, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HOWELL, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HURON, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENTUCKY III, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENTUCKY, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OAKLAND, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OF BATTLE CREEK, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OHIO, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE PUTNAM II, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OF SEYMOUR, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE VIGO, LLC,
a Delaware limited liability company
TRILOGY REHAB SERVICES, LLC,
a Delaware limited liability company
TRILOGY RER, LLC,
a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY REAL ESTATE FOREST SPRINGS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE MADISON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OPERATIONS OF MADISON, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE HURON II, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE MONTGOMERY, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE LOWELL, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE CORYDON, LLC,
a Delaware limited liability company
LCS AVON LLC, an Iowa limited liability company
RHS PARTNERS OF BLOOMINGTON, LLC, a Delaware limited liability company
RHS PARTNERS OF CARMEL, LLC, a Delaware limited liability company
LCS CRAWFORDSVILLE LLC, an Iowa limited liability company
RHS PARTNERS OF ARLINGTON, LLC, a Delaware limited liability company
RHS PARTNERS OF CASTLETON, LLC, a Delaware limited liability company
LCS KOKOMO LLC, an Iowa limited liability company
RHS PARTNERS OF LAFAYETTE, LLC, a Delaware limited liability company
RHS PARTNERS OF RICHMOND, LLC, a Delaware limited liability company
LCS SOUTH BEND LLC, an Iowa limited liability company
RHS PARTNERS OF TERRE HAUTE, LLC, a Delaware limited liability company
LCS WABASH LLC, an Iowa limited liability company
LCS WESTFIELD LLC, an Iowa limited liability company
TRILOGY HEALTHCARE OF MONTGOMERY II, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY REAL ESTATE KENT, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF KENT, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENT II, LLC, a Delaware limited liability company
TRILOGY HEALTHCARE OF BELMONT, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HAMILTON III, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HAMILTON III, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE TIFFIN, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF TIFFIN, LLC, a Delaware limited liability company
TRILOGY NORTH CAROLINA RX, LLC, a Delaware limited liability company
SYNCHRONY NORTH CAROLINA RX, LLC, a Delaware limited liability company
TRILOGY FLORIDA RX, LLC, a Delaware limited liability company
PCA FLORIDA RX, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

GUARANTORS:

TRILOGY INVESTORS, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY HEALTHCARE HOLDINGS, INC., a Delaware corporation

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY PRO SERVICES, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY OPCO, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT AND LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually as a Lender and as Administrative Agent

By: /s/ Laura Conway____________
Name: Laura Conway
Title: Senior Vice President

FIRST-CITIZENS BANK & TRUST COMPANY (Successor-By-Merger to CIT Bank, N.A.), as a Lender

By:________________
Name: ______________
Title: ______________

REGIONS BANK, as a Lender

By:________________
Name: ______________
Title: ______________

BANK OF AMERICA, N.A., as a Lender

By:________________
Name: ______________
Title: ______________

THE HUNTINGTON NATIONAL BANK, as a Lender

By:________________
Name: ______________
Title: ______________

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT AND LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually as a Lender and as Administrative Agent

By:_______________
Name: _____________
Title: _____________

FIRST-CITIZENS BANK & TRUST COMPANY (Successor-By-Merger to CIT Bank, N.A.), as a Lender

By: /s/ Jason T. Sylvester
Name: Jason T. Sylvester
Title: Director

REGIONS BANK, as a Lender

By:_______________
Name: _____________
Title: _____________

BANK OF AMERICA, N.A., as a Lender

By:_______________
Name: _____________
Title: _____________

THE HUNTINGTON NATIONAL BANK, as a Lender

By:_______________
Name: _____________
Title: _____________

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT AND LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually as a Lender and as Administrative Agent

By:_______________
Name: _____________
Title: _____________

FIRST-CITIZENS BANK & TRUST COMPANY (Successor-By-Merger to CIT Bank, N.A.), as a Lender

By:_______________
Name: _____________
Title: _____________

REGIONS BANK, as a Lender

By: /s/ John E. Boulder
Name: John E. Boulder
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender

By:_______________
Name: _____________
Title: _____________

THE HUNTINGTON NATIONAL BANK, as a Lender

By:_______________
Name: _____________
Title: _____________

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT AND LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually as a Lender and as Administrative Agent

By:______________
Name: ____________
Title: ____________

FIRST-CITIZENS BANK & TRUST COMPANY (Successor-By-Merger to CIT Bank, N.A.), as a Lender

By:______________
Name: ____________
Title: ____________

REGIONS BANK, as a Lender

By:______________
Name: ____________
Title: ____________

BANK OF AMERICA, N.A., as a Lender

By: /s/ H. Hope Walker
Name: H. Hope Walker
Title: Senior Vice President

THE HUNTINGTON NATIONAL BANK, as a Lender

By:______________
Name: ____________
Title: ____________

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT AND LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually as a Lender and as Administrative Agent

By:_______________
Name: _____________
Title: _____________

FIRST-CITIZENS BANK & TRUST COMPANY (Successor-By-Merger to CIT Bank, N.A.), as a Lender

By:_______________
Name: _____________
Title: _____________

REGIONS BANK, as a Lender

By:_______________
Name: _____________
Title: _____________

BANK OF AMERICA, N.A., as a Lender

By:_______________
Name: _____________
Title: _____________

THE HUNTINGTON NATIONAL BANK, as a Lender

By: /s/ Stephen Everhard
Name: Stephen Everhard
Title: Senior Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

SYNOVUS BANK, as a Lender

By: /s/ Kathryn H. Buchanan
Name: Kathryn H. Buchanan
Title: Managing Director

CIBC BANK USA, as a Lender

By:______________
Name: ____________
Title: ____________

BOKF, NA dba BANK OF OKLAHOMA, as a Lender

By:______________
Name: ____________
Title: ____________

BMO BANK N.A., successor in interest to Bank Of The West, as a Lender

By:______________
Name: ____________
Title: ____________

SYNOVUS BANK, as a Lender

By:______________
Name: ____________
Title: ____________

CIBC BANK USA, as a Lender

By:__/s/ Michael Valazquez______
Name: __Michael Valazquez______
Title: __Managing Director______

BOKF, NA dba BANK OF OKLAHOMA, as a Lender

By:______________
Name: ____________
Title: ____________

BMO BANK N.A., successor in interest to Bank Of The West, as a Lender

By:______________
Name: ____________
Title: ____________

SYNOVUS BANK, as a Lender

By:______________
Name: ____________
Title: ____________

CIBC BANK USA, as a Lender

By:______________
Name: ____________
Title: ____________

BOKF, NA dba BANK OF OKLAHOMA, as a Lender

By: /s/ Christopher Rollmann
Name: Christopher Rollmann
Title: Senior Vice President

BMO BANK N.A., successor in interest to Bank Of The West, as a Lender

By:______________
Name: ____________
Title:____________

SYNOVUS BANK, as a Lender

By:_______________
Name: _____________
Title: _____________

CIBC BANK USA, as a Lender

By:_______________
Name: _____________
Title: _____________

BOKF, NA dba BANK OF OKLAHOMA, as a Lender

By:_______________
Name: _____________
Title: _____________

BMO BANK N.A., successor in interest to Bank Of The West, as a Lender

By: /s/ Adam Shifrin
Name: Adam Shifrin
Title: Director

Exhibit 10.2

AGREEMENT REGARDING TERMINATION OF COMMITMENTS

THIS AGREEMENT REGARDING TERMINATION OF COMMITMENTS (this "Agreement"), dated as of March 3, 2025, by and among the undersigned parties executing this Agreement as "Borrowers" (collectively, "Borrowers"), the undersigned parties executing this Agreement as "Guarantors" (collectively, "Guarantors"), **KEYBANK NATIONAL ASSOCIATION** ("KeyBank") and the other Lenders party hereto (collectively, the "Lenders"), and KeyBank as Administrative Agent for itself and the other Lenders from time to time a party to the Credit Agreement (as hereinafter defined) (KeyBank, in its capacity as Administrative Agent, is hereinafter referred to as "Administrative Agent").

W I T N E S S E T H:

WHEREAS, Borrowers, Administrative Agent and the Lenders are parties to that certain First Amended and Restated Senior Secured Credit Agreement dated as of September 5, 2019, as amended by that certain First Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of April 30, 2021, that certain Second Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of September 29, 2021, that certain Third Amendment to First Amended and Restated Senior Secured Credit Agreement and Amendment to Unconditional Guaranty of Payment and Performance (the "Third Amendment") dated as of December 20, 2022, that certain Fourth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of March 30, 2023, that certain Fifth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of December 21, 2023, that certain Sixth Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of May 21, 2024, and that certain Seventh Amendment to First Amended and Restated Senior Secured Credit Agreement dated as of February 4, 2025 (as varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Credit Agreement");

WHEREAS, on or prior to the Effective Date (as defined in Section 12 below), Borrowers intend to irrevocably and permanently payoff and terminate all of the Commitments pursuant to Section 2.14 of the Credit Agreement (the "Commitment Termination"), which Commitment Termination shall include, for the avoidance of any doubt, the termination of the A/R Revolving Loan Commitments, the Real Estate Revolving Loan Commitments, the Swing Loan Commitment and the Letter of Credit Commitment;

WHEREAS, in connection with the Commitment Termination, Borrowers have requested that Administrative Agent and the Lenders terminate the Credit Agreement and the other Loan Documents, except with respect to the Continuing Obligations (as defined herein), and Administrative Agent and the Lenders have consented to such termination, subject to the execution and delivery of this Agreement.

NOW, THEREFORE, for and in consideration of the sum of TEN and NO/100 DOLLARS ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used in this Agreement, but which are not otherwise expressly defined in this Agreement, shall have the respective meanings given thereto in the Credit Agreement.

2. Recitals Incorporated; Commitment Termination; Termination of Agreements. The parties hereto acknowledge and agree that the recitals set forth above are a true and correct description of the facts and circumstances underlying this Agreement and such recitals are incorporated herein by this reference. Subject to receipt by Administrative Agent in immediately available funds from Borrowers of all amounts payable under the Credit Agreement and the other Loan Documents (including, without limitation, the outstanding principal balance of all Loans, accrued but unpaid interest, and all other fees, breakage compensation and other reimbursements) in accordance with the terms of the Credit Agreement, as more particularly described on Exhibit A attached hereto (collectively, the "Payoff Amount"), and the satisfaction

of the other conditions set forth in Section 12 below, (a) the Commitments of each of the Lenders (including, without limitation, the Swing Loan Commitment and the Letter of Credit Commitment) shall each be irrevocably and permanently terminated in their entirety as of the Effective Date, and (b) the Credit Agreement and each of the other Loan Documents shall be terminated as of the Effective Date and Borrowers and the Guarantors shall be released from their obligations thereunder (such Credit Agreement and other Loan Documents, including, without limitation, the Loan Documents listed on Schedule 1 attached hereto, collectively, the "Terminated Loan Documents"); provided, however, that (i) any and all provisions set forth in the Terminated Loan Documents that expressly provide that they shall survive the repayment of the Loans and the termination of such Terminated Loan Documents (including, without limitation, any indemnification and expense reimbursement provisions) shall survive the termination of the Terminated Loan Documents in accordance with such provisions, and (ii) the termination of the Guaranty, the Indemnity Agreement and the other Loan Documents in accordance with this Agreement shall be subject to any reinstatement provisions expressly contained therein (the provisions referenced in clauses (i) and (ii) above, and Borrowers' and the Guarantors' respective obligations thereunder, collectively, the "Continuing Obligations"). Each of Borrowers and the Guarantors hereby ratifies and confirms its continuing liability to the Administrative Agent and the Lenders for the indefeasible payment and satisfaction in full of the Continuing Obligations, together with any interest thereon (at the interest rate provided for in the Credit Agreement) owed to Administrative Agent and Lenders in respect thereof, which interest shall accrue from the date on which each such amount is due under the terms of the Loan Documents as in effect immediately prior to the effectiveness hereof, until Administrative Agent has received full and final payment thereof in immediately available funds. Each Borrower and each Guarantor hereby acknowledges and agrees that as of the Effective Date, Lenders shall have no obligation to make any Loan, issue any Letter of Credit or extend any other financial accommodations for or on behalf of any Borrower under the Credit Agreement or the other Loan Documents.

3. Release of Collateral; Lien Releases. All of Administrative Agent's and the Lenders' security interests in the Collateral and all real and personal property of each Borrower or Guarantor granted under the Security Documents shall be automatically terminated and released as of the Effective Date. Promptly after the Effective Date, Administrative Agent shall, at Borrowers' sole cost and expense, deliver to Borrowers (or any party designated by Borrowers) such mortgage releases, UCC-3 termination statements, termination letters with respect to deposit account control agreements and deposit account instructions and service agreements (collectively, the "DACA and DAISA Termination Letters"), and other release documents, executed and acknowledged, as applicable, with respect to the Collateral as necessary to evidence and/or fully effectuate the termination and release set forth in the foregoing sentence, all of which releases shall be filed and/or recorded, as applicable, by Borrowers (except for the DACA and DAISA Termination Letters, which shall be sent by Administrative Agent or its counsel). Borrowers hereby agree that upon receipt of file stamped copies of the releases and/or termination statements delivered to Borrowers pursuant to the foregoing sentence, Borrowers shall promptly provide Administrative Agent with copies thereof. In addition, Administrative Agent agrees that if Borrowers at any time reasonably determine and notify Administrative Agent in writing that the delivery of any additional instrument executed by Administrative Agent is required to release, discharge or terminate any security interest or any other Lien securing the payment of Loans or other Obligations under the Loan Documents granted to Administrative Agent pursuant to any security agreement, collateral assignment or other grant of security (an "Other Lien"), or any notice, filing or registration of any Other Lien, Administrative Agent will, at the sole cost and expense of Borrowers and as reasonably requested by Borrowers in such notice, execute and deliver (and, if requested, acknowledge) such other instruments effecting or confirming the release, discharge or termination of such Other Lien, or any notice, filing or registration of such Other Lien, on the terms set forth in this Section 3 and otherwise in form and substance reasonably satisfactory to Borrower and Administrative Agent.

4. Indemnification for Returned Items and Related Expenses. Borrowers and the Guarantors do hereby indemnify Administrative Agent and Lenders from any and all actual, out-of-pocket loss, costs,

damage or expense (including reasonable attorneys' fees and legal expenses) which Administrative Agent or any Lender suffers or incurs at any time as a result of (i) any non-payment, claim, refund or dishonor of any checks or other similar items which have been credited by Administrative Agent to the account of any Borrower or any Guarantor with Administrative Agent or such Lender and (ii) any bookkeeping, accounting or other errors in calculation of any amount to be paid to Administrative Agent or such Lender hereunder requiring an adjustment thereto, together with any actual, out-of-pocket expenses or other charges incident thereto and, in addition, Borrowers and the Guarantors shall pay Administrative Agent on demand all actual, out-of-pocket costs and expenses (including reasonable attorneys' fees and legal expenses) incurred in connection with this Agreement and any actions, instruments or documents contemplated hereunder. Notwithstanding anything to the contrary contained herein, Administrative Agent and Lenders reserve all of their respective rights in and to any checks or similar instruments for payment of money heretofore received by Administrative Agent or such Lender in connection with its arrangements with any Borrower or any Guarantor, and all of its rights to any monies due or to become due under said checks or similar instruments and/or all of its claims thereon.

5. Reinstatement. Notwithstanding anything to the contrary contained herein, in the event any payment made to, or other amount or value received by, Administrative Agent from or for the account of any Borrower or any Guarantor is avoided, rescinded, set aside or must otherwise be returned or repaid by Administrative Agent whether in any bankruptcy, reorganization, insolvency or similar proceeding involving any Borrower or any Guarantor, any of their Subsidiaries or otherwise, the indebtedness or guaranty intended to be repaid thereby shall be reinstated (without any further action by any party) and shall be enforceable against Borrowers, the Guarantors, and their respective successors or assigns. In such event, Borrowers and the Guarantors shall be and remain liable to Administrative Agent and Lenders for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Administrative Agent with interest accruing thereon from and after the date such amount is so repaid or recovered.

6. Representations. Borrowers and Guarantors represent and warrant to Administrative Agent and the Lenders as follows:

(a) Authorization. The execution, delivery and performance of this Agreement and the transactions contemplated hereby (i) are within the authority of Borrowers and Guarantors, (ii) have been duly authorized by all necessary proceedings on the part of such Persons, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any of such Persons is subject or any judgment, order, writ, injunction, license or permit applicable to such Persons, (iv) do not and will not conflict with or constitute a default under any provision of the partnership agreement, articles of incorporation or other charter documents or bylaws of such Person, and (v) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of any material agreement or other instrument binding upon, such Person or any of its properties.

(b) Enforceability. This Agreement and any other agreements or instruments executed in connection herewith to which any of Borrowers or Guarantors is a party are the valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and the effect of general principles of equity.

(a) Approvals. The execution, delivery and performance of this Agreement and the transactions contemplated hereby do not require the approval or consent of or approval of any Person or the authorization, consent, approval of or any license or permit issued by, or any filing or registration with, or the giving of any notice to, any court, department, board, commission or other governmental agency or authority other than those already obtained and delivered to Administrative Agent (and/or filings of releases and/or terminations of any Liens securing the Loan Documents as contemplated herein following the Commitment Termination).

7. Waiver of Claims. Borrowers and Guarantors acknowledge, represent and agree that such Persons as of the date hereof have no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents, the administration or funding of the Loans or with respect to any acts or omissions of Administrative Agent or any Lender, or any past or present officers, agents or employees of Administrative Agent or any Lender, with respect to or in connection with the Loans and/or the Loan Documents and each of Borrowers and Guarantors does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any. Borrowers and Guarantors agree that the Payoff Amount and the Continuing Obligations are payable without any deduction, offset, defenses or counterclaim.

9. Counterparts. This Agreement may be executed in any number of counterparts which shall together constitute but one and the same agreement.

10. Miscellaneous. THIS AGREEMENT SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors, successors-in-title and assigns as provided in the Credit Agreement. This Agreement shall constitute a Loan Document.

12. Effective Date. This Agreement shall be deemed effective and in full force and effect (the “Effective Date”) upon confirmation by Administrative Agent of the satisfaction of the following conditions: (a) the execution and delivery of this Agreement by Borrowers, the Guarantors and Administrative Agent; and (b) receipt by Administrative Agent of the Payoff Amount from or on behalf of Borrowers as contemplated in Section 2 of this Agreement.

13. Fees and Expenses. Borrowers will pay the reasonable fees and actual, out-of-pocket expenses of Administrative Agent in connection with this Agreement and the transactions contemplated hereby in accordance with Section 15 of the Credit Agreement.

14. Electronic Signatures. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or as an attachment to an electronic mail message in .pdf, .jpeg, .TIFF or similar electronic format shall be effective as delivery of a manually executed counterpart of this Agreement for all purposes. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement and any other Loan Document to be signed in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require Administrative Agent to accept electronic signatures in any form or format without its prior written consent. For the purposes hereof, “Electronic Signatures” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record. Each of the parties hereto represents and warrants to the other parties hereto that it has the corporate capacity and authority to execute the Agreement through electronic means and there are no restrictions for doing so in that party’s constitutive documents. Without limiting the generality of the foregoing, each Borrower and Guarantor hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among any of Administrative Agent or the Lenders and any of the Borrowers or Guarantors, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii)

waives any argument, defense or right to contest the validity or enforceability of any Loan Document based solely on the lack of paper original copies of such Loan Document, including with respect to any signature pages thereto.

[CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto, acting by and through their respective duly authorized officers and/or other representatives, have duly executed this Agreement as of the day and year first above written.

BORROWERS:

PARAGON OUTPATIENT REHABILITATION SERVICES, LLC, an Indiana limited liability company
PCA-CORRECTIONS, LLC,
a Kentucky limited liability company
TRILOGY HEALTHCARE OF ALLEN II, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF BATTLE CREEK, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF COLUMBUS, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF COMMERCE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF CORYDON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF CYNTHIANA, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF FAYETTE III, LLC,
a Kentucky limited liability company
TRILOGY HEALTHCARE OF GLEN RIDGE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HAMILTON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HENRY, LLC,
an Indiana limited liability company
TRILOGY HEALTHCARE OF HENRY II, LLC,
an Indiana limited liability company
TRILOGY HEALTHCARE OF HURON, LLC,
a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY HEALTHCARE OF LIVINGSTON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF LOUISVILLE NORTHEAST, LLC, a Kentucky limited liability company
TRILOGY HEALTHCARE OF LOUISVILLE SOUTHWEST, LLC, a Delaware limited liability company
TRILOGY HEALTHCARE OF LOWELL, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF MONTGOMERY, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF NORTH BALTIMORE, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF PUTNAM II, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF PUTNAM III, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF SEYMOUR, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF VANDERBURGH, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF VIGO, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF WOOD COUNTY SUCCESSOR, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY NUSCRIPTRX, LLC,
a Delaware limited liability company
TRILOGY PCA HOLDINGS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE COLUMBUS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE CYNTHIANA, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HARRISON, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HOWELL, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HURON, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENTUCKY III, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENTUCKY, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OAKLAND, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OF BATTLE CREEK, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OHIO, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE PUTNAM II, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE OF SEYMOUR, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE VIGO, LLC,
a Delaware limited liability company
TRILOGY REHAB SERVICES, LLC,
a Delaware limited liability company
TRILOGY RER, LLC,
a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY REAL ESTATE FOREST SPRINGS, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE MADISON, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OPERATIONS OF MADISON, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE HURON II, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE MONTGOMERY, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE LOWELL, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE CORYDON, LLC,
a Delaware limited liability company
LCS AVON LLC, an Iowa limited liability company
RHS PARTNERS OF BLOOMINGTON, LLC, a Delaware limited liability company
RHS PARTNERS OF CARMEL, LLC, a Delaware limited liability company
LCS CRAWFORDSVILLE LLC, an Iowa limited liability company
RHS PARTNERS OF ARLINGTON, LLC, a Delaware limited liability company
RHS PARTNERS OF CASTLETON, LLC, a Delaware limited liability company
LCS KOKOMO LLC, an Iowa limited liability company
RHS PARTNERS OF LAFAYETTE, LLC, a Delaware limited liability company
RHS PARTNERS OF RICHMOND, LLC, a Delaware limited liability company
LCS SOUTH BEND LLC, an Iowa limited liability company
RHS PARTNERS OF TERRE HAUTE, LLC, a Delaware limited liability company
LCS WABASH LLC, an Iowa limited liability company
LCS WESTFIELD LLC, an Iowa limited liability company
TRILOGY HEALTHCARE OF MONTGOMERY II, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TRILOGY REAL ESTATE KENT, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF KENT, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE KENT II, LLC, a Delaware limited liability company
TRILOGY HEALTHCARE OF BELMONT, LLC,
a Delaware limited liability company
TRILOGY REAL ESTATE HAMILTON III, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF HAMILTON III, LLC, a Delaware limited liability company
TRILOGY REAL ESTATE TIFFIN, LLC,
a Delaware limited liability company
TRILOGY HEALTHCARE OF TIFFIN, LLC, a Delaware limited liability company
TRILOGY NORTH CAROLINA RX, LLC, a Delaware limited liability company
SYNCHRONY NORTH CAROLINA RX, LLC, a Delaware limited liability company
TRILOGY FLORIDA RX, LLC, a Delaware limited liability company
PCA FLORIDA RX, LLC, a Delaware limited liability company

By: /s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

GUARANTORS:

TRILOGY INVESTORS, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY HEALTHCARE HOLDINGS, INC., a Delaware corporation

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY PRO SERVICES, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

TRILOGY OPCO, LLC, a Delaware limited liability company

By:/s/ Gregory A. Conner
Name: Gregory A. Conner
Title: SVP, Treasurer and Assistant Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION, as Administrative Agent

By:/s/ Laura Conway___________
Name: Laura Conway
Title: Senior Vice President

EXHIBIT A

Payoff Amount as of the Effective Date

**Pursuant to Item 601(a)(5) of Regulation S-K, we have not filed with the Agreement Regarding Termination of Commitments this schedule/attachment to the Agreement Regarding Termination of Commitments. We will provide a copy of this omitted schedule/attachment to the SEC or its staff upon request.*

SCHEDULE 1

Loan Documents

**Pursuant to Item 601(a)(5) of Regulation S-K, we have not filed with the Agreement Regarding Termination of Commitments this schedule/attachment to the Agreement Regarding Termination of Commitments. We will provide a copy of this omitted schedule/attachment to the SEC or its staff upon request.*

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Danny Prosky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 9, 2025	By:	/s/ DANNY PROSKY
Date		Danny Prosky Chief Executive Officer, President and Director (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian S. Peay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 9, 2025	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 9, 2025	By:	/s/ DANNY PROSKY
Date		Danny Prosky Chief Executive Officer, President and Director (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 9, 2025	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)