

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2021

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



WELLTOWER INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

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

34-1096634  
(I.R.S. Employer  
Identification No.)

43615  
(Zip Code)

(419) 247-2800

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$1.00 par value	WELL	New York Stock Exchange
4.800% Notes due 2028	WELL28	New York Stock Exchange
4.500% Notes due 2034	WELL34	New York Stock Exchange

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the shares of voting common stock held by non-affiliates of the registrant, computed by reference to the closing sales price of such shares on the New York Stock Exchange as of the last business day of the registrant's most recently completed second fiscal quarter was \$35,091,527,000.

As of February 4, 2022, the registrant had 447,279,642 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the annual stockholders' meeting to be held May 9, 2022, are incorporated by reference into Part III.

**WELLTOWER INC. AND SUBSIDIARIES**  
**2021 FORM 10-K ANNUAL REPORT**  
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## **PART I**

### **Item 1. Business**

#### **General**

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

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

References herein to "we," "us," "our" or the "company" refer to Welltower Inc., a Delaware corporation, and its subsidiaries unless specifically noted otherwise.

#### **Portfolio of Properties**

Please see "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operation – Executive Summary – Company Overview" for a table that summarizes our portfolio as of December 31, 2021.

#### **Property Types**

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

##### ***Seniors Housing Operating***

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

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

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

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

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

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

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

Our Seniors Housing Operating segment accounted for 68%, 67% and 67% of total revenues for the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021, we had relationships with 38 operators to manage our Seniors Housing Operating properties. In each instance, our partner provides management services to the properties pursuant to an incentive-based management contract. We rely on our partners to effectively and efficiently manage these properties. For the year ended December 31, 2021, our relationship with Sunrise Senior Living accounted for approximately 33% of our Seniors Housing Operating segment revenues and 22% of our total revenues. Additionally Revera accounted for approximately 11% of our Seniors Housing Operating segment revenues and 7% our total revenues. Revera owns a controlling interest in Sunrise Senior Living.

#### ***Triple-net***

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

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

Our Triple-net segment accounted for 19%, 17% and 19% of total revenues for the years ended December 31, 2021, 2020 and 2019, respectively. For the year ended December 31, 2021, our revenues related to our relationship with ProMedica Health System ("ProMedica") accounted for approximately 26% of our Triple-net segment revenues and 5% of total revenues. As of December 31, 2021, our relationship with ProMedica was comprised of a master lease for 205 properties owned by a joint venture landlord of which we own 80%. In addition to rent, the master lease requires ProMedica to pay all operating costs, utilities, real estate taxes, insurance, building repairs, maintenance costs and all obligations under certain ground leases. All obligations under the master lease have been guaranteed by ProMedica.

For the year ended December 31, 2021, our revenues related to our relationship with Genesis Healthcare ("Genesis") accounted for approximately 6% of our Triple-net segment revenues and 1% of our total revenues. During 2020, Genesis indicated substantial doubt as to their ability to continue as a going concern. As a result, effective July 1, 2020, we recognized reserves for all existing straight-line rent receivable balances of \$91,025,000 as a reduction to rental income and now recognize rental income from Genesis on a cash basis. Additionally, in March 2021, we entered into definitive agreements to substantially exit our operating relationship with Genesis. As of December 31, 2021, we have transitioned nine facilities to an 80/20 joint venture with ProMedica. Additionally, operations have transitioned to new operators for 39 of the remaining 42 properties, with three properties expected to transition at a later date. We have entered into definitive agreements to sell the 42 properties to either a joint venture with Aurora Health Network, the new operator and us, or to sell outright. As of December 31, 2021, we have closed on the sale of 25 of those properties. An additional ten properties are classified as held for sale and the remaining seven properties are expected to be sold in 2023. As a result, as of December 31, 2021, our relationship with Genesis was comprised of three properties owned 100% by us and master leased to Genesis, which are currently classified as held for sale, a loan balance net of allowance for credit losses of \$154,476,000, approximately 9.5 million shares of GEN Series A common stock and a 25% ownership stake in an unconsolidated joint venture that includes two master leases for 28 properties operated by Genesis.

## **Outpatient Medical**

*Outpatient Medical Buildings* Demand for outpatient medical services is growing as more procedures are performed safely and efficiently outside the hospital setting. State-of-the-art outpatient centers are needed in accessible, consumer-friendly locations. Our portfolio of outpatient medical buildings is an integral part of creating health care provider connectivity in local markets and generally include physician offices, ambulatory surgery centers, diagnostic facilities, outpatient services and/or labs. Approximately 87% of our outpatient medical building portfolio is affiliated with health systems (buildings directly on or adjacent to hospital campuses or with tenants that are satellite locations for the health system and its physicians). We typically lease our outpatient medical buildings to multiple tenants and provide varying levels of property management. Our Outpatient Medical segment accounted for 13%, 16% and 13% of total revenues for each of the years ended December 31, 2021, 2020 and 2019, respectively. No single tenant exceeds 20% of segment revenues.

## **Investments**

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

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

## **Investment Types**

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

At December 31, 2021, approximately 94% of our triple-net properties were subject to master leases. A master lease is a lease of multiple properties to one tenant entity under a single lease agreement. From time to time, we may acquire additional properties that are then leased to the tenant under the master lease. The tenant is required to make one monthly payment that represents rent on all the properties that are subject to the master lease. Typically, the master lease tenant can exercise its right to purchase the properties or to renew the master lease only with respect to all leased properties at the same time. We believe this bundling feature benefits us because the tenant cannot limit the purchase or renewal to better performing properties and terminate the leasing arrangement with respect to poorer performing properties. This spreads our risk among the entire group of properties within the master lease. The bundling feature should provide a similar advantage to us if the master lease tenant is in bankruptcy. Subject to certain restrictions, a debtor in bankruptcy has the right to assume or reject its unexpired leases and executory contracts. In the context of integrated master leases such as ours, our tenants in bankruptcy would be required to assume or reject the master lease as a whole, rather than deciding on a property by property basis.

Our Outpatient Medical portfolio is primarily self-managed and consists mainly of multi-tenant properties leased to health care providers. Our leases typically include increasers and some form of operating expense reimbursement by the tenant. As of December 31, 2021, 65% of our portfolio included leases with full pass through, 30% with a partial expense reimbursement (modified gross) and 5% with no expense reimbursement (gross). Our outpatient medical leases are non-cancellable operating leases that have a weighted-average remaining term of five years at December 31, 2021 and are often credit enhanced by security deposits, guarantees and/or letters of credit.

*Construction* We provide for the construction of properties for tenants primarily as part of long-term operating leases. We capitalize certain interest costs associated with funds used for the construction of properties owned by us. The amount capitalized is based upon the amount advanced during the construction period using the rate of interest that approximates our company-wide cost of financing. Our interest expense is reduced by the amount capitalized. The construction period commences upon funding and terminates upon the earlier of the completion of the applicable property or the end of a specified period. During the construction period, we advance funds to the tenants in accordance with agreed upon terms and conditions which require, among other things, periodic site visits by a company representative. During the construction period, we generally require an additional credit enhancement in the form of payment and performance bonds and/or completion guarantees. At December 31, 2021, we had outstanding construction investments of \$651,389,000 and were committed to provide additional funds of approximately \$1,208,913,000 to complete construction for consolidated investment properties. We also provide for construction loans which, depending on the terms and conditions, could be treated as loans, real property or investments in unconsolidated entities.

*Loans* Our real estate loans are typically structured to provide us with interest income, principal amortization and transaction fees. Real estate loans consist of mortgage loans and other real estate loans which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment of the partnership interest in the related properties, corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. At December 31, 2021, we had outstanding loans, net of allowances, of \$1,292,308,000 with an interest yield of approximately 11.2% per annum. Our yield on loans depends upon a number of factors, including the stated interest rate, average principal amount outstanding during the term of the loan and any interest rate adjustments. The loans outstanding at December 31, 2021 are generally subject to one to 15-year terms with principal amortization schedules and/or balloon payments of the outstanding principal balances at the end of the term.

*Investments in Unconsolidated Entities* Investments in entities that we do not consolidate but for which we can exercise significant influence over operating and financial policies are reported under the equity method of accounting. At December 31, 2021, we had investments in unconsolidated entities of \$1,039,043,000. Our investments in unconsolidated entities generally represent interests ranging from 10% to 65% in real estate assets. Under the equity method of accounting, our share of the investee's earnings or losses is included in our consolidated results of operations. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the entity interest inclusive of transaction costs. We evaluate our equity method investments for impairment based upon a comparison of the estimated fair value of the equity method investment to its carrying value. When we determine a decline in the estimated fair value of such an investment below its carrying value is other-than-temporary, an impairment is recorded.

*In Substance Real Estate* Additionally, we provide loans to third parties for the acquisition, development and construction of real estate. Under these arrangements, it is possible that we will participate in the expected residual profits of the project through the sale, refinancing or acquisition of the property. We evaluate the characteristics of each arrangement, including its risks and rewards, to determine whether they are more similar to those associated with a loan or an investment in real estate. Arrangements with characteristics implying real estate joint ventures are treated as in substance real estate investments, accounted for using the equity method, and are presented as investments in unconsolidated entities. We have made loans related to twelve properties with a carrying value of \$317,647,000 as of December 31, 2021, which are classified as in substance real estate investments.

#### **Principles of Consolidation**

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

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

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

## Borrowing Policies

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

## Competition

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

The operators/tenants of our properties compete with properties that provide comparable services in the local markets. Operators/tenants compete for patients and residents based on a number of factors including quality of care, reputation, physical appearance of properties, location, services offered, family preferences (including a preference for home health services instead of residing in one of our communities), physicians, staff and price. Throughout the COVID-19 pandemic, seniors housing operators have experienced broad-based occupancy declines and as a result, we expect competition to continue in 2022 and beyond as operators attempt to fill unoccupied units. We also face competition from other health care facilities for tenants, such as physicians and other health care providers that provide comparable facilities and services.

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

## Environmental, Social and Governance

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

- Elevated by CDP to the highest available band level of leadership with an improved score of “A-” for taking coordinated action on climate issues;
- Raised MSCI ESG rating from A to AA;
- Named in 2021 to the Dow Jones Sustainability North American Index for the sixth consecutive year;
- Listed in the FTSE4Good Index since 2012;
- Recognized by the U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy as an ENERGY STAR Partner of the Year for the third consecutive year and elevated to the level of Sustained Excellence, the EPA’s highest recognition within the ENERGY STAR program;
- Maintained Gold Level Green Lease Leader status by the Institute for Market Transformation and the U.S. Department of Energy’s Better Buildings Alliance;
- Named to the Bloomberg Gender-Equality Index for the third consecutive year;
- Named to the Workplace Health Achievement Index by the American Heart Association for the fourth consecutive year, and increased from Bronze to Silver level;
- Maintained Prime status under the ISS-ESG Corporate rating for the third consecutive year;
- Named by S&P Global in collaboration with RobecoSAM for the fourth consecutive year in the 2021 edition of The Sustainability Yearbook;
- Named to the top 20 percent of Newsweek’s America’s Most Responsible Companies list for the third consecutive year;
- Named to Sustainalytics 2021 Top-Rated ESG Companies list;
- Named as one of the top sustainable REITs in Barron’s list of America’s Most Sustainable Companies for the second consecutive year;

- Honored at the Women’s Forum of New York Breakfast of Champions for the second time for our representation of women on our Board of Directors; and
- Opened Sunrise at East 56th, the recipient of all three LEED Silver, WELL Certification at the Silver level, and WELL Health-Safety Rating Seal certifications.

*Environmental* We strive to reduce our environmental impact by increasing energy and water efficiency, reducing greenhouse gas emissions, and by investing in projects that reduce energy and water consumption that meet our rate of return threshold. After several years of portfolio and program evolution, along with our increased ability to collect data in partnership with our operators and tenants, our property-level sustainability dataset (energy, greenhouse gas (“GHG”), water, and waste) is evolving to become a set of tools for benchmarking. A portion of our self-managed Outpatient Medical portfolio is benchmarked in EPA ENERGY STAR Portfolio Manager (“ESPM”) and we regularly engage with our operators and tenants on ENERGY STAR, utility bill aggregators, utility companies, and others to add to our number of ESPM benchmarked properties throughout our portfolio. In 2021, we continued to work towards our goals of a 10% reduction in GHG emissions and energy and water usage by 2025 from our 2018 baseline.

We have employee, tenant, operator/manager and vendor engagement programs in place, focused on operational strategies to drive energy and water efficiency. We have issued guidance with accompanying training to assist them to successfully benchmark our buildings and to engage them to improve energy and water efficiency, as well as increase their recycling diversion rates.

In December 2019, we issued our inaugural green bond of \$500,000,000 of 2.700% notes due 2027. The net proceeds from the offering have been, and continue to be, used to fund energy efficiency, water conservation and green building projects. As of September 30, 2021, we have utilized \$277,732,000 of proceeds from this issuance on such projects.

We understand that as we continue to make our operations and buildings more sustainable, we also have a responsibility to effectuate the same in our supply chain and our purchasing decisions. As such, we partner with suppliers that offer take back programs for their products, look for the ENERGY STAR label when purchasing eligible items, seek to purchase office supply products that contain recycled content and purchase paper products that are either Forest Stewardship Council or Sustainable Forestry Initiative certified.

*Social* We value and are committed to our employees. We believe that a diverse workplace produces a variety of perspectives, motivates employees and helps us understand and better serve our stakeholders, and the communities in which we do business. As of December 31, 2021, our U.S. employees self-identified as follows:

Ethnicity	Male	Female
Asian	5 %	7 %
Black or African American	5 %	7 %
Hispanic or Latino	7 %	7 %
Native Hawaiian or Other Pacific Islander	— %	1 %
Two or More Races	1 %	1 %
White	82 %	77 %
	100 %	100 %
Gender	51 %	49 %

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

In addition, we have several social initiatives in place that are focused on fostering a more diverse workforce, engaging with our communities and promoting the health and well-being of our employees, tenants and residents. The Welltower Charitable Foundation (the “Foundation”) financially supports charitable initiatives related to aging, health care, the environment, education and the arts. We encourage our employees to give back to the community by matching their contributions and donating their time to eligible charitable organizations. Funds are also allocated to each of our ENGs to make charitable contributions in support of their programming efforts. Additionally, the Foundation facilitates presentations for charities to compete in the Give-WELL campaign. This campaign enables our employees to present and vote for charities that will receive donations from the Foundation. During 2021, we sponsored our second annual Day of Giving so our employees could collaborate to make an impact with local charitable organizations through volunteer opportunities. See Human Capital section below for additional information regarding employee initiatives and programs.



**Governance** Our commitment to diversity starts at the top with a highly knowledgeable, skilled and diverse Board of Directors. As of December 31, 2021, our 11 Directors self-identified as follows:

Board Composition			
Ethnicity		Gender	
Asian	9 %	Male	64 %
Black or African American	18 %	Female	36 %
Hispanic or Latino	18 %		100 %
White	55 %		
	<u>100 %</u>		

Ten of our 11 Directors are independent and the independent Chair of our Board is held by a Black/African American male. Four or 36% of our five Board committees are chaired by either a Female (2), Hispanic/Latino (1) or Black/African American (1) Director.

Additional information regarding our ESG programs and initiatives is available in our 2020 Environmental, Social and Governance Report (located on our website at [www.welltower.com](http://www.welltower.com)). Information on our website, including our Environmental, Social and Governance Report or sections thereof, is not incorporated by reference into this Annual Report.

### Human Capital

Our employees are our greatest asset. As of December 31, 2021, we had 464 employees (443 located in United States, 13 in the United Kingdom, six in Canada and two in Luxembourg). We are committed to the success of our people and the unique combination of skills and experiences they bring to achieving our mission.

**Employee Engagement** High employee engagement and satisfaction are critical to attracting and retaining top talent. During 2021, we conducted an employee engagement survey through an independent third party, measuring our progress on important employee issues such as manager relationships, employee empowerment, performance management and resources and support, and identifying opportunities for growth and improvement. Scores have been shared with all managers and action plans to improve and prioritize focus areas are being put into place.

**Employee Development Programs and Performance Management** Development through the talent pipeline, recognizing and rewarding performance and providing opportunities for continued growth are the cornerstones of our Human Capital strategy. We offer employees resources, trainings and tools designed to develop future leaders, advance careers and attract and retain talent including but not limited to our robust early career programs, formal mentorship and coaching programs, manager development training, skill development courses and education assistance. During 2021, we launched executive management coaching programs to equip leaders with structured 360 feedback, customized development plans and guidance on company-wide succession planning. For our vice presidents, we partnered with a virtual coaching platform that scales individual access to expert coaches, training opportunities and enables behavioral change through award-winning artificial intelligence. For our senior vice presidents, we partnered with an independent advisory firm to provide one-on-one coaching, including an extensive 360 feedback process to focus on maximizing their executive leadership potential.

**Compensation and Benefits** In addition to salary, our compensation and benefits programs include annual short term incentive bonuses, long-term incentive stock awards, retirement plans, an employee stock purchase plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, maternity and caregiver leave, senior wellness leave, employee assistance programs, tuition assistance and health and wellness reimbursement programs, among many others. With the assistance of independent third parties, we annually evaluate and benchmark the competitiveness of our compensation and benefits programs focusing on fair pay practices that reward performance and support the needs of our employees.

**Health, Safety and Wellness** The success of our business is fundamentally connected to the safety and well-being of our employees, tenants, operators and managers, and their residents and visitors, as the case may be. We provide our employees and their families with access to numerous innovative, flexible and convenient health and wellness programs that support physical, mental and financial well-being. As we continued to navigate COVID-19 in 2021, we took a number of actions designed to provide for the safety and well-being of our employees such as allowing remote and hybrid work, and flexible schedules where feasible, establishing office protocols for employee safety, conducting training courses on COVID-19 prevention and encouraging COVID-19 vaccinations and boosters across our workforce through paid time off in order to obtain vaccinations and boosters and manage side effects. Also during 2021, we increased internal communications across the organization through podcasts, town hall meetings, team events (virtually and in person) and dedicated communication channels for the ENGs, resulting in more connectivity and engagement. We continued to provide access to personal protective equipment, and enhanced cleaning and sanitation procedures.

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

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

## Certain Government Regulations

### United States

#### *Health Law Matters — Generally*

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

#### *Licensing and Certification*

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

With respect to licensure, generally our long-term/post-acute care facilities are required to be licensed by the applicable state regulatory authority and certified for participation in Medicare, Medicaid and other federal and state health care programs. The failure of our operators to maintain or renew any required license or regulatory approval as well as the failure of our operators to correct serious deficiencies identified in a compliance survey could require those operators to discontinue operations at a property. In addition, if a property is found to be out of compliance with Medicare, Medicaid or other federal or state health care program conditions of participation, the property operator may be excluded from participating in those government health care programs.

#### *Reimbursement*

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

- *Seniors Housing Facilities* The majority of the revenues received by the operators of U.S. seniors housing facilities are from private pay sources. The remaining revenue source is primarily Medicaid provided under state waiver programs for home and community-based care. There can be no guarantee that a state Medicaid program operating pursuant to a waiver will be able to maintain its waiver status. Rates paid by self-pay residents are set by the facilities and are determined by local market conditions and operating costs. Generally, facilities receive a higher payment per day for a private pay resident than for a Medicaid beneficiary who requires a comparable level of care. The level of Medicaid reimbursement varies from state to state. Thus, the revenues generated by operators of our assisted living facilities may be adversely affected by payor mix, acuity level, or changes in Medicaid eligibility and reimbursement levels.
- *Long-Term/Post-Acute Care Facilities* The majority of the revenues received by the operators of these facilities are from the Medicare and Medicaid programs, with the balance representing reimbursement payments from private payors and patients. Consequently, changes in federal or state reimbursement policies may adversely affect an operator's ability to cover its expenses, including our rent or debt service. Long-term/post-acute care facilities are subject to periodic pre- and post-payment reviews and other audits by federal and state authorities. A review or audit of a property operator's claims could result in recoupments, denials or delay of payments in the future. Due to the significant judgments and estimates inherent in payor settlement accounting, no assurance can be given as to the adequacy of any reserves maintained by our property operators to cover potential adjustments to reimbursements or to cover settlements made to payors.
  - *Medicare Reimbursement* Generally, long-term/post-acute care facilities are reimbursed by Medicare under prospective payment systems, which generally provide reimbursement based upon a predetermined fixed amount per episode of care and are updated by CMS, an agency of the Department of Health and Human Services ("HHS") annually. There is a risk under these payment systems that costs will exceed the fixed payments, or that payments may be set below the costs to provide certain items and services. Further, there is risk that Medicare Skilled Nursing Facility ("SNF") payment reforms may impact our tenants and operators. In addition, the HHS Office of Inspector General has released recommendations to address SNF billing practices and Medicare payment rates. If followed, these recommendations regarding SNF payment reform may impact our tenants and operators.
  - *Medicaid Reimbursement* Many states reimburse SNFs using fixed daily rates, which are applied prospectively based on patient acuity and the historical costs incurred in providing patient care. In most states, Medicaid does not fully reimburse the cost of providing services. Certain states are attempting to slow the rate of Medicaid growth by freezing rates or restricting eligibility and benefits. In addition, Medicaid reimbursement rates may decline if state revenues in a particular state are not sufficient to fund budgeted expenditures.
- *Medicare Reimbursement for Physicians, Hospital Outpatient Departments ("HOPDs"), and Ambulatory Surgical Centers ("ASCs")* Changes in reimbursement to physicians, HOPDs and ASCs may further affect our tenants and operators. Generally, Medicare reimburses physicians under the Physician Fee Schedule, while HOPDs and ASCs are reimbursed under prospective payment systems. The Physician Fee Schedule and the HOPD and ASC prospective payment systems are updated annually by CMS. These annual Medicare payment regulations have resulted in lower net pay increases than providers of those services have often expected. In addition, the Medicare and Children's Health Insurance Program Reauthorization Act of 2015 ("MACRA") includes payment reductions for providers who do not meet government quality standards. The implementation of pay-for-quality models like those required under MACRA has the potential to produce funding disparities that could adversely impact some provider tenants in outpatient medical buildings and other health care properties. Changes in Medicare Advantage plan payments may also indirectly affect our operators and tenants that contract with Medicare Advantage plans.
- *Health Reform Laws* The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Health Reform Laws") dramatically altered how health care is delivered and reimbursed in the U.S. and contained various provisions, including Medicaid expansion and the establishment of Health Insurance Exchanges ("HIEs") providing subsidized health insurance, that may directly impact us or the operators and tenants of our properties. The status of the Health Reform Laws may be subject to change as a result of political, legislative, regulatory and administrative developments and judicial proceedings. While there have been multiple attempts to repeal or amend the Health Reform Laws through legislative action and legal challenges, legislative attempts to completely repeal the Health Reform Laws have been unsuccessful to date, and on June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the Health Reform Laws brought by several states without specifically ruling on the constitutionality of the Health Reform Laws. Nevertheless, the status of the Health Reform Laws may be subject to change and other health reform measures could be implemented as a result of political, legislative, regulatory and administrative developments and judicial proceedings. Further, the impact that the Biden Administration or U.S. Congress may have on health reform (including through new legislative, executive order, or regulatory efforts) remains uncertain, and any changes will likely take time to unfold and could have an impact on coverage and reimbursement for health care items and services covered by plans that were authorized by the Health Reform Laws. We cannot predict whether the existing Health Reform Laws, or future health care reform legislation, executive order, or regulatory changes, will have a material impact on our operators' or tenants' property or business.

### ***Fraud & Abuse Enforcement***

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

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

### ***Federal and State Data Privacy and Security Laws***

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act, and numerous other state and federal laws govern the collection, security, dissemination, use, access to and confidentiality of personal information, including individually identifiable health information. Violations of these laws may result in substantial civil and/or criminal fines and penalties. The costs to a business such as ours or to an operator of a health care property associated with developing and maintaining programs and systems to comply with data privacy and security laws, defending against privacy and security related claims or enforcement actions and paying any assessed fines, can be substantial. Moreover, such costs could have a material adverse effect on the ability of an operator to meet its obligations to us. Finally, data privacy and security laws and regulations continue to develop, including with regard to HIPAA and U.S. state privacy laws such as the California Consumer Privacy Act and the new California Privacy Rights Act, and other similar laws in Colorado and Virginia that will go into effect in 2023. As we use data to better inform our investments and the efficacy of care in our communities, these developments may add potential uncertainty and costs towards compliance obligations, business operations or transactions that depend on data. These new privacy laws may create restrictions or requirements in our, our operators' and other business partners' use, sharing and securing of data. New privacy and security laws could require substantial investment in resources to comply with regulatory changes as privacy and security laws proliferate in divergent ways or impose additional obligations, and potentially create new privacy related legal risks.

### **United Kingdom**

In the U.K., care home services are principally regulated by the Health and Social Care Act 2008 (as amended) and other regulations. This legislation subjects service providers to a number of legally binding "Fundamental Standards" and requires, amongst other things, that all persons carrying out "Regulated Activities" in the U.K., and the managers of such persons, be registered. Providers of care home services are also subject (as data controllers) to laws governing their use of personal data (including in relation to their employees, clients and recipients of their services). These laws currently take the form of the U.K.'s Data Protection Act 2018 and the U.K. General Data Protection Regulation (collectively "U.K. DP Laws"). U.K. DP Laws impose a significant number of obligations on controllers with the potential for fines of up to 4% of annual worldwide turnover or £17.5 million, whichever is greater. Further, to the extent that an entity established in the U.K. or any other jurisdiction offers goods or services to individuals in the European Economic Area, that entity may also be subject to the E.U. General Data Protection Regulation ("E.U. GDPR"). Similarly, the E.U. GDPR imposes obligations on controllers with the

potential for fines of up to 4% of annual worldwide turnover or €20 million, whichever is greater. Entities incorporated in or carrying on a business in the U.K., as well as individuals residing in the U.K., are also subject to the U.K. Bribery Act 2010. The U.K. has national minimum wage legislation with a maximum fine for non-payment of £20,000 per worker and employers who fail to pay will be banned from being a company director for up to 15 years. In addition, there is a bill currently going through the U.K. Parliament which will require a care home provider, where entering into a contract for the provision of healthcare or social care services with a local public authority, to enter into mandatory contractual terms to provide the local public authority with evidence that it pays the national minimum wage to all of its employees engaged in the provision of services for which the provider has contracted for (e.g., a national minimum wage record). Further, the Working Time and Holiday Pay Bill 2019-2021 is currently going through the U.K. Parliament, which makes provision for the expiration of the Working Time Regulations 1998, provides for additional regulations governing working time and makes provisions for holiday pay for employees.

### **Canada**

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

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

### **Taxation**

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

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

#### *General*

We elected to be taxed as a REIT commencing with our first taxable year. We intend to continue to operate in such a manner as to qualify as a REIT, but there is no guarantee that we will qualify or remain qualified as a REIT for subsequent years. Qualification and taxation as a REIT depends upon our ability to meet a variety of qualification tests imposed under U.S. federal income tax law with respect to our income, assets, distributions and share ownership, as discussed below under "Qualification as a REIT." There can be no assurance that we will qualify or remain qualified as a REIT.

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

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

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

If we acquire any assets from a corporation, which is or has been a “C” corporation, in a carryover basis transaction (including where a “C” corporation elects REIT status), we could be liable for specified liabilities that are inherited from the “C” corporation. A “C” corporation is generally defined as a corporation that is required to pay full corporate level U.S. federal income tax. If we recognize gain on the disposition of the assets during the five-year period beginning on the date on which the assets were acquired by us, then, to the extent of the assets’ “built-in gain” (e.g., the excess of the fair market value of the asset over the adjusted tax basis of the asset, in each case determined as of the beginning of the five-year period), we will be subject to tax on the gain at the highest regular corporate rate applicable. The results described in this paragraph with respect to the recognition of built-in gain assume that the “C” corporation did not make and was not treated as making an election to treat the built-in gain assets as sold to an unrelated party. For those properties that are subject to the built-in gains tax, the potential amount of built-in gains tax will be an additional factor when considering a possible sale of the properties within the five-year period beginning on the date on which the properties were acquired by us. See Note 19 to our consolidated financial statements for additional information regarding the built-in gains tax.

#### *Qualification as a REIT*

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

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

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

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

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

We may own a number of properties through wholly owned subsidiaries. A corporation will qualify as a “qualified REIT subsidiary” if 100% of its stock is owned by a REIT, and the REIT does not elect to treat the subsidiary as a taxable REIT subsidiary. A “qualified REIT subsidiary” will not be treated as a separate corporation for U.S. federal income tax purposes, and all assets, liabilities and items of income, deductions and credits of a “qualified REIT subsidiary” will be treated as assets, liabilities and items (as the case may be) of the REIT for U.S. federal income tax purposes. A “qualified REIT subsidiary” is not subject to U.S. federal income tax, and our ownership of the voting stock of a qualified REIT subsidiary will not violate the restrictions against ownership of securities of any one issuer which constitute more than 10% of the value or total voting power of such issuer or more than 5% of the value of our total assets, as described below under “- Asset Tests.”

If we invest in an entity treated as a partnership for U.S. federal income tax purposes, we will be deemed to own a proportionate share of the entity’s assets. Likewise, we will be treated as receiving our share of the income and loss of the entity, and the gross income will retain the same character in our hands as it has in the hands of the entity. These “look-through” rules apply for purposes of the income tests and assets tests described below.

The deduction of business interest is limited to 30% (50% in the case of taxable years beginning in 2019 or 2020) of adjusted taxable income, which may limit the deductibility of interest expense by us, our taxable REIT subsidiaries, or our joint venture and partnership arrangements. A “real property trade or business” may irrevocably elect out of the applicability of the limitation, but if it does so it must use the less favorable alternative depreciation system to depreciate real property used in the trade or business. Regulations provide guidance on how to allocate interest deductions among multiple trades or businesses and contain special rules, including a safe harbor, regarding the allocation of a REIT’s interest deductions to a “real property trade or business.”

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

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

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

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

- The amount of rent must not be based in whole or in part on the income or profits of any person, although rents generally will not be excluded merely because they are based on a fixed percentage or percentages of receipts or sales.
- Rents received from a tenant will not qualify as rents from real property if the REIT, or an owner of 10% or more of the REIT, also directly or constructively owns 10% or more of the tenant, unless the tenant is our taxable REIT subsidiary and certain other requirements are met with respect to the real property being rented.
- If rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as “rents from real property.”

- For rents to qualify as rents from real property, we generally must not furnish or render services to tenants, other than through a taxable REIT subsidiary or an “independent contractor” from whom we derive no income, except that we may directly provide services that are usually or customarily rendered in the geographic area in which the property is located in connection with the rental of real property for occupancy only or are not otherwise considered rendered to the occupant for his convenience.
- We may lease “qualified health care properties” on an arm’s-length basis to a taxable REIT subsidiary if the property is operated on behalf of such subsidiary by a person who qualifies as an “independent contractor” and who is, or is related to a person who is, actively engaged in the trade or business of operating health care facilities for any person unrelated to us or our taxable REIT subsidiary (such person, an “eligible independent contractor”). If this is the case, the rent that the REIT receives from the taxable REIT subsidiary generally will be treated as “rents from real property.” A “qualified health care property” includes any real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility that extends medical or nursing or ancillary services to patients and is operated by a provider of such services that is eligible for participation in the Medicare program with respect to such facility.

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

The term “interest” generally does not include any amount if the determination of the amount depends in whole or in part on the income or profits of any person, although an amount generally will not be excluded from the term “interest” solely by reason of being based on a fixed percentage of receipts or sales.

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

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

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



have an aggregate value greater than 1% of such issuer's outstanding securities, the straight debt securities will be included in the 10% value test.

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

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

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

*Investments in Taxable REIT Subsidiaries* REITs may own more than 10% of the voting power and value of securities in taxable REIT subsidiaries. Unlike a qualified REIT subsidiary, other disregarded entity or partnership, the income and assets of a taxable REIT subsidiary are not attributable to the REIT for purposes of satisfying the income and asset ownership requirements applicable to REIT qualification. We and any taxable corporate entity in which we own an interest are allowed to jointly elect to treat such entity as a "taxable REIT subsidiary."

Certain of our subsidiaries have elected taxable REIT subsidiary status. Taxable REIT subsidiaries are subject to full corporate level U.S. federal taxation on their earnings but are permitted to engage in certain types of activities that cannot be performed directly by REITs without jeopardizing their REIT status. Our taxable REIT subsidiaries will attempt to minimize the amount of these taxes, but there can be no assurance whether or the extent to which measures taken to minimize taxes will be successful. To the extent our taxable REIT subsidiaries are required to pay U.S. federal, state or local taxes, the cash available for distribution as dividends to us from our taxable REIT subsidiaries will be reduced.

The Internal Revenue Service may redetermine amounts from transactions between a REIT and its taxable REIT subsidiary where there is a lack of arm's-length dealing between the parties. Any taxable income allocated to, or deductible expenses allocated away, from a taxable REIT subsidiary would increase its tax liability. Further, certain amounts from certain transactions involving a REIT and its taxable REIT subsidiaries could be subject to a 100% tax if not conducted on an arm's length basis. Additional taxable REIT subsidiary elections may be made in the future for additional entities in which we obtain an interest.

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

year ended December 31, 2021. Although we intend to make timely distributions sufficient to satisfy these annual distribution requirements for subsequent years, economic, market, legal, tax or other factors could limit our ability to meet those requirements. See “Item 1A - Risk Factors.”

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

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

#### *Failure to Qualify as a REIT*

If we fail to qualify for taxation as a REIT in any taxable year, we will be subject to U.S. federal income tax on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible nor will any particular amount of distributions be required to be made in any year. All distributions to stockholders will be taxable as dividends to the extent of current and accumulated earnings and profits allocable to these distributions and, subject to certain limitations, will be eligible for the dividends received deduction for corporate stockholders. Unless entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances we would be entitled to statutory relief. Failure to qualify for even one year could result in our need to incur indebtedness or liquidate investments in order to pay potentially significant resulting tax liabilities.

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

#### *U.S. Federal Income Taxation of Holders of Our Stock*

*Treatment of Taxable U.S. Stockholders* The following summary applies to you only if you are a “U.S. stockholder.” A “U.S. stockholder” is a holder of shares of stock who, for U.S. federal income tax purposes, is:

- a citizen or resident of the United States;
- an entity classified as a corporation or partnership, created or organized in or under the laws of the United States or of any political subdivision of the United States, including any state;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if, in general, a U.S. court is able to exercise primary supervision over the trust’s administration and one or more U.S. persons, within the meaning of the Internal Revenue Code, has the authority to control all of the trust’s substantial decisions.

So long as we qualify for taxation as a REIT, distributions on shares of our stock made out of the current or accumulated earnings and profits allocable to these distributions (and not designated as capital gain dividends) will be taxable as dividends for U.S. federal income tax purposes. None of these distributions will be eligible for the dividends received deduction for U.S. corporate stockholders.

Generally, the current maximum marginal rate of tax payable by individuals on dividends received from corporations that are subject to a corporate level of tax is 20%. Except in limited circumstances, this tax rate will not apply to dividends paid to you by us on our shares, because generally we are not subject to U.S. federal income tax on the portion of our REIT taxable income or capital gains distributed to our stockholders. The reduced maximum U.S. federal income tax rate will apply to that portion, if any, of dividends received by you with respect to our shares that are attributable to: (1) dividends received by us from non-REIT corporations or other taxable REIT subsidiaries; (2) income from the prior year with respect to which we were required to pay U.S. federal corporate income tax during the prior year (if, for example, we did not distribute 100% of our REIT taxable income for the prior year); or (3) the amount of any earnings and profits distributed by us and accumulated in a non-REIT year.

Although the preferential 20% rate on qualified dividends is generally not applicable to dividends to our shareholders, the Internal Revenue Code provides for a deduction from income for individuals, trusts and estates for 20% of taxable REIT

dividends not eligible for the preferential rate, excluding capital gain dividends. This deduction is not taken into account for purposes of determining the 3.8% tax on net investment income (described below) and, unlike the preferential rate, expires after 2025.

Distributions that are designated as capital gain dividends will be taxed as long-term capital gains (to the extent they do not exceed our actual net capital gain for the taxable year), without regard to the period for which you held our stock. However, if you are a corporation, you may be required to treat a portion of some capital gain dividends as ordinary income.

If we elect to retain and pay income tax on any net capital gain and designate such amount in a timely notice to you, you would include in income, as long-term capital gain, your proportionate share of this net capital gain. You would also receive a refundable tax credit for your proportionate share of the tax paid by us on such retained capital gains, and you would have an increase in the basis of your shares of our stock in an amount equal to your includable capital gains less your share of the tax deemed paid.

You may not include in your U.S. federal income tax return any of our net operating losses or capital losses. U.S. federal income tax rules may also require that certain minimum tax adjustments and preferences be apportioned to you. In addition, any distribution declared by us in October, November or December of any year on a specified date in any such month shall be treated as both paid by us and received by you on December 31 of that year, provided that the distribution is actually paid by us no later than January 31 of the following year.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed under “General” and “Qualification as a REIT - Annual Distribution Requirements” above. As a result, you may be required to treat as taxable dividends certain distributions that would otherwise result in a tax-free return of capital. Moreover, any “deficiency dividend” will be treated as a dividend (an ordinary dividend or a capital gain dividend, as the case may be), regardless of our earnings and profits. Any other distributions in excess of current or accumulated earnings and profits will generally not be taxable to you to the extent these distributions do not exceed the adjusted tax basis of your shares of our stock. You will be required to reduce the tax basis of your shares of our stock by the amount of these distributions until the basis has been reduced to zero, after which these distributions will be taxable as capital gain, if the shares of our stock are held as capital assets. The tax basis as so reduced will be used in computing the capital gain or loss, if any, realized upon the sale of the shares of our stock. Any loss upon a sale or exchange of shares of our stock which were held for six months or less (after application of certain holding period rules) will generally be treated as a long-term capital loss to the extent you previously received capital gain distributions with respect to these shares of our stock.

Upon the sale or exchange of any shares of our stock to or with a person other than us or a sale or exchange of all shares of our stock (whether actually or constructively owned) with us, you will generally recognize gain or loss equal to the difference between the amount realized on the sale or exchange and your adjusted tax basis in these shares of our stock. This gain or loss will be capital gain or loss if you held these shares of our stock as a capital asset.

If we redeem any of your shares in us, the treatment can only be determined on the basis of particular facts at the time of redemption. In general, you will recognize gain or loss (as opposed to dividend income) equal to the difference between the amount received by you in the redemption and your adjusted tax basis in your shares redeemed if such redemption: (1) results in a “complete termination” of your interest in all classes of our equity securities; (2) is a “substantially disproportionate redemption”; or (3) is “not essentially equivalent to a dividend” with respect to you. In applying these tests, you must take into account your ownership of all classes of our equity securities (e.g., common stock, preferred stock, depositary shares and warrants). You also must take into account any equity securities that are considered to be constructively owned by you.

If, as a result of a redemption by us of your shares, you no longer own (either actually or constructively) any of our equity securities or only own (actually and constructively) an insubstantial percentage of our equity securities, then it is probable that the redemption of your shares would be considered “not essentially equivalent to a dividend” and, thus, would result in gain or loss to you. However, whether a distribution is “not essentially equivalent to a dividend” depends on all of the facts and circumstances, and if you rely on any of these tests at the time of redemption, you should consult your tax advisor to determine their application to the particular situation.

Generally, if the redemption does not meet the tests described above, then the proceeds received by you from the redemption of your shares will be treated as a distribution taxable as a dividend to the extent of the allocable portion of current or accumulated earnings and profits. If the redemption is taxed as a dividend, your adjusted tax basis in the redeemed shares will be transferred to any other shareholdings in us that you own. If you own no other shareholdings in us, under certain circumstances, such basis may be transferred to a related person, or it may be lost entirely.

Gain from the sale or exchange of our shares held for more than one year is generally taxed at a maximum long-term capital gain rate of 20% in the case of stockholders who are individuals and 21% in the case of stockholders that are corporations. Pursuant to Internal Revenue Service guidance, we may classify portions of our capital gain dividends as eligible for specific treatment provided under the Internal Revenue Code, which, depending on the nature of the capital gains, may result in taxation of such portions at rates of either 20% or 25%. Capital losses recognized by a stockholder upon the disposition of our shares

held for more than one year at the time of disposition will be considered long-term capital losses. The deduction for capital losses is subject to limitations.

An additional tax of 3.8% generally will be imposed on the “net investment income” of U.S. stockholders who meet certain requirements and are individuals, estates or certain trusts. Among other items, “net investment income” generally includes gross income from dividends and net gain attributable to the disposition of certain property, such as shares of our common stock or warrants. In the case of individuals, this tax will only apply to the extent such individual’s modified adjusted gross income exceeds \$200,000 (\$250,000 for married couples filing a joint return and surviving spouses, and \$125,000 for married individuals filing a separate return). U.S. stockholders should consult their tax advisors regarding the possible applicability of this additional tax in their particular circumstances.

*Treatment of Tax-Exempt U.S. Stockholders* Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts (“Exempt Organizations”), generally are exempt from U.S. federal income taxation. However, they are subject to taxation on their unrelated business taxable income (“UBTI”). The Internal Revenue Service has issued a published revenue ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI, provided that the shares of the REIT are not otherwise used in an unrelated trade or business of the exempt employee pension trust. Based on this ruling, amounts distributed by us to Exempt Organizations generally should not constitute UBTI. However, if an Exempt Organization finances its acquisition of the shares of our stock with debt, a portion of its income from us will constitute UBTI pursuant to the “debt financed property” rules. Likewise, a portion of the Exempt Organization’s income from us would constitute UBTI if we held a residual interest in a real estate mortgage investment conduit. A tax-exempt U.S. stockholder that is subject to tax on its UBTI will be required to segregate its taxable income and loss for each unrelated trade or business activity for purposes of determining its UBTI.

*Backup Withholding and Information Reporting* Under certain circumstances, you may be subject to backup withholding at applicable rates on payments made with respect to, or cash proceeds of a sale or exchange of, shares of our stock. Backup withholding will apply only if you: (1) fail to provide a correct taxpayer identification number, which if you are an individual, is ordinarily your social security number; (2) furnish an incorrect taxpayer identification number; (3) are notified by the Internal Revenue Service that you have failed to properly report payments of interest or dividends; or (4) fail to certify, under penalties of perjury, that you have furnished a correct taxpayer identification number and that the Internal Revenue Service has not notified you that you are subject to backup withholding.

Backup withholding will not apply with respect to payments made to certain exempt recipients, such as corporations and tax-exempt organizations. You should consult with a tax advisor regarding qualification for exemption from backup withholding, and the procedure for obtaining an exemption. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to a payment to a stockholder will be allowed as a credit against such stockholder’s U.S. federal income tax liability and may entitle such stockholder to a refund, provided that the required information is provided to the Internal Revenue Service.

*Taxation of Foreign Stockholders* The following summary applies to you only if you are a foreign person. A “foreign person” is a holder of shares of stock who, for U.S. federal income tax purposes, is not a U.S. stockholder. The U.S. federal taxation of foreign persons is a highly complex matter that may be affected by many considerations.

Except as discussed below, distributions to you of cash generated by our real estate operations in the form of ordinary dividends, but not by the sale or exchange of our capital assets, generally will be subject to U.S. withholding tax at a rate of 30%, unless an applicable tax treaty reduces that tax and you file with us the required form evidencing the lower rate.

In general, you will be subject to U.S. federal income tax on a graduated rate basis rather than withholding with respect to your investment in our stock if such investment is “effectively connected” with your conduct of a trade or business in the United States. A corporate foreign stockholder that receives income that is, or is treated as, effectively connected with a United States trade or business may also be subject to the branch profits tax, which is payable in addition to regular United States corporate income tax. The following discussion will apply to foreign stockholders whose investment in us is not so effectively connected. We expect to withhold United States income tax, as described below, on the gross amount of any distributions paid to you unless (1) you file an Internal Revenue Service Form W-8ECI with us claiming that the distribution is “effectively connected” or (2) certain other exceptions apply.

Distributions by us that are attributable to gain from the sale or exchange of a United States real property interest will be taxed to you under the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”) as if these distributions were gains “effectively connected” with a United States trade or business. Accordingly, you will be taxed at the normal capital gain rates applicable to a U.S. stockholder on these amounts, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. Distributions subject to FIRPTA may also be subject to a branch profits tax in the hands of a corporate foreign stockholder that is not entitled to treaty exemption. We will be required to withhold tax at a rate of 21% from distributions subject to FIRPTA. We will be required to withhold from distributions subject to FIRPTA, and remit to the Internal Revenue Service, 21% of designated capital gain dividends, or, if greater, 21% of the amount of any distributions that could be designated as capital gain dividends. In addition, if we designate prior distributions as

capital gain dividends, subsequent distributions, up to the amount of the prior distributions not withheld against, will be treated as capital gain dividends for purposes of withholding.

Any capital gain dividend with respect to any class of stock that is “regularly traded” on an established securities market will be treated as an ordinary dividend if the foreign stockholder did not own more than 10% of such class of stock at any time during the taxable year. Foreign stockholders generally will not be required to report distributions received from us on U.S. federal income tax returns and all distributions received by such stockholders treated as dividends for U.S. federal income tax purposes (including any such capital gain dividends) will be subject to a 30% U.S. withholding tax (unless reduced under an applicable income tax treaty) as discussed above. In addition, the branch profits tax will not apply to such distributions.

Unless our shares constitute a “United States real property interest” within the meaning of FIRPTA or are effectively connected with a U.S. trade or business, a sale of our shares by you generally will not be subject to United States taxation. Even if our shares were to constitute a “United States real property interest,” non-U.S. stockholders that are “qualified foreign pension funds” (or are owned by a qualified foreign pension fund) meeting certain requirements may be exempt from FIRPTA withholding on the sale or disposition of our shares. Our shares will not constitute a United States real property interest if we qualify as a “domestically controlled REIT.” We believe that we qualify as and expect to continue to qualify as a domestically controlled REIT. A domestically controlled REIT is a REIT in which at all times during a specified testing period less than 50% in value of its shares is held directly or indirectly by foreign stockholders. Generally, we are permitted to assume that holders of less than 5% of our shares at all times during a specified testing period are U.S. persons. However, if you are a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions apply, you will be subject to a 30% tax on such capital gains. In any event, a purchaser of our shares from you will not be required under FIRPTA to withhold on the purchase price if the purchased shares are “regularly traded” on an established securities market or if we are a domestically controlled REIT. Otherwise, under FIRPTA, the purchaser may be required to withhold 15% of the purchase price and remit such amount to the Internal Revenue Service.

Backup withholding tax and information reporting will generally not apply to distributions paid to you outside the United States that are treated as: (1) dividends to which the 30% or lower treaty rate withholding tax discussed above applies; (2) capital gains dividends; or (3) distributions attributable to gain from the sale or exchange by us of U.S. real property interests. Payment of the proceeds of a sale of stock within the United States or conducted through certain U.S. related financial intermediaries is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that he or she is not a U.S. person (and the payor does not have actual knowledge that the beneficial owner is a U.S. person) or otherwise establishes an exemption. You may obtain a refund of any amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service.

Withholding tax at a rate of 30% will be imposed on certain payments to you or certain foreign financial institutions (including investment funds) and other non-US persons receiving payments on your behalf, including distributions in respect of shares of our stock, if you or such institutions fail to comply with certain due diligence, disclosure and reporting rules, as set forth in Treasury regulations. Accordingly, the entity through which shares of our stock are held will affect the determination of whether such withholding is required. Stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect to such dividends will be required to seek a refund from the Internal Revenue Service to obtain the benefit of such exemption or reduction. Additional requirements and conditions may be imposed pursuant to an intergovernmental agreement, if and when entered into, between the United States and such institution’s home jurisdiction. We will not pay any additional amounts to any stockholders in respect of any amounts withheld. You are encouraged to consult with your tax advisor regarding U.S. withholding taxes and the application of Treasury regulations in light of your particular circumstances.

#### *U.S. Federal Income Taxation of Holders of Depositary Shares*

Owners of our depositary shares will be treated as if you were owners of the series of preferred stock represented by the depositary shares. Thus, you will be required to take into account the income and deductions to which you would be entitled if you were a holder of the underlying series of preferred stock.

*Conversion or Exchange of Shares for Preferred Stock* No gain or loss will be recognized upon the withdrawal of preferred stock in exchange for depositary shares and the tax basis of each share of preferred stock will, upon exchange, be the same as the aggregate tax basis of the depositary shares exchanged. If you held your depositary shares as a capital asset at the time of the exchange for shares of preferred stock, the holding period for your shares of preferred stock will include the period during which you owned the depositary shares.

#### *U.S. Federal Income and Estate Taxation of Holders of Our Debt Securities*

The following is a general summary of the U.S. federal income tax consequences and, in the case that you are a holder that is a non-U.S. holder, as defined below, the U.S. federal estate tax consequences, of purchasing, owning and disposing of debt securities periodically offered under one or more indentures (the “notes”). This summary assumes that you hold the notes as capital assets. This summary applies to you only if you are the initial holder of the notes and you acquire the notes for a price

equal to the issue price of the notes. The issue price of the notes is the first price at which a substantial amount of the notes is sold other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. In addition, this summary does not consider any foreign, state, local or other tax laws that may be applicable to us or a purchaser of the notes.

#### *U.S. Holders*

The following summary applies to you only if you are a U.S. holder, as defined below.

*Definition of a U.S. Holder* A “U.S. holder” is a beneficial owner of a note or notes that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, partnership or other entity classified as a corporation or partnership for these purposes, created or organized in or under the laws of the United States or of any political subdivision of the United States, including any state;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if, in general, a U.S. court is able to exercise primary supervision over the trust’s administration and one or more U.S. persons, within the meaning of the Internal Revenue Code, has the authority to control all of the trust’s substantial decisions.

*Payments of Interest* Stated interest on the notes generally will be taxed as ordinary interest income from domestic sources at the time it is paid or accrues in accordance with your method of accounting for tax purposes.

*Sale, Exchange or Other Disposition of Notes* The adjusted tax basis in your note will generally be your cost. You generally will recognize taxable gain or loss when you sell or otherwise dispose of your notes equal to the difference, if any, between:

- the amount realized on the sale or other disposition, less any amount attributable to any accrued interest, which will be taxable in the manner described under “Payments of Interest” above; and
- your adjusted tax basis in the notes.

Your gain or loss generally will be capital gain or loss. This capital gain or loss will be long-term capital gain or loss if at the time of the sale or other disposition you have held the notes for more than one year. Subject to limited exceptions, your capital losses cannot be used to offset your ordinary income (except in the case of individuals, who may offset up to \$3,000 of ordinary income each year).

*Backup Withholding and Information Reporting* In general, “backup withholding” may apply to any payments made to you of principal and interest on your note, and to the payment of the proceeds of a sale or other disposition of your note before maturity, if you are a non-corporate U.S. holder and: (1) fail to provide a correct taxpayer identification number, which if you are an individual, is ordinarily your social security number; (2) furnish an incorrect taxpayer identification number; (3) are notified by the Internal Revenue Service that you have failed to properly report payments of interest or dividends; or (4) fail to certify, under penalties of perjury, that you have furnished a correct taxpayer identification number and that the Internal Revenue Service has not notified you that you are subject to backup withholding.

The amount of any reportable payments, including interest, made to you (unless you are an exempt recipient) and the amount of tax withheld, if any, with respect to such payments will be reported to you and to the Internal Revenue Service for each calendar year. You should consult your tax advisor regarding your qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. The backup withholding tax is not an additional tax and will be credited against your U.S. federal income tax liability, provided that correct information is provided to the Internal Revenue Service.

#### *Non-U.S. Holders*

The following summary applies to you if you are a beneficial owner of a note and are not a U.S. holder, as defined above (a “non-U.S. holder”).

Special rules may apply to certain non-U.S. holders such as “controlled foreign corporations,” “passive foreign investment companies” and “foreign personal holding companies.” Such entities are encouraged to consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

*U.S. Federal Withholding Tax* Subject to the discussion below, U.S. federal withholding tax will not apply to payments by us or our paying agent, in its capacity as such, of principal and interest on your notes under the “portfolio interest” exception of the Internal Revenue Code, provided that:

- you do not, directly or indirectly, actually or constructively, own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- you are not (1) a controlled foreign corporation for U.S. federal income tax purposes that is related, directly or indirectly, to us through sufficient stock ownership, as provided in the Internal Revenue Code, or (2) a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code;
- such interest is not effectively connected with your conduct of a U.S. trade or business; and
- you provide a signed written statement, under penalties of perjury, which can reliably be related to you, certifying that you are not a U.S. person within the meaning of the Internal Revenue Code and providing your name and address to us or our paying agent; or
- a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds your notes on your behalf and that certifies to us or our paying agent under penalties of perjury that it, or the bank or financial institution between it and you, has received from you your signed, written statement and provides us or our paying agent with a copy of such statement.

Treasury regulations provide that:

- if you are a foreign partnership, the certification requirement will generally apply to your partners, and you will be required to provide certain information;
- if you are a foreign trust, the certification requirement will generally be applied to you or your beneficial owners depending on whether you are a "foreign complex trust," "foreign simple trust," or "foreign grantor trust" as defined in the Treasury regulations; and
- look-through rules will apply for tiered partnerships, foreign simple trusts and foreign grantor trusts.

If you are a foreign partnership or a foreign trust, you should consult your own tax advisor regarding your status under these Treasury regulations and the certification requirements applicable to you.

If you cannot satisfy the portfolio interest requirements described above, payments of interest will be subject to the 30% United States withholding tax, unless you provide us with a properly executed (1) Internal Revenue Service Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of an applicable treaty or (2) Internal Revenue Service Form W-8ECI stating that interest paid on the note is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States. Alternative documentation may be applicable in certain circumstances.

If you are engaged in a trade or business in the United States and interest on a note is effectively connected with the conduct of that trade or business, you will be required to pay U.S. federal income tax on that interest on a net income basis (although you will be exempt from the 30% withholding tax provided the certification requirement described above is met) in the same manner as if you were a U.S. person, except as otherwise provided by an applicable tax treaty. If you are a foreign corporation, you may be required to pay a branch profits tax on the earnings and profits that are effectively connected to the conduct of your trade or business in the United States.

Withholding tax at a rate of 30% will be imposed on payments of interest (including original issue discount) to you or certain foreign financial institutions (including investment funds) and other non-US persons receiving payments on your behalf if you or such institutions fail to comply with certain due diligence, disclosure and reporting rules, as set forth in Treasury regulations. We will not pay any additional amounts to any holders of our debt instruments in respect of any amounts withheld. You are encouraged to consult with your tax advisor regarding U.S. withholding taxes and the application of the relevant Treasury regulations in light of your particular circumstances.

*Sale, Exchange or other Disposition of Notes* You generally will not have to pay U.S. federal income tax on any gain or income realized from the sale, redemption, retirement at maturity or other disposition of your notes, unless:

- in the case of gain, you are an individual who is present in the United States for 183 days or more during the taxable year of the sale or other disposition of your notes, and specific other conditions are met;
- you are subject to tax provisions applicable to certain United States expatriates; or
- the gain is effectively connected with your conduct of a U.S. trade or business.

If you are engaged in a trade or business in the United States, and gain with respect to your notes is effectively connected with the conduct of that trade or business, you generally will be subject to U.S. income tax on a net basis on the gain. In addition, if you are a foreign corporation, you may be subject to a branch profits tax on your effectively connected earnings and profits for the taxable year, as adjusted for certain items.

*U.S. Federal Estate Tax.* If you are an individual and are not a U.S. citizen or a resident of the United States, as specially defined for U.S. federal estate tax purposes, at the time of your death, your notes will generally not be subject to the U.S. federal estate tax, unless, at the time of your death (1) you owned actually or constructively 10% or more of the total combined voting power of all our classes of stock entitled to vote, or (2) interest on the notes is effectively connected with your conduct of a U.S. trade or business.

*Backup Withholding and Information Reporting* Backup withholding will not apply to payments of principal or interest made by us or our paying agent, in its capacity as such, to you if you have provided the required certification that you are a non-U.S. holder as described in “U.S. Federal Withholding Tax” above, and provided that neither we nor our paying agent have actual knowledge that you are a U.S. holder, as described in “U.S. Holders” above. We or our paying agent may, however, report payments of interest on the notes.

The gross proceeds from the disposition of your notes may be subject to information reporting and backup withholding tax. If you sell your notes outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell your notes through a non-U.S. office of a broker that has certain connections with the United States.

You should consult your own tax advisor regarding application of backup withholding in your particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding. Any amounts withheld under the backup withholding rules from a payment to you will be allowed as a refund or credit against your U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

#### *U.S. Federal Income of Holders of Our Warrants*

*Exercise of Warrants* You will not generally recognize gain or loss upon the exercise of a warrant. Your basis in the debt securities, preferred stock, depositary shares or common stock, as the case may be, received upon the exercise of the warrant will be equal to the sum of your adjusted tax basis in the warrant and the exercise price paid. Your holding period in the debt securities, preferred stock, depositary shares or common stock, as the case may be, received upon the exercise of the warrant will not include the period during which the warrant was held by you.

*Expiration of Warrants* Upon the expiration of a warrant, you will generally recognize a capital loss in an amount equal to your adjusted tax basis in the warrant.

*Sale or Exchange of Warrants* Upon the sale or exchange of a warrant to a person other than us, you will recognize gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and your adjusted tax basis in the warrant. Such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the warrant was held for more than one year. Upon the sale of the warrant to us, the Internal Revenue Service may argue that you should recognize ordinary income on the sale. You are advised to consult your own tax advisors as to the consequences of a sale of a warrant to us.

#### *Potential Legislation or Other Actions Affecting Tax Consequences*

Current and prospective securities holders should recognize that the present U.S. federal income tax treatment of an investment in us may be modified by legislative, judicial or administrative action at any time and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the Department of the Treasury, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations of these laws could adversely affect the tax consequences of an investment in us.

#### *State, Local and Foreign Taxes*

We, and holders of our debt and equity securities, may be subject to state, local or foreign taxation in various jurisdictions, including those in which we or they transact business, own property or reside. It should be noted that we own properties located in a number of state, local and foreign jurisdictions, and may be required to file tax returns in some or all of those jurisdictions. The state, local or foreign tax treatment of us and holders of our debt and equity securities may not conform to the U.S. federal income tax consequences discussed above. Consequently, you are urged to consult your advisor regarding the application and effect of state, local and foreign tax laws with respect to any investment in our securities.

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



possible changes and their potential interdependency, it is very difficult to assess the overall effect of such potential tax changes on our earnings and cash flow, but such changes could adversely impact our financial results.

### **Internet Access to Our SEC Filings**

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

### **Cautionary Statement Regarding Forward-Looking Statements**

This Annual Report on Form 10-K and the documents incorporated by reference contain statements that constitute “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995. When we use words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate” or similar expressions that do not relate solely to historical matters, we are making forward-looking statements. In particular, these forward-looking statements include, but are not limited to, those relating to our opportunities to acquire, develop or sell properties; our ability to close our anticipated acquisitions, investments or dispositions on currently anticipated terms, or within currently anticipated timeframes; the expected performance of our operators/tenants and properties; our expected occupancy rates; our ability to declare and to make distributions to stockholders; our investment and financing opportunities and plans; our continued qualification as a REIT; and our ability to access capital markets or other sources of funds.

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

- the impact of the COVID-19 pandemic;
- uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation;
- status of the economy;
- the status of capital markets, including availability and cost of capital;
- issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance;
- changes in financing terms;
- competition within the health care and seniors housing industries;
- negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans;
- our ability to transition or sell properties with profitable results;
- the failure to make new investments or acquisitions as and when anticipated;
- natural disasters and other acts of God affecting our properties;
- our ability to re-lease space at similar rates as vacancies occur;
- our ability to timely reinvest sale proceeds at similar rates to assets sold;
- operator/tenant or joint venture partner bankruptcies or insolvencies;
- the cooperation of joint venture partners;
- government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements;
- liability or contract claims by or against operators/tenants;
- unanticipated difficulties and/or expenditures relating to future investments or acquisitions;

- environmental laws affecting our properties;
- changes in rules or practices governing our financial reporting;
- the movement of U.S. and foreign currency exchange rates;
- our ability to maintain our qualification as a REIT;
- key management personnel recruitment and retention; and
- the risks described under “Item 1A — Risk Factors.”

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

#### **Item 1A. Risk Factors**

##### **Risk Factor Summary**

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

##### **Risks Arising from Our Business:**

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

- the effects of the COVID-19 pandemic;
- uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation;
- investments in and acquisitions of health care and seniors housing properties;
- unknown liability exposure related to acquired properties;
- competition for acquisitions may result in increased prices;
- our joint venture partners;
- Seniors Housing Operating properties operational risks;
- our ability to terminate our management agreements with Seniors Housing Operating managers;
- operational and legal risks with respect to our properties managed in RIDEA structures;
- the ability of operators and tenants to make payments to us;
- the impacts of severe cold and flu seasons or other widespread illnesses on occupancy;
- the insolvency or bankruptcy of our tenants, operators, borrowers, managers and other obligors;
- our ability to timely reinvest our sale proceeds on terms acceptable to us;
- any adverse developments in the business or financial condition of Sunrise Senior Living, LLC;
- any failure, inability or unwillingness by ProMedica Health System to satisfy obligations under their agreements with us;
- ownership of property outside the U.S.;
- our ability to lease or sell properties on favorable terms;
- tenant, operator and manager insurance coverage;
- loss of properties owned through ground leases upon breach or termination of the ground leases;
- requirements of, or changes to governmental reimbursement programs, such as Medicare, Medicaid or government funding;
- controls imposed on certain of our tenants who provide health care services that are reimbursed by Medicare, Medicaid and other third-party payors to reduce admissions and length of stay;
- our operators’ or tenants’ failure to comply with federal, state, province, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards;
- development, redevelopment and construction;
- losses caused by severe weather conditions, natural disasters or the physical effects of climate change;
- costs incurred to remediate environmental contamination at our properties;
- our reliance on data and technology systems and the increasing risks of cybersecurity incidents; and

- our dependence on key personnel.

### **Risks Arising from Our Capital Structure**

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

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

### **Risks Arising from Our Status as a REIT**

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

- our ability to remain qualified as a REIT;
- the ability of our subsidiaries to qualify as a REIT;
- the impact of the 90% annual distribution requirement on our liquidity and ability to engage in otherwise beneficial transactions;
- our limited use of TRSs under the Code;
- special requirements applicable to the lease of qualified health care properties to a taxable REIT subsidiary;
- tax consequences if certain sale-leaseback transactions are not characterized by the IRS as “true leases; and
- changes in our tax rate or exposure to additional tax liabilities.

### **Risks Factors**

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

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

### **Risks Arising from Our Business**

#### ***The ongoing COVID-19 pandemic may continue to adversely affect our business, results of operations and financial condition.***

We are unable to accurately predict the full impact that the COVID-19 pandemic will have on our results of operations, financial condition, liquidity and cash flows due to numerous factors that are not within our control. These factors include the duration and severity of the outbreak, including the impact of new variants; the continued deployment of vaccines and boosters; the effectiveness of vaccines and boosters over time and against new variants; public health measures, such as business closures and stay-at-home orders, and other actions taken by governments, businesses and individuals in response to the pandemic; the availability of federal, state, local or non-U.S. funding programs; general economic disruption and uncertainty in key markets and financial market volatility; and the impact of the COVID-19 pandemic on general macroeconomic conditions and the pace of recovery when the pandemic subsides.

The COVID-19 pandemic has subjected our business, operations and financial condition to a number of risks, including but not limited to those discussed below:

- *Risks Related to Revenue:* Our revenues and our operators' revenues are dependent on occupancy. Our Seniors Housing Operating portfolio has experienced a decline in spot occupancy from 85.8% at February 29, 2020 to 76.2% at December 31, 2020 and 77.7% at December 31, 2021. Although the ongoing impact of the pandemic, including new variants, and vaccine and booster deployment on occupancy remain uncertain, occupancy of our Seniors Housing Operating and Triple-net properties could further decrease, including as a result of new variants or decreases in vaccine effectiveness over time. Such a decrease could affect the net operating income of our Seniors Housing Operating properties and the ability of our Triple-net operators to make contractual payments to us. In addition,

although we collected virtually all rent due in the fourth quarter of 2021, rental income in our Outpatient Medical segment may decrease if our tenants do not renew leases or do not make timely or full lease payments as a result of medical practice closures or decreases in revenue due to government imposed restrictions on elective medical procedures or decisions by patients to delay treatments. As a result of the financial impact of the COVID-19 pandemic on our operators and tenants, we may offer certain tenants concessions such as rent deferrals or rent abatements across our Triple-net and Outpatient Medical segments.

- *Risks Related to Operator and Tenant Financial Condition:* In addition to decreased revenue from tenant and operator payments, the impact of the COVID-19 pandemic creates a heightened risk of tenant, operator, borrower, manager or other obligor bankruptcy or insolvency due to factors such as prolonged decreased occupancy, medical practice disruptions resulting from stay-at-home orders, increased health and safety and labor expenses or litigation resulting from developments related to the COVID-19 pandemic. See " - *The insolvency or bankruptcy of our tenants, operators, borrowers, managers and other obligors may adversely affect our business, results of operations and financial condition*" for more information. Our ability to terminate our lease with a tenant or management agreement with an operator or manager, and relet the property to another tenant or transition to a new operator or manager may be severely limited under current conditions due to the industry and macroeconomic effects of the COVID-19 pandemic and local ordinances. If we cannot transition a leased property to a new tenant, operator or manager due to the effects of the COVID-19 pandemic or for other reasons, we may take possession of that property, which may expose us to certain successor liabilities. Publicity about an operator's financial condition and insolvency proceedings, particularly in light of ongoing publicity related to the COVID-19 pandemic, may also negatively impact their and our reputations, decreasing customer demand and revenues. Additionally, COVID-19 claims have been excluded from insurance policies resulting in uninsured claims, and there has been an increase of COVID-19 class action lawsuits filed that may result in unfavorable verdicts. Should such events occur, our revenue and operating cash flow may be adversely affected.
- *Risks Related to Operations:* Across all of our properties, we and our operators and tenants have incurred increased operational costs as a result of the introduction of public health measures and other regulations affecting our properties and operations, as well as additional health and safety measures adopted by us and our operators and tenants related to the COVID-19 pandemic, including increases in labor and property cleaning expenses and expenditures related to efforts to procure PPE and supplies. Such operational costs may increase in the future based on the duration and severity of the pandemic or the introduction of additional public health regulations. In addition, operators and tenants are subject to risks arising from the unique pressures on seniors housing and medical practice employees during the COVID-19 pandemic including labor shortages resulting from macroeconomic trends. As a result of difficult conditions and stresses related to the COVID-19 pandemic, employee morale and productivity may suffer and additional pay, such as hazard pay, may not be sufficient to retain key operator and tenant employees. In addition, our operations or those of our operators or tenants may be adversely impacted if a significant number of our employees or those of our operators or tenants contract COVID-19. Although we continue to undertake extensive efforts to ensure the safety of our employees and residents and to provide operator and tenant support in this regard, the impact of the COVID-19 pandemic on our facilities could result in additional operational costs and reputational and litigation risk to us and our operators and tenants. As a result of the COVID-19 pandemic, operator and tenant cost of insurance is expected to increase and such insurance may not cover certain claims related to COVID-19. Our exposure to COVID-19 related litigation risk may be increased if the operators or tenants of the relevant facilities are subject to bankruptcy or insolvency. In addition, to varying degrees during the course of the pandemic, we have experienced increased operational challenges and costs resulting from logistical challenges such as supply chain interruptions, business closures and restrictions on the movement of people. In response to stay-at-home orders and to support the health and well-being of our employees, many of our employees are currently working remote or hybrid schedules. The effects of such work arrangements for an extended period of time could impact employee productivity and morale and introduce additional operational risk, including but not limited to cybersecurity risks.
- *Risks Related to Liquidity:* If our access to capital is restricted or our borrowing costs increase as a result of developments in financial markets relating to the pandemic, our operations and financial condition could be adversely impacted. In addition, a prolonged period of decreased revenue may adversely affect our financial condition and long-term growth prospects and there can also be no assurance that we will not face credit rating downgrades. Future downgrades could adversely affect our cost of capital, liquidity, competitive position and access to capital markets.

The events and consequences discussed in these risk factors could, in circumstances we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, growth, reputation, prospects, financial condition, operating results, cash flows, liquidity, ability to pay dividends and stock price. As the COVID-19 pandemic continues to adversely affect our operating and financial results, it may also have the effect of heightening many of the other risks described in the risk factors in this Annual Report on Form 10-K.

***There remains uncertainty regarding the implementation and impact of the CARES Act and any future stimulus or other COVID-19 relief legislation. There can be no assurance as to the amount of financial assistance we and our operators will receive or that we will be able to comply with the terms and conditions to keep such assistance.***

In response to the COVID-19 pandemic, the Coronavirus Aid Relief, and Economic Security Act ("CARES Act") and the Paycheck Protection Program and Health Care Enhancement Act ("PPPHE Act"), signed into law on March 20, 2020, and April 24, 2020, respectively, authorized \$175 billion in funding to be distributed to healthcare providers, including assisted living facilities. These funds, distributed through the Provider Relief Fund and administered by the Department of Health and Human Services, are required to be used to prevent, prepare for and respond to COVID-19 and reimburse expenses or lost revenues attributable to the COVID-19 pandemic. Although these distributions are not subject to repayment, attestation and compliance with certain terms and conditions including detailed reporting and auditing are required. Any funds that are ultimately received and retained by us are not expected to fully offset the losses incurred in our senior living portfolio that are attributable to the COVID-19 pandemic.

During the years ended December 31, 2021 and 2020, we received government grants under the CARES Act primarily to cover increased expenses and lost revenue during the COVID-19 pandemic as well as under similar programs in the U.K. and Canada. For the years ended December 31, 2021 and 2020 we recognized \$102,575,000 and \$34,941,000, respectively, of government grant income. We have completed applications for grant income under Phase 4 of the Provider Relief Fund and expect to receive additional funding during 2022. However, there can be no assurances that all of our applications will be approved or that additional funds will ultimately be received in full or in part.

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

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

***Acquired properties may expose us to unknown liability***

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

***Competition for acquisitions may result in increased prices for properties***

We may face competition for acquisition opportunities from other well-capitalized investors, including publicly traded and privately held REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, sovereign wealth funds, pension trusts, partnerships and individual investors. This competition may adversely affect us by subjecting us to the following risks: we may be unable to acquire a desired property because of competition from other well-capitalized real estate investors and, even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price.

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

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

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

We have entered into various joint ventures that were structured under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA"), which permits REITs to own or partially own "qualified health care properties" in a structure through which we can participate directly in the cash flow of the properties' operations (as compared to receiving only contractual rent payments) in compliance with REIT requirements. A "qualified health care property" includes real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients.

Under a RIDEA structure, we are required to rely on our operator to manage and operate the property, including complying with laws and providing resident care. However, as the owner of the property under a RIDEA structure, we are responsible for operational and legal risks and liabilities of the property, including, but not limited to, those relating to employment matters of our operators, compliance with health care fraud and abuse and other laws, governmental reimbursement matters, compliance with federal, state, local and industry-related licensure, certification and inspection laws, regulations, and standards, and litigation involving our properties or residents/patients, even though we have limited ability to control or influence our operators' management of these risks. Further, our taxable REIT subsidiary ("TRS") is generally required to hold the applicable health care license and enroll in the applicable government health care programs (e.g., Medicare- and Medicaid), which subjects us to potential liability under various health care regulatory laws. Penalties for failure to comply with applicable laws may include loss or suspension of licenses and certificates of need, certification or accreditation, exclusion from government health care programs (e.g., Medicare and Medicaid), administrative sanctions and civil monetary penalties. Although we have some general oversight approval rights and the right to review operational and financial reporting information, our operators are ultimately in control of the day-to-day business of the property, including clinical decision-making, and we rely on them to operate the properties in a manner that complies with applicable law.

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

We are exposed to various operational risks with respect to our Seniors Housing Operating properties that may increase our costs or adversely affect our ability to generate revenues. In addition to operational challenges related to the COVID-19 pandemic, these risks include fluctuations in occupancy experienced during the normal course of business, Medicare and Medicaid reimbursement, if applicable, and private pay rates; economic conditions; competition; federal, state, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards; the availability and increases in cost of general and professional liability insurance coverage; increases in property taxes; state regulation and rights of residents related to entrance fees; federal and state housing laws and regulations, including rent and eviction restrictions related to the COVID-19 pandemic; and the availability and increases in the cost of labor (as a result of unionization or otherwise). Any one or a combination of these factors may adversely affect our revenue and operations and could eventually lead to impairment of our properties.

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

We are parties to long-term management agreements with our Seniors Housing Operating managers pursuant to which they provide comprehensive property management, accounting and other services with respect to our Seniors Housing Operating properties. We have the ability to terminate any of our management agreements upon the occurrence of certain events such as insolvency relating to such manager, and in some cases, the failure to meet specific NOI targets without curing, as well as the occurrence of other events or certain conditions.

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

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

We have very limited control over the success or failure of our operators' or tenants' businesses and, at any time, an operator or tenant may experience a downturn in their business that weakens their financial condition. Our operators' and tenants' revenues are primarily driven by occupancy, private pay rates, and Medicare and Medicaid reimbursement, if applicable. Expenses are primarily driven by the costs of labor, supplies, food, utilities, taxes, insurance and rent or debt service. Revenues from government reimbursement have, and may continue to, come under pressure due to reimbursement cuts and state budget shortfalls. Operating costs continue to increase for our operators and tenants. In particular, our operators' and tenants' businesses are vulnerable to increases in labor costs resulting from shortages of medical and non-medical staff. A number of factors may adversely affect the labor force available to our operators and tenants or labor costs, including increased industry competition, high employment levels, federal unemployment subsidies, including unemployment benefits offered in response to the COVID-19 pandemic, increased wages offered by other employers, including in other economic sectors, vaccine mandates and other government regulations. During the COVID-19 pandemic, in many geographic areas the lack of availability of specialized medical personnel, experienced senior care professionals and other workers has been a significant operating issue affecting a wide range of healthcare providers and senior care and housing facilities. Such shortages have and may continue to impact the operations of our operators and tenants, resulting in increased labor and operating costs. Continued labor shortages or cost inflation may impact our operators' and tenants' abilities to comply with minimum staffing requirements under applicable federal and state regulations. Failure to comply with these requirements can, among other things, jeopardize a facility's compliance with the conditions of participation under relevant state and federal healthcare programs. In addition, if a facility is determined to be out of compliance with these requirements, it may be subject to fines and other regulatory penalties, including the suspension of patient admissions, the termination of Medicaid participation or the suspension or revocation of licenses.

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

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

The operators and managers of our properties compete on a local and regional basis with operators and managers of properties and other health care providers that provide comparable services for residents and patients, including on the basis of the scope and quality of care and services provided, reputation and financial condition, physical appearance of the properties, price, and location. In addition, in light of labor shortages for medical and non-medical workers in many geographic areas, our operators and tenants increasingly compete to attract qualified and experienced employees. Our operators and managers are expected to encounter increased competition in the future that could limit their ability to attract residents and employees or expand their businesses. In addition, we expect that there will continue to be a more than adequate inventory of seniors housing facilities. We cannot be certain that the operators of all of our facilities will be able to achieve and maintain occupancy and rate levels that meet our expected yields and fulfill their obligations to us, including but not limited to the results of the COVID-19 pandemic. If our operators and managers cannot compete effectively or if there is an oversupply of facilities, their financial performance could have a material adverse effect on our financial results.

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

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

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

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

***We may not be able to timely reinvest our sale proceeds on terms acceptable to us***

From time to time, we will have cash available from the proceeds of sales of our securities, principal payments on our loans receivable or the sale of properties, including non-elective dispositions, under the terms of master leases or similar financial support arrangements. In order to maintain current revenues and continue generating attractive returns, we expect to reinvest these proceeds in a timely manner. We compete for real estate investments with a broad variety of potential investors, including other health care REITs, real estate partnerships, health care providers, health care lenders and other investors, including developers, banks, insurance companies, pension funds, government-sponsored entities and private equity firms, some of whom may have greater financial resources and lower costs of capital than we do. This competition for attractive investments may negatively affect our ability to make timely investments on terms acceptable to us. In addition, our ability to execute on our real estate investment strategies may be temporarily disrupted during periods of financial market volatility or real estate and health care industry market uncertainty, including as a result of the COVID-19 pandemic.

***The properties managed by Sunrise Senior Living, LLC ("Sunrise") account for a significant portion of our revenues and net operating income and any adverse developments in its business or financial condition could adversely affect us***

As of December 31, 2021, Sunrise managed 110 of our Seniors Housing Operating properties. These properties account for a significant portion of our revenues and net operating income. Under our management agreements, we rely on Sunrise's personnel, expertise, technical resources and information systems, proprietary information, good faith and judgment to manage our Seniors Housing Operating properties efficiently and effectively. We also rely on Sunrise to set appropriate resident fees, to provide accurate property-level financial results for our properties in a timely manner and to otherwise operate them in compliance with the terms of our management agreements and all applicable laws and regulations. Any adverse developments in Sunrise's business or financial condition could impair its ability to manage our properties efficiently and effectively, which could adversely affect our business, results of operations, and financial condition. For example, we depend on Sunrise's ability to attract and retain skilled management personnel who are responsible for the day-to-day operations of our Seniors Housing Operating properties. A shortage of nurses or other trained personnel or general inflationary pressures may force Sunrise to enhance its pay and benefits packages to compete effectively for such personnel, but it may not be able to offset these added costs by increasing the rates charged to residents. Any increase in labor costs and other property operating expenses, any failure by Sunrise to attract and retain qualified personnel, or significant changes in Sunrise's senior management or equity ownership



could adversely affect the income we receive from our Seniors Housing Operating properties and have a material adverse effect on us. Also, if Sunrise experiences any significant financial, legal, accounting or regulatory difficulties, such difficulties could result in, among other things, acceleration of its indebtedness, impairment of its continued access to capital or the commencement of insolvency proceedings by or against it under the U.S. Bankruptcy Code, which, in turn, could adversely affect our business, results of operations and financial condition. If we determine to sell or transition properties currently managed by Sunrise, we may experience operational challenges and/or significantly declining financial performance for those properties.

***We depend on ProMedica Health System ("ProMedica") for a significant portion of our revenues and any failure, inability or unwillingness by them to satisfy obligations under their agreements with us could adversely affect us***

As of December 31, 2021, we lease 205 properties to ProMedica under triple-net leases, which account for a significant portion of our revenues. We depend on ProMedica to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with the leased properties. We cannot assure you that ProMedica will have sufficient assets, income and access to financing to enable them to make rental payments to us or to otherwise satisfy their respective obligations under our leases, and any failure, inability or unwillingness by ProMedica to do so could have an adverse effect on our business, results of operations and financial condition. ProMedica have also agreed to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with their respective businesses, and we cannot assure you that ProMedica will have sufficient assets, income, access to financing and insurance coverage to enable them to satisfy their respective indemnification obligations. ProMedica's failure to effectively conduct their operations or to maintain and improve our properties could adversely affect their business reputations and their ability to attract and retain patients and residents in our properties, which, in turn, could adversely affect our business, results of operations and financial condition.

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

We have operations in the U.K. and Canada which represent 11.7% and 8.9% of total Welltower revenues, respectively. As of December 31, 2021, Revera managed 85 of our Seniors Housing Operating properties in Canada, representing a significant portion of our revenues, and also owned a controlling interest in Sunrise. International development, ownership, and operating activities involve risks that are different from those we face with respect to our domestic properties and operations. These risks include, but are not limited to, any international currency gain or loss recognized with respect to changes in exchange rates, which may not qualify under the 75% gross income test or the 95% gross income test required for us to satisfy annually in order to qualify and maintain our status as a REIT; challenges with respect to the repatriation of foreign earnings and cash; impact from international trade disputes and the associated impact on our tenants' supply chain and consumer spending levels; changes in foreign political, regulatory, and economic conditions (regionally, nationally and locally) including, but not limited to, challenges in managing international operations; challenges of complying with a wide variety of foreign laws and regulations, including those relating to real estate, corporate governance, operations, taxes, employment and other civil and criminal legal proceedings; foreign ownership restrictions with respect to operations in foreign countries; local businesses and cultural factors that differ from our usual standards and practices; differences in lending practices and the willingness of domestic or foreign lenders to provide financing; regional or country-specific business cycles and political and economic instability; and failure to comply with applicable laws and regulations in the U.S. that affect foreign operations, including, but not limited to, the U.S. Foreign Corrupt Practices Act. Additionally, the COVID-19 pandemic may subject our international business and that of our operators and tenants to different or greater risks than those faced in the U.S. These factors may include the duration and severity of the outbreak in a particular country due to the impact of new variants, the distribution of vaccines and boosters, or public health measures or other actions taken by governments, businesses and individuals in response to the pandemic.

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

We cannot predict whether our tenants will renew existing leases at the end of their lease terms, which expire at various times. If these leases are not renewed, we would be required to find other tenants to occupy those properties, or sell them. There can be no assurance that we would be able to identify suitable replacement tenants or enter into leases with new tenants on terms as favorable to us as the current leases or that we would be able to lease those properties at all. Our competitors may offer space at rental rates below current market rates or below the rental rates we currently charge our customers, we may lose potential customers, and we may be pressured to reduce our rental rates below those we currently charge to retain customers when leases expire. In addition, our ability to reposition our properties with a suitable replacement tenant or operator could be significantly delayed or limited by state licensing, receivership, CON or other laws, as well as by the Medicare and Medicaid change-of-ownership rules, and we could incur substantial additional expenses in connection with any licensing, receivership or change-of-ownership proceedings. Even if tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favorable to us than current lease terms.

Real estate investments are relatively illiquid and most of the property we own is highly customized for specific uses. Our ability to quickly sell or exchange any of our properties in response to changes in operator, economic and other conditions will be limited. No assurances can be given that we will recognize full value for any property that we are required to sell. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations. In addition, we are exposed to the risks inherent in concentrating investments in real estate, and in particular, the seniors housing and health care industries. A downturn in the real estate industry could adversely affect the value of our properties and our ability to sell properties for a price or on terms acceptable to us.

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

We maintain or require our tenants, operators and managers to maintain comprehensive insurance coverage on our properties and their operations with terms, conditions, limits and deductibles that we believe are customary for similarly situated companies in our industry and we frequently review our insurance programs and requirements. Our tenants, operators and managers may not be able to maintain adequate levels of insurance and required coverages. Also, we may not be able to require the same levels of insurance coverage under our lease, management and other agreements, which could adversely affect us in the event of a significant uninsured loss. We cannot make any guarantee as to the future financial viability of the insurers that underwrite our policies and the policies maintained by our tenants, operators and managers. Insurance may not be available at a reasonable cost in the future or policies may not be maintained at a level that will fully cover all losses on our properties upon the occurrence of a catastrophic event. This may be especially the case due to increases in property insurance costs. In addition, in recent years, long-term/post-acute care and seniors housing operators and managers have experienced substantial increases in both the number and size of patient care liability claims. As a result, general and professional liability costs have increased in some markets. Due to the uncertainty of the long term effects of the COVID-19 pandemic, general and professional liability insurance coverage may be restricted or very costly, which may adversely affect the tenants', operators' and managers' future operations, cash flows and financial conditions, and may have a material adverse effect on the tenants', operators' and managers' ability to meet their obligations to us. Finally, our use, and the usage by some of our tenants, operators and managers of self-insurance and/or use of a wholly owned captive insurance company, if not adequately funded, could have a material adverse effect on our liquidity and that of our tenants, operators and managers.

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

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

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

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

Since January 1, 2014, the Health Reform Laws have provided those states that expand their Medicaid coverage to otherwise eligible state residents with incomes at or below 138% of the federal poverty level with an increased federal medical assistance percentage, effective January 1, 2014, when certain conditions are met. Given that the federal government substantially funds the Medicaid expansion, it is unclear how many states will ultimately pursue this option, although, as of early January 2022,

more than 75% of the states have expanded Medicaid coverage. The participation by states in the Medicaid expansion could have the dual effect of increasing our tenants' revenues, through new patients, but further straining state budgets and their ability to pay our tenants.

While there have been multiple attempts to repeal or amend the Health Reform Laws through legislative action and legal challenges, legislative attempts to completely repeal the Health Reform Laws have been unsuccessful to date, and on June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the Health Reform Laws brought by several states without specifically ruling on the constitutionality of the Health Reform Laws. Nevertheless, the status of the Health Reform Laws may be subject to change and other health reform measures could be implemented as a result of political, legislative, regulatory, and administrative developments and judicial proceedings. Further impact that the Biden Administration or U.S. Congress may have on health reform (including through new legislative, executive order, or regulatory efforts) remains uncertain, and any changes will likely take time to unfold and could have an impact on coverage and reimbursement for health care items and services covered by plans that were authorized by the Health Reform Laws. If the operations, cash flows or financial condition of our operators and tenants are materially adversely impacted by the Health Reform Laws or future legislation, our revenue and operations may be adversely affected as well. More generally, and because of the dynamic nature of the legislative and regulatory environment for health care products and services, and in light of existing federal deficit and budgetary concerns, we cannot predict the impact that broad-based, far-reaching legislative or regulatory changes could have on the U.S. economy, our business, or that of our operators and tenants.

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

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

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

Our operators and tenants generally are subject to or impacted by varying levels of federal, state, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards. These laws and regulations include, among others: laws protecting consumers against deceptive practices; laws relating to the operation of our properties and how our tenants and operators conduct their business, such as fire, health and safety, data security and privacy laws; federal and state laws affecting hospitals, clinics and other health care communities that participate in both Medicare and Medicaid that specify reimbursement rates, pricing, reimbursement procedures and limitations, quality of services and care, background checks, food service and physical plants, and similar foreign laws regulating the health care industry; resident rights laws (including abuse and neglect laws) and fraud laws; anti-kickback and physician referral laws; the ADA and similar state and local laws; and safety and health standards set by the Occupational Safety and Health Administration or similar foreign agencies. Our operators' or tenants' failure to comply with any of these laws, regulations, or standards could result in loss of accreditation, denial of reimbursement, imposition of fines, suspension, decertification or exclusion from federal and state health care programs, civil liability, and in certain limited instances, criminal penalties, material restrictions on or loss of license, closure of the facility and/or the incurrence of considerable costs arising from an investigation or regulatory action. The likelihood of these actions may increase due to the uncertainty of the long term effects of the COVID-19 pandemic. Such actions may have an effect on our operators' or tenants' ability to make lease payments to us and, therefore, adversely impact us. In addition, we may be directly subject to these laws, regulations and standards, as well as potential investigation or enforcement, as a result of our RIDEA-structured arrangements, and certain other arrangements we may pursue with healthcare entities who are directly subject to these laws. See "Item 1 - Business - Certain Government Regulations - United States - Fraud & Abuse Enforcement" and "Item 1 - Business - Certain Government Regulations - United States - Health Care Matters - Generally" above.

Many of our properties may require a license, registration, and/or CON to operate. Failure to obtain a license, registration, or CON, or loss of a required license, registration, or CON would prevent a facility from operating in the manner intended by the operators or tenants. These events could materially adversely affect our operators' or tenants' ability to make rent or other obligatory payments to us. State and local laws also may regulate the expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction or renovation of health care facilities, by requiring a CON or other

similar approval from a state agency. See “Item 1 — Business — Certain Government Regulations — United States — Licensing and Certification” above.

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

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

From time to time, we are directly involved or named as a party in in legal proceedings, lawsuits and other claims that involve class actions, disputes regarding property damage, care matters and other issues. We also are named as defendants in lawsuits allegedly arising out of our actions or the actions of our operators/tenants or managers in which such operators/tenants or managers have agreed to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with their respective businesses. Employment related class action lawsuits have increased in recent years, including but not limited to class action lawsuits brought against our operators in certain states regarding employee and government requirements regarding wage and hour claims and fair housing complaints, as well as class action lawsuits related to COVID-19. There can be no assurance that we will be able to prevail in, or achieve a favorable settlement of, pending or future litigation. In addition, pending litigation or future litigation, government proceedings or environmental matters could lead to increased costs or interruption of our normal business operations. An unfavorable resolution of pending or future litigation or legal proceedings may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses, significantly divert the attention of management, and could damage our reputation and our brand. In addition, any such resolution could involve our agreement to terms that restrict the operation of our business. We cannot guarantee losses incurred in connection with any current or future legal or regulatory proceedings or actions will not exceed any provisions we may have set aside in respect of such proceedings or actions or will not exceed any available insurance coverage.

***Development, redevelopment and construction risks could affect our profitability***

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

Our development/redevelopment and construction projects are vulnerable to the impact of material shortages and inflation. For example, shortages and fluctuations in the price of lumber or in other important raw materials could result in delays in the start or completion of, or increase the cost of, developing one or more of our projects. Pricing for labor and raw materials can be affected by various national, regional, local, economic and political factors, including changes to immigration laws that impact the availability of labor or tariffs on imported construction materials.

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

We rely on our development managers, general contractors and subcontractors to oversee and manage day-to-day construction activities. If any such party underperforms, we may need to exercise contractual remedies against such party, which may include termination of the applicable underlying service contract. In the event such termination occurs mid-construction, we would likely need to engage a new service provider, which would likely result in additional costs and delays as the transition between providers occurs.

The above-described factors could result in increased costs or our abandonment of these projects. In addition, we may abandon opportunities we have begun to investigate, for a range of reasons, including changes in expected financing or construction costs, adverse changes in expected rents or expenses, adverse environmental and/or geotechnical findings, or conditions to zoning approval, which would result in additional expenses beyond those originally expected. In addition, we may not be able to obtain financing on favorable terms, or at all, which may render us unable to proceed with our development activities. We may not be able to complete construction and lease-up of a property on budget and on schedule, which could result in increased debt service expense or construction costs. Additionally, the time frame required for development,

construction and lease-up of these properties means that we may have to wait years for significant cash returns. Because we are required to make cash distributions to our stockholders, if the cash flow from operations or refinancing is not sufficient, we may be forced to borrow additional money to fund such distributions. Newly developed and acquired properties may not produce the cash flow that we expect, which could adversely affect our overall financial performance.

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

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

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

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

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

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

Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data through phishing or other malicious activity, attempts to interrupt our access to, or use of information technology systems through distributed denial-of-service or ransomware attacks, breaches related to our increased receipt and use of data from multiple sources, and other electronic security breaches or other cybersecurity incidents within our environment or our business partners' environments, including those resulting from human error, product defects and technology failures. Such cyber-attacks can range from individual attempts to gain unauthorized access to our or our business partners' information technology systems to more sophisticated security threats and may be specifically targeted to our business or more general industry wide risks. Our information technology networks, and those of our business partners are essential to our ability to perform day-to-day operations of our business. While we employ a number of measures to prevent, detect and mitigate these threats, there is no guarantee such efforts will be successful in preventing or detecting a cyber-attack. Even the most well-protected information, networks, systems and facilities remain vulnerable because the techniques used in such attempted cybersecurity breaches evolve and generally are not recognized until launched against a target, and in some cases are

designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques, implement adequate cybersecurity barriers or other preventative measures, or respond, mitigate the risks from and recover from an attack without operational impact, and thus it is impossible for us to entirely mitigate this risk. We regularly defend against, respond to and mitigate risks from cybersecurity breaches, which to date have not had a material impact on our operations; however, there is no assurance that such impacts will not be material in the future. Cybersecurity incidents could disrupt our or our critical business partners' business, damage our reputation, cause us to incur significant remediation expense and have a materially adverse effect on our business, financial condition and results of operations. Cybersecurity breaches that compromise proprietary, personal identifying or confidential information of our employees, operators, tenants and partners, or result in operational disruptions, could result in legal claims or proceedings, including enforcement actions by regulators under data privacy regulations.

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

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

Many jurisdictions assess fines, the magnitude of which may depend on the annual global revenue of the noncompliant company, the nature, gravity and duration of, and the violation. Additionally, in some jurisdictions, data subjects may have a right to compensation for financial or non-financial losses. Complying with these laws may cause us to incur substantial operational and compliance costs or require us to change our business practices. Despite efforts to bring our practices into compliance with these laws, we may not be successful either due to internal or external factors such as resource allocation limitations or a lack of cooperation among our business partners. Non-compliance could result in proceedings against us by governmental entities, regulators, our business partners, residents of our communities, data subjects, suppliers, vendors or other parties. Further, there is a risk that compliance measures we undertake will not be implemented correctly or that individuals within our business or that of our business partners will not be fully compliant with the new procedures. If there are breaches of these measures, we could face significant administrative and monetary sanctions, as well as reputational damage, which may have a material adverse effect on our operations, financial condition and prospects.

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

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

**Risks Arising from Our Capital Structure**

***We may become more leveraged***

Permanent financing for our investments is typically provided through a combination of public offerings of debt and equity securities and the incurrence or assumption of secured debt. The incurrence or assumption of indebtedness may cause us to become more leveraged, which could (1) require us to dedicate a greater portion of our cash flow to the payment of debt service, (2) make us more vulnerable to a downturn in the economy, (3) limit our ability to obtain additional financing, (4) negatively affect our credit ratings or outlook by one or more of the rating agencies or (5) make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings to the extent we have not entirely hedged such variable rate debt.

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

If cash available for distribution generated by our assets decreases due to dispositions or otherwise, we may be unable to make dividend distributions at expected levels. Our inability to make expected distributions would likely result in a decrease in the market price of our common stock. All distributions are made at the discretion of our Board of Directors in accordance with Delaware law and depend on our earnings, our financial condition, debt and equity capital available to us, our expectation of

our future capital requirements and operating performance, restrictive covenants in our financial and other contractual arrangements, maintenance of our REIT qualification, restrictions under Delaware law and other factors as our Board of Directors may deem relevant from time to time. Additionally, our ability to make distributions will be adversely affected if any of the risks described herein, or other significant adverse events, occur.

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

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

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

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

***Changes affecting the availability of the London Interbank Offered Rate ("LIBOR") may have consequences for us that cannot yet reasonably be predicted***

We have outstanding debt, hedge agreements and receivable transactions with variable interest rates based on LIBOR. The LIBOR benchmark has been subject of national, international, and other regulatory guidance and proposals for reform. In March 2021, ICE Benchmark Administration, the administrator of LIBOR, confirmed that it would cease publication of USD LIBOR on December 31, 2021 for the one week and two month USD LIBOR tenors, and on June 30, 2023 for all other USD LIBOR tenors. As a result, the United States Federal Reserve has advised banks to stop new USD LIBOR issuances by the end of 2021. The Alternative Reference Rates Committee, which was convened by the Federal Reserve Board and the New York Fed, has identified the Second Oversight Financing Rate ("SOFR") as the recommended alternative rate for LIBOR. While it is not currently possible to determine precisely whether, or to what extent, the withdrawal and replacement of LIBOR would affect us, the implementation of SOFR or other alternative benchmark rates to LIBOR may have an adverse effect on our business, results of operations or financial condition. Any new benchmark rate will likely not replicate LIBOR exactly, which could impact contracts that terminate after 2023. There is uncertainty about how applicable law, the courts or we will address the replacement of LIBOR with alternative rates on agreements that do not include alternative rate fallback provisions. In addition, any changes to benchmark rates may have an uncertain impact on our cost of funds and our access to the capital markets, which could impact our results of operations and cash flows. Uncertainty as to the nature of such potential changes may also adversely affect the trading market for our securities. Additional financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness.

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

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

***Increases in interest rates could have a material adverse effect on our cost of capital***

An increase in interest rates may increase interest cost on new and existing variable rate debt. Such increases in the cost of capital could adversely impact our ability to finance operations, acquire and develop properties, and refinance existing debt. Additionally, increased interest rates may also result in less liquid property markets, limiting our ability to sell existing assets.

## **Risks Arising from Our Status as a REIT**

### ***We might fail to qualify or remain qualified as a REIT***

We intend to operate as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), and believe we have operated and will continue to operate in such a manner. If we lose our status as a REIT, we will face serious income tax consequences that will substantially reduce the funds available for satisfying our obligations and for distribution to our stockholders because:

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

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

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

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

We own interests in a number of entities which have elected to be taxed as REITs for U.S. federal income tax purposes, some of which we consolidate for financial reporting purposes but each of which is treated as a separate REIT for federal income tax purposes (each a “Subsidiary REIT”). To qualify as a REIT, each Subsidiary REIT must independently satisfy all of the REIT qualification requirements under the Code, together with all other rules applicable to REITs. Provided that each Subsidiary REIT qualifies as a REIT, our interests in the Subsidiary REITs will be treated as qualifying real estate assets for purposes of the REIT asset tests. If a Subsidiary REIT fails to qualify as a REIT in any taxable year, such Subsidiary REIT will be subject to federal and state income taxes and may not be able to qualify as a REIT for the four subsequent taxable years. Any such failure could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus our ability to qualify as a REIT, unless we are able to avail ourselves of certain relief provisions.

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

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

### ***Our use of TRSs is limited under the Code***

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



arm's-length terms and intend to continue to operate in a manner that allows us to avoid incurring the 100% excise tax described above, but there can be no assurance that we will be able to avoid application of that tax.

***The lease of qualified health care properties to a taxable REIT subsidiary is subject to special requirements***

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

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

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

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

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

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

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

We cannot predict how changes in the tax laws in the U.S. or foreign jurisdictions might affect our investors or us. Revisions in tax laws and interpretations thereof could significantly and negatively affect our ability to qualify as a REIT, as well as the tax considerations relevant to an investment in us, could cause us to change our investments and commitments, and adversely affect our earnings and cash flow.

**Item 1B. Unresolved Staff Comments**

None.

## Item 2. Properties

We lease our corporate headquarters located at 4500 Dorr Street, Toledo, Ohio 43615. We also lease corporate offices throughout the U.S., Canada and the United Kingdom and have ground leases relating to certain of our properties. The following table sets forth certain information regarding the properties that comprise our consolidated real property and real estate loan investments as of December 31, 2021 (dollars in thousands):

Property Location	Seniors Housing Operating			Triple-net			Outpatient Medical		
	Number of Properties	Total Investment	Annualized Revenues <sup>(1)</sup>	Number of Properties	Total Investment	Annualized Revenues <sup>(1)</sup>	Number of Properties	Total Investment	Annualized Revenues <sup>(1)</sup>
Alabama	3	\$ 34,937	\$ 8,795	3	\$ 33,898	\$ 4,233	2	\$ 33,359	\$ 2,792
Arkansas	1	38,630	10,296	—	—	—	1	22,520	2,920
Arizona	10	214,624	47,406	—	—	—	7	79,905	9,887
California	93	3,129,715	730,284	24	460,884	69,799	38	906,083	91,507
Colorado	15	456,837	98,388	12	294,463	24,997	1	10,185	2,175
Connecticut	3	68,634	16,543	4	75,789	32,480	7	102,045	7,430
District Of Columbia	2	87,481	12,799	—	—	—	—	—	—
Delaware	8	240,407	38,371	4	104,491	12,829	—	—	—
Florida	13	713,529	116,379	53	623,783	89,573	25	234,127	43,779
Georgia	16	268,543	60,190	3	38,796	4,614	12	215,537	27,067
Hawaii	1	2,568	18,090	—	—	—	—	—	—
Iowa	7	90,641	26,804	7	55,196	6,156	—	—	—
Idaho	3	64,462	6,187	—	—	—	2	50,510	4,368
Illinois	35	583,215	142,670	24	353,815	28,432	7	110,944	14,957
Indiana	8	223,553	31,609	27	411,883	47,524	—	—	—
Kansas	3	66,494	14,325	27	234,044	43,949	—	—	—
Kentucky	4	58,703	18,713	7	68,269	8,872	—	—	—
Louisiana	5	70,555	19,726	3	82,193	3,690	—	—	—
Massachusetts	16	386,988	76,800	10	189,021	7,384	7	104,531	9,383
Maryland	10	438,074	76,124	21	265,773	23,042	11	238,210	24,710
Maine	1	23,154	11,489	—	—	—	—	—	—
Michigan	13	354,570	66,542	25	245,965	28,273	13	194,793	10,067
Minnesota	3	78,936	12,888	12	229,964	23,326	7	145,120	31,083
Missouri	6	126,388	18,897	—	—	—	12	189,326	27,418
Mississippi	2	16,778	8,834	1	10,085	—	1	34,947	2,382
Montana	2	25,831	8,148	—	—	—	—	—	—
North Carolina	10	283,634	52,225	51	415,157	57,404	24	567,936	47,387
North Dakota	1	13,721	1,336	—	—	—	—	—	—
Nebraska	5	39,674	13,795	—	—	—	1	11,240	2,728
New Hampshire	—	—	—	3	33,395	2,936	—	—	—
New Jersey	28	702,293	192,833	29	597,879	64,403	13	328,853	46,868
Nevada	7	128,179	29,585	—	—	—	8	127,634	9,542
New York	33	676,220	147,063	4	63,822	10,246	15	418,384	28,926
Ohio	29	419,811	76,084	40	407,072	48,538	5	84,941	11,236
Oklahoma	5	98,030	26,279	20	208,168	41,909	2	13,779	2,449
Oregon	14	164,576	40,374	1	2,550	864	1	43,191	2,720
Pennsylvania	18	275,220	72,017	59	645,435	87,385	4	72,343	6,946
South Carolina	5	94,471	24,313	7	33,320	4,263	2	9,930	1,522
Tennessee	7	115,744	31,729	7	98,620	8,380	3	66,216	6,670
Texas	70	1,350,583	289,097	26	410,668	61,531	56	1,028,184	104,534
Utah	4	74,617	23,932	1	22,372	2,106	—	—	—
Virginia	9	376,764	108,414	29	383,314	46,121	6	110,626	13,517
Washington	30	661,076	146,938	7	89,181	11,517	8	186,665	27,367
Wisconsin	2	18,953	4,985	5	88,064	10,906	5	88,135	9,508
West Virginia	—	—	—	1	6,293	1,005	—	—	—
Total domestic	560	13,357,813	2,978,296	557	7,283,622	918,687	306	5,830,199	633,845
Canada	97	2,047,065	405,295	6	140,606	10,840	—	—	—
United Kingdom	64	2,084,141	407,824	61	1,543,664	178,100	—	—	—
Total international	161	4,131,206	813,119	67	1,684,270	188,940	—	—	—
Grand total	721	\$ 17,489,019	\$ 3,791,415	624	\$ 8,967,892	\$ 1,107,627	306	\$ 5,830,199	\$ 633,845

<sup>(1)</sup> Represents revenue for the month ended December 31, 2021 annualized.

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

	Occupancy <sup>(1)</sup>		Average Annualized Revenues <sup>(2)</sup>		
	2021	2020	2021	2020	
Seniors Housing Operating <sup>(3)</sup>	76.4%	75.9%	\$ 48,300	\$ 48,749	per unit
Triple-net <sup>(4)</sup>	73.0%	72.8%	19,675	17,604	per bed/unit
Outpatient Medical <sup>(5)</sup>	95.4%	95.4%	37	36	per sq. ft.

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

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

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

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

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

The following table sets forth information regarding lease expirations for certain portions of our portfolio as of December 31, 2021 (dollars in thousands):

	Expiration Year <sup>(1)</sup>										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Thereafter
<b>Triple-net:</b>											
Properties	57	3	4	28	64	18	14	14	23	16	367
Base rent <sup>(2)</sup>	\$ 6,751	\$ 2,482	\$ 12,110	\$ 6,147	\$ 67,063	\$ 33,567	\$ 15,549	\$ 32,248	\$ 43,027	\$ 18,808	\$ 377,212
% of base rent	1.1 %	0.4 %	2.0 %	1.0 %	10.9 %	5.5 %	2.5 %	5.2 %	7.0 %	3.1 %	61.3 %
Units	6,071	304	692	1,759	4,878	2,350	1,474	1,214	2,439	2,008	36,991
% of units	10.1 %	0.5 %	1.1 %	2.9 %	8.1 %	3.9 %	2.4 %	2.0 %	4.1 %	3.3 %	61.6 %
<b>Outpatient Medical:</b>											
Square feet	1,793,229	1,720,158	2,080,831	1,031,346	1,389,353	1,153,609	921,218	751,892	1,486,918	1,396,014	3,475,995
Base rent <sup>(2)</sup>	\$ 52,877	\$ 48,606	\$ 63,809	\$ 29,253	\$ 37,775	\$ 30,380	\$ 24,719	\$ 21,395	\$ 38,494	\$ 37,905	\$ 78,835
% of base rent	11.4 %	10.5 %	13.8 %	6.3 %	8.1 %	6.5 %	5.3 %	4.6 %	8.3 %	8.2 %	17.0 %
Leases	404	369	354	218	255	175	126	83	102	80	151
% of leases	17.4 %	15.9 %	15.3 %	9.4 %	11.0 %	7.6 %	5.4 %	3.6 %	4.4 %	3.5 %	6.5 %

<sup>(1)</sup> Excludes investments in unconsolidated entities, developments, land parcels, loans receivable and sub-leases. Investments classified as held for sale are included in 2022.

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

### Item 3. Legal Proceedings

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

### Item 4. Mine Safety Disclosures

None.

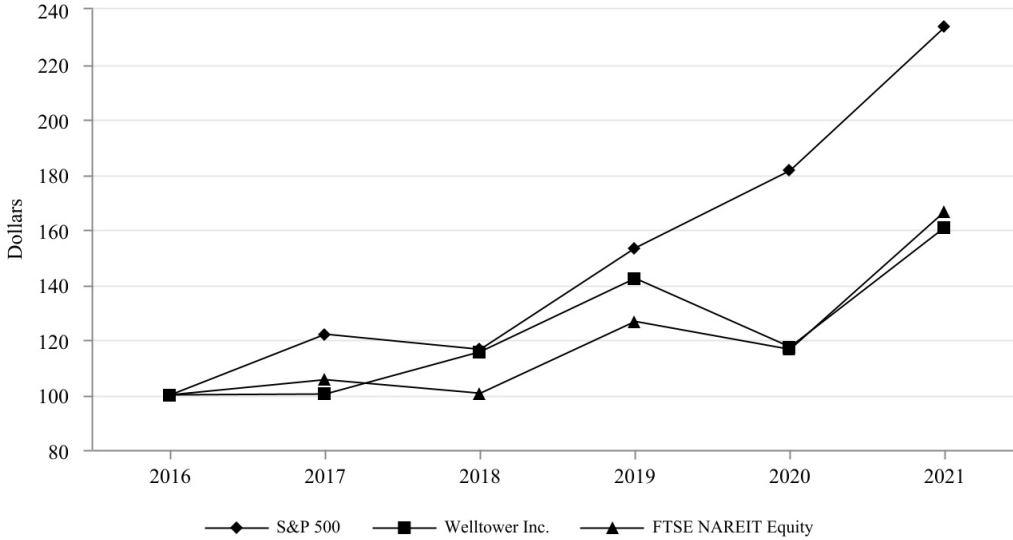
**PART II**

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

Our common stock trades on the New York Stock Exchange (NYSE:WELL). There were 3,147 stockholders of record as of February 4, 2022.

**Stockholder Return Performance Presentation**

Set forth below is a line graph comparing the yearly percentage change and the cumulative total stockholder return on our shares of common stock against the cumulative total return of the S & P Composite-500 Stock Index and the FTSE NAREIT Equity Index. As of December 31, 2021, 151 companies comprised the FTSE NAREIT Equity Index, which consists of REITs identified by NAREIT as equity (those REITs which have at least 75% of their investments in real property). The data are based on the closing prices as of December 31 for each of the five years. 2016 equals \$100 and dividends are assumed to be reinvested.



	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
S & P 500	\$ 100.00	\$ 121.83	\$ 116.49	\$ 153.17	\$ 181.35	\$ 233.41
Welltower Inc.	100.00	100.20	115.53	142.14	117.29	160.66
FTSE NAREIT Equity	100.00	105.23	100.36	126.45	116.34	166.64

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

On May 1, 2020, our Board of Directors authorized a share repurchase program whereby we may repurchase up to \$1 billion of common stock through December 31, 2021 (the "Repurchase Program"). Under this authorization, we are not required to purchase shares but may choose to do so in the open market or through private transactions at times and amounts based on our evaluation of market conditions and other factors. We expect to finance any share repurchases under the Repurchase Program using available cash and may use proceeds from borrowings or debt offerings. We did not repurchase any shares of our common stock during the three months ended December 31, 2021.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program
October 1, 2021 through October 31, 2021	—	\$ —	—	\$ —
November 1, 2021 through November 30, 2021	—	\$ —	—	—
December 1, 2021 through December 31, 2021	—	\$ —	—	—
Totals	—	\$ —	—	\$ 992,348,000

**Item 6. [Reserved]**

The selected financial data previously required by Item 301 of Regulation S-K has been omitted in reliance on SEC Release No. 33-10890.

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

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

### Executive Summary

#### Company Overview

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

The following table summarizes our consolidated portfolio for the year ended December 31, 2021 (dollars in thousands):

Type of Property	NOI <sup>(1)</sup>	Percentage of NOI	Number of Properties
Seniors Housing Operating	\$ 683,906	34.7 %	721
Triple-net	841,122	42.6 %	624
Outpatient Medical	448,350	22.7 %	306
Totals	\$ 1,973,378	100.0 %	1,651

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

The COVID-19 pandemic has had and may continue to have material and adverse effects on our financial condition, results of operations and cash flows in the future. The extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the effectiveness of vaccines, the actions taken to contain the pandemic or mitigate its impact and the direct and indirect economic effects of the pandemic and containment measures, the overall pace of recovery, among others.

Our Seniors Housing Operating revenues are dependent on occupancy. Spot occupancy has steadily increased in recent months, with 94% of communities open for new admissions and nearly all communities allowing visitors, in-person tours and communal dining and activities as of December 31, 2021. Rapid distribution and a high acceptance rate of COVID-19 vaccinations by residents within assisted living and memory care facilities in the U.S. and U.K. have resulted in a significant decrease in total resident case counts across the portfolio from peak levels in mid-January 2021, however, resident case counts have increased in December 2021 as a result of highly transmissible variants.

We have incurred increased operational costs as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor, personal protective equipment and sanitation. We expect total Seniors Housing Operating expenses to remain elevated during the pandemic and potentially beyond as these additional health and safety measures become standard practice.

Our Triple-net operators are experiencing similar trends related to occupancy and operating costs as described above with respect to our Seniors Housing Operating properties. However, long-term/post-acute care facilities are generally experiencing a higher degree of occupancy declines. These factors may continue to impact the ability of our Triple-net operators to make contractual rent payments to us in the future. Many of our Triple-net operators received funds under the Coronavirus Aid Relief, and Economic Security Act ("CARES Act") Paycheck Protection Program and Provider Relief Fund.

During the year ended December 31, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant rent deferrals or rent concessions have been made during the year ended December 31, 2021. We evaluate leases individually and recognize rent on a cash basis if collectibility of substantially all contractual rent payments is not probable. To the extent the prolonged impact of the COVID-19 pandemic causes operators or tenants to seek further modifications of their lease agreements, we may recognize reductions in revenue and increases in uncollectible receivables.

During the early stages of the pandemic in 2020, our Outpatient Medical tenants experienced temporary medical practice closures or decreases in revenue due to government-imposed restrictions on elective medical procedures, stay at home orders or decisions by patients to delay treatments. In some instances, these factors caused tenants to seek modifications of contractual

rent obligations. We evaluated each request on a case-by-case basis to determine if a form of rent relief was warranted following an examination of the tenant's financial health, rent coverage, current operating situation and other factors. Virtually all deferred rent related to 2020 deferrals has been paid. During the year ended December 31, 2021, we have continued to collect virtually all rent due from tenants in our Outpatient Medical portfolio, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants.

***Business Strategy***

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

Substantially all of our revenues are derived from operating lease rentals, resident fees and services and interest earned on outstanding loans receivable. These items represent our primary sources of liquidity to fund distributions and depend upon the continued ability of our obligors to make contractual rent and interest payments to us and the profitability of our operating properties. To the extent that our obligors/partners experience operating difficulties and become unable to generate sufficient cash to make payments or operating distributions to us, there could be a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. To mitigate this risk, we monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs and market conditions among other things. We evaluate the operating environment in each property's market to determine the likely trend in operating performance of the facility. When we identify unacceptable trends, we seek to mitigate, eliminate or transfer the risk. Through these efforts, we generally aim to intervene at an early stage to address any negative trends, and in so doing, support both the collectability of revenue and the value of our investment.

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

For the year ended December 31, 2021, resident fees and services and rental income represented 67% and 29%, respectively, of total revenues. Substantially all of our operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Our yield on loans receivable depends upon a number of factors, including the stated interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

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

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

Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. It is also likely that investment dispositions may occur in the future. To the extent that investment dispositions exceed new investments, our revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any investment dispositions in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured revolving credit facility and commercial paper program. At December 31, 2021, we had \$269,265,000 of cash and cash equivalents, \$77,490,000 of restricted cash and \$3,675,000,000 of available borrowing capacity under our unsecured revolving credit facility.



**Key Transactions**

*Capital* The following summarizes key capital transactions that occurred during the year ended December 31, 2021:

- In March 2021, we completed the issuance of \$750,000,000 senior unsecured notes bearing interest at 2.80% with a maturity date of June 2031.
- In April 2021, we repaid our \$339,128,000 of our 3.75% senior unsecured notes due March 2023, \$334,624,000 of our 3.95% senior unsecured notes due September 2023, and \$15,000,000 of our term loan due April 2022.
- In June 2021, we closed on a new \$4,700,000,000 unsecured credit facility with improved pricing across our line of credit and terminated the existing unsecured credit facility. The credit facility includes \$4,000,000,000 of revolving credit capacity at a borrowing rate of 77.5 basis points ("bps") over LIBOR, \$500,000,000 of USD term loan capacity at a borrowing rate of 90.0 bps over LIBOR and \$250,000,000 CAD term loan capacity at 90.0 bps over CDOR.
- In June 2021, we repaid the remaining \$845,000,000 of our term loan due April 2022.
- In June 2021, we completed the issuance of \$500,000,000 senior unsecured notes bearing interest at 2.05% with a maturity date of January 2029.
- In July 2021, we entered into an amended and restated ATM Program (as defined below) pursuant to which we may offer and sell up to \$2,500,000,000 of common stock from time to time. During 2021, we sold 34,854,598 shares of common stock under our current and previous ATM Programs via forward sale agreements which are expected to generate gross proceeds of approximately \$2,820,855,000, of which 29,667,348 shares have been settled resulting in \$2,385,683,000 of gross proceeds during the year ended December 31, 2021.
- In November 2021, we completed the issuance of \$500,000,000 senior unsecured notes bearing interest at 2.75% with a maturity date of January 2032.
- We extinguished \$132,031,000 of secured debt at a blended average interest rate of 5.86% throughout 2021.

*Investments* The following summarizes property acquisitions and joint venture investments completed during the year ended December 31, 2021 (dollars in thousands):

	Properties	Book Amount <sup>(1)</sup>	Capitalization Rates <sup>(2)</sup>
Seniors Housing Operating	151	\$ 3,138,988	5.1%
Triple-net	35	898,167	6.1%
Outpatient Medical	19	403,458	5.5%
Totals	205	\$ 4,440,613	5.2%

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

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

*Dispositions* The following summarizes property dispositions completed during the year ended December 31, 2021 (dollars in thousands):

	Properties	Proceeds <sup>(1)</sup>	Book Amount <sup>(2)</sup>	Capitalization Rates <sup>(3)</sup>
Seniors Housing Operating	12	\$ 118,590	\$ 112,837	4.8%
Triple-net	51	625,478	486,369	7.2%
Outpatient Medical	11	326,254	229,660	5.3%
Totals	74	\$ 1,070,322	\$ 828,866	6.4%

<sup>(1)</sup> Represents pro rata proceeds received upon disposition including any seller financing.

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

<sup>(3)</sup> Represents annualized contractual income that was being received in cash at date of disposition divided by disposition proceeds.

*Dividends* Our Board of Directors declared a cash dividend for the quarter ended December 31, 2021 of \$0.61 per share. On March 8, 2022, we will pay our 203<sup>rd</sup> consecutive quarterly dividend payment to stockholders of record on March 1, 2022.

**Key Performance Indicators, Trends and Uncertainties**

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

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

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

	Year Ended December 31,		
	2021	2020	2019
Net income	\$ 374,479	\$ 1,038,852	\$ 1,330,410
Net income attributable to common stockholders	336,138	978,844	1,232,432
Funds from operations attributable to common stockholders	1,220,722	1,102,562	1,577,080
Consolidated net operating income	1,967,553	2,008,144	2,431,264

*Credit Strength* We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and restricted cash. The coverage ratios indicate our ability to service interest and fixed charges (interest and secured debt principal amortization). We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliation of these measures. Leverage ratios and coverage ratios are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table reflects the recent historical trends for our credit strength measures for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
Net debt to book capitalization ratio	42.2%	40.8%	46.3%
Net debt to undepreciated book capitalization ratio	34.9%	33.8%	39.2%
Net debt to market capitalization ratio	25.9%	29.6%	29.5%
Adjusted interest coverage ratio	3.89x	3.97x	4.14x
Adjusted fixed charge coverage ratio	3.43x	3.54x	3.78x

*Concentration Risk* We evaluate our concentration risk in terms of NOI by property mix, relationship mix and geographic mix. Concentration risk is a valuable measure in understanding what portion of our NOI could be at risk if certain sectors were to experience downturns. Property mix measures the portion of our NOI that relates to our various property types. Relationship mix measures the portion of our NOI that relates to our current top five relationships. Geographic mix measures the portion of our NOI that relates to our current top five states (or international equivalents). The following table reflects our recent historical trends of concentration risk by NOI for the years indicated below:

	December 31, <sup>(1)</sup>		
	2021	2020	2019
Property mix:			
Seniors Housing Operating	35%	38%	43%
Triple-net	43%	37%	38%
Outpatient Medical	22%	25%	19%
Relationship mix:			
ProMedica	12%	11%	9%
Sunrise Senior Living <sup>(2)</sup>	10%	13%	14%
Revera <sup>(2)</sup>	5%	5%	6%
Avery Healthcare	4%	4%	3%
HC-One Group	3%	—%	—%
Remaining	66%	67%	68%
Geographic mix:			
California	13%	14%	13%
United Kingdom	13%	10%	8%
Texas	8%	9%	8%
Canada	6%	6%	7%
New Jersey	6%	5%	7%
Remaining	54%	56%	57%

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

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

<sup>(2)</sup> Revera owns a controlling interest in Sunrise Senior Living.

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

### Corporate Governance

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

### Liquidity and Capital Resources

#### Sources and Uses of Cash

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2019	\$	%	\$	%	
Cash, cash equivalents and restricted cash at beginning of period	\$ 2,021,043	\$ 385,766	\$ 1,635,277	424 %	\$ 316,129	\$ 69,637	22 %	\$ 1,704,914	539 %	
Net cash provided from (used in):										
Operating activities	1,275,325	1,364,756	(89,431)	-7 %	1,535,968	(171,212)	-11 %	(260,643)	-17 %	
Investing activities	(4,516,268)	2,347,928	(6,864,196)	n/a	(2,048,791)	4,396,719	n/a	(2,467,477)	120 %	
Financing activities	1,567,664	(2,080,858)	3,648,522	n/a	577,150	(2,658,008)	n/a	990,514	172 %	
Effect of foreign currency translation	(1,009)	3,451	(4,460)	n/a	5,310	(1,859)	-35 %	(6,319)	n/a	
Cash, cash equivalents and restricted cash at end of period	\$ 346,755	\$ 2,021,043	\$ (1,674,288)	-83 %	\$ 385,766	\$ 1,635,277	424 %	\$ (39,011)	-10 %	

*Operating Activities* The changes in net cash provided from operating activities are primarily attributable to declines in revenue as a result of decreased occupancy at our Seniors Housing Operating properties, straight-line receivable reserves related to Triple-net leases during the year ended December 31, 2021 and dispositions. Please see "Results of Operations" for discussion of net income fluctuations. For the years ended December 31, 2021, 2020 and 2019, cash flows from operations exceeded cash distributions to stockholders.

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

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2021	2020			2019					
New development	\$ 417,963	\$ 201,336	\$ 216,627	108 %	\$ 323,488	\$ (122,152)	-38 %	\$ 94,475	29 %	
Recurring capital expenditures, tenant improvements and lease commissions	99,994	83,146	16,848	20 %	136,535	(53,389)	-39 %	(36,541)	-27 %	
Renovations, redevelopments and other capital improvements	182,594	161,843	20,751	13 %	192,289	(30,446)	-16 %	(9,695)	-5 %	
Total	\$ 700,551	\$ 446,325	\$ 254,226	57 %	\$ 652,312	\$ (205,987)	-32 %	\$ 48,239	7 %	

The change in new development is primarily due to the number and size of construction projects on-going during the relevant periods. Renovations, redevelopments and other capital improvements include expenditures to maximize property value, increase net operating income, maintain a market-competitive position and/or achieve property stabilization.

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

In March 2021, we completed the issuance of \$750,000,000 senior unsecured notes with a maturity date of June 2031. In June 2021, we completed the issuance of \$500,000,000 senior unsecured notes with a maturity date of January 2029. Net proceeds from these debt issuances were used to redeem the remaining \$339,128,000 of our 3.75% senior unsecured notes due 2023, \$334,624,000 of our 3.95% senior unsecured notes due 2023, and \$860,000,000 remaining on our term loan due April 2022. In June 2021, we closed on a new \$4,700,000,000 unsecured credit facility. The credit facility includes \$4,000,000,000 of revolving credit capacity. In November 2021, we completed the issuance of \$500,000,000 senior unsecured notes with a maturity date of January 2032. As of December 31, 2021, we have total near-term available liquidity of approximately \$4.0 billion.

**Off-Balance Sheet Arrangements**

At December 31, 2021, we had investments in unconsolidated entities with our ownership generally ranging from 10% to 65%. We use financial derivative instruments to hedge interest rate and foreign currency exchange rate exposure. At December 31, 2021, we had 15 outstanding letter of credit obligations. Please see Notes 8, 12 and 13 to our consolidated financial statements for additional information.

**Contractual Obligations**

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The following table summarizes our payment requirements under contractual obligations as of December 31, 2021 (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	2022	2023-2024	2025-2026	Thereafter
Unsecured credit facility and commercial paper <sup>(1)</sup>	\$ 325,000	\$ 325,000	\$ —	\$ —	\$ —
Senior unsecured notes and term credit facilities: <sup>(1)</sup>					
U.S. Dollar senior unsecured notes	9,350,000	—	1,350,000	1,950,000	6,050,000
Canadian Dollar senior unsecured notes <sup>(2)</sup>	234,797	—	—	—	234,797
Pounds Sterling senior unsecured notes <sup>(2)</sup>	1,417,500	—	—	—	1,417,500
U.S. Dollar term credit facility	510,000	—	500,000	10,000	—
Canadian Dollar term credit facility <sup>(2)</sup>	195,664	—	195,664	—	—
Secured debt: <sup>(1,2)</sup>					
Consolidated	2,202,312	582,884	733,426	267,754	618,248
Unconsolidated	1,247,746	149,218	291,969	546,525	260,034
Contractual interest obligations: <sup>(3)</sup>					
Unsecured credit facility and commercial paper	65	65	—	—	—
Senior unsecured notes and term loans <sup>(2)</sup>	3,815,957	427,904	826,167	648,580	1,913,306
Consolidated secured debt <sup>(2)</sup>	245,383	61,444	78,218	48,135	57,586
Unconsolidated secured debt <sup>(2)</sup>	188,244	40,244	68,709	26,931	52,360
Finance lease liabilities <sup>(4)</sup>	210,857	8,698	71,634	3,354	127,171
Operating lease liabilities <sup>(4)</sup>	1,383,350	45,151	91,850	87,301	1,159,048
Purchase obligations <sup>(5)</sup>	1,378,920	826,122	534,849	5,533	12,416
<b>Total contractual obligations</b>	<b>\$ 22,705,795</b>	<b>\$ 2,466,730</b>	<b>\$ 4,742,486</b>	<b>\$ 3,594,113</b>	<b>\$ 11,902,466</b>

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

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

<sup>(3)</sup> Based on variable interest rates in effect as of December 31, 2021.

<sup>(4)</sup> See Note 6 to our consolidated financial statements for additional information.

<sup>(5)</sup> See Note 13 to our consolidated financial statements for additional information.

**Capital Structure**

Please refer to “Credit Strength” above for a discussion of our leverage and coverage ratio trends. Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of December 31, 2021, we were in compliance in all material respects with the covenants under our debt agreements. None of our debt agreements contain provisions for acceleration which could be triggered by our debt ratings. However, under our primary unsecured credit facility, the ratings on our senior unsecured notes are used to determine the fees and interest charged. We plan to manage the company to maintain compliance with our debt covenants and with a capital structure consistent with our current profile. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse impact on our cost and availability of capital, which could have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

On May 4, 2021, we filed with the Securities and Exchange Commission (the “SEC”) (1) an open-ended automatic or “universal” shelf registration statement on Form S-3 covering an indeterminate amount of future offerings of debt securities, common stock, preferred stock, depository shares, warrants and units to replace our existing “universal” shelf registration statement filed with the SEC on May 17, 2018, and (2) a registration statement in connection with our enhanced dividend reinvestment plan (“DRIP”) under which we may issue up to 15,000,000 shares of common stock to replace our existing DRIP registration statement on Form S-3 filed with the SEC on May 17, 2018. As of February 4, 2022, 15,000,000 shares of common stock remained available for issuance under the DRIP registration statement. On July 30, 2021, we entered into (i) an amended and restated equity distribution agreement (the “EDA”) with each of Robert W. Baird & Co. Incorporated, Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BOK Financial Securities, Inc., Capital One Securities Inc., Citigroup Global Markets Inc., Comerica Securities, Inc., Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Fifth Third Securities, Inc., Goldman Sachs & Co. LLC, Hancock Whitney Investment Services, Inc., Jefferies LLC, J.P. Morgan Securities LLC, KeyBanc Capital Markets Inc., Loop

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

Capital Markets LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Regions Securities LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., Stifel, Nicolaus & Company, Incorporated, Synovus Securities, Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC relating to the offer and sale from time to time of up to \$2,500,000,000 aggregate amount of our common stock and (ii) separate master forward sale confirmations with each of Bank of America, N.A., Bank of Montreal, The Bank of New York Mellon, Barclays Bank PLC, BNP Paribas, Citibank, N.A., Cr dit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs & Co. LLC, Jefferies LLC, JPMorgan Chase Bank, National Association, KeyBanc Capital Markets Inc., Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc, Royal Bank of Canada, The Bank of Nova Scotia, The Toronto-Dominion Bank, Truist Bank, London Branch and Wells Fargo Bank, National Association (together with the EDA, the "ATM Program"), amending and restating the ATM Program entered into on May 4, 2021 to, among other amendments, increase the total amount of shares of common stock that may be offered and sold under the ATM Program from \$2,000,000,000 to \$2,500,000,000, which amount excludes shares the Company has previously sold pursuant to the prior program. The ATM Program also allows us to enter into forward sale agreements. As of February 4, 2022, we had \$1,876,085,000 of remaining capacity under the ATM Program, which excludes forward sales agreements outstanding for the sale of 10,924,956 shares or approximately \$930,610,000 with maturity dates in 2022. We expect to physically settle the forward sales for cash proceeds. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowings under our unsecured revolving credit facility and commercial paper program.

In connection with the filing of the new "universal" shelf registration statement, the Company also filed with the SEC two prospectus supplements that will continue offerings that were previously covered by prospectus supplements and the accompanying prospectus to the prior registration statement relating to: (i) the registration and possible issuance of up to 620,731 shares of the Company's common stock (the "DownREIT Shares"), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT Units") of HCN G&L DownREIT, LLC, a Delaware limited liability company (the "DownREIT"), tender such DownREIT Units for redemption by the DownREIT, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of the Company (including its permitted successors and assigns, the "Managing Member"), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT and to satisfy all or a portion of the redemption consideration by issuing DownREIT Shares to the holders instead of or in addition to paying a cash amount; and (ii) the registration and possible issuance of up to 475,327 shares common stock (the "DownREIT II Shares"), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT II Units," and collectively with the DownREIT Units, the "Units") of HCN G&L DownREIT II LLC, a Delaware limited liability company (the "DownREIT II"), tender such DownREIT II Units for redemption by the DownREIT II, and the Managing Member, or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT II and to satisfy all or a portion of the redemption consideration by issuing DownREIT II Shares to the holders instead of or in addition to paying a cash amount.

### Results of Operations

#### Summary

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

This section of this Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

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

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	Amount	%	December 31,	Amount	%	Amount	%	
	2021	2020			2019					
Net income	\$ 374,479	\$ 1,038,852	\$ (664,373)	-64 %	\$ 1,330,410	\$ (291,558)	-22 %	\$ (955,931)	-72 %	
NICS	336,138	978,844	(642,706)	-66 %	1,232,432	(253,588)	-21 %	(896,294)	-73 %	
FFO	1,220,722	1,102,562	118,160	11 %	1,577,080	(474,518)	-30 %	(356,358)	-23 %	
Adjusted EBITDA	1,913,546	2,048,412	(134,866)	-7 %	2,328,202	(279,790)	-12 %	(414,656)	-18 %	
Consolidated NOI	1,967,553	2,008,144	(40,591)	-2 %	2,431,264	(423,120)	-17 %	(463,711)	-19 %	
Per share data (fully diluted):										
Net income attributable to common stockholders <sup>(1)</sup>	\$ 0.78	\$ 2.33	\$ (1.55)	-67 %	\$ 3.05	\$ (0.72)	-24 %	\$ (2.27)	-74 %	
Funds from operations attributable to common stockholders	\$ 2.86	\$ 2.64	\$ 0.22	8 %	\$ 3.91	\$ (1.27)	-32 %	\$ (1.05)	-27 %	
Adjusted interest coverage ratio	3.89x	3.97x	-0.08x	-2 %	4.14x	-0.17x	-4 %	-0.25x	-6 %	
Adjusted fixed charge coverage ratio	3.43x	3.54x	-0.11x	-3 %	3.78x	-0.24x	-6 %	-0.35x	-9 %	

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

The following table represents the changes in outstanding common stock for the period from January 1, 2019 to December 31, 2021 (in thousands):

	Year Ended			Totals
	December 31, 2021	December 31, 2020	December 31, 2019	
	Beginning balance	\$ 417,401	\$ 410,257	
Dividend reinvestment plan issuances	—	264	5,799	6,063
Preferred stock conversions	—	—	12,712	12,712
Option exercises	338	—	11	11
ATM Program issuances	29,667	6,800	7,856	44,323
Repurchase of common stock	—	(202)	—	(202)
Other, net	171	282	204	657
Ending balance	\$ 447,239	\$ 417,401	\$ 410,257	\$ 447,239
Weighted average number of shares outstanding:				
Basic	424,976	415,451	401,845	
Diluted	426,841	417,387	403,808	

During the past three years, inflation has not significantly affected our earnings because of the moderate inflation rate. Additionally, a portion of our earnings are derived primarily from long-term investments with predictable rates of return. These investments are mainly financed with a combination of equity, senior unsecured notes, secured debt and borrowings under our primary unsecured credit facility. During inflationary periods, which generally are accompanied by rising interest rates, our ability to grow may be adversely affected because the yield on new investments may increase at a slower rate than new borrowing costs.

**Seniors Housing Operating**

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

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2021	December 31, 2020	\$	%
SSNOI <sup>(1)</sup>	\$ 136,344	\$ 144,197	\$ (7,853)	-5.4 %	\$ 543,755	\$ 652,823	\$ (109,068)	-16.7 %

<sup>(1)</sup> Relates to 489 properties for the QTD Pool and 477 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

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

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	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2021	2020			2019					
<b>Revenues:</b>										
Resident fees and services	\$ 3,197,223	\$ 3,074,022	\$ 123,201	4 %	\$ 3,448,175	\$ (374,153)	-11 %	\$ (250,952)	-7 %	
Interest income	4,231	618	3,613	585 %	36	582	n/a	4,195	n/a	
Other income	11,796	7,223	4,573	63 %	8,658	(1,435)	-17 %	3,138	36 %	
Total revenues	3,213,250	3,081,863	131,387	4 %	3,456,869	(375,006)	-11 %	(243,619)	-7 %	
Property operating expenses	2,529,344	2,326,311	203,033	9 %	2,417,349	(91,038)	-4 %	111,995	5 %	
NOI <sup>(1)</sup>	683,906	755,552	(71,646)	-9 %	1,039,520	(283,968)	-27 %	(355,614)	-34 %	
<b>Other expenses:</b>										
Depreciation and amortization	593,565	544,462	49,103	9 %	553,189	(8,727)	-2 %	40,376	7 %	
Interest expense	39,327	54,901	(15,574)	-28 %	67,983	(13,082)	-19 %	(28,656)	-42 %	
Loss (gain) on extinguishment of debt, net	(2,628)	12,659	(15,287)	-121 %	1,614	11,045	684 %	(4,242)	-263 %	
Provision for loan losses, net	394	671	(277)	-41 %	—	671	n/a	394	n/a	
Impairment of assets	22,317	100,741	(78,424)	-78 %	2,145	98,596	n/a	20,172	940 %	
Other expenses	27,132	14,265	12,867	90 %	26,348	(12,083)	-46 %	784	3 %	
	680,107	727,699	(47,592)	-7 %	651,279	76,420	12 %	28,828	4 %	
Income (loss) from continuing operations before income taxes and other items	3,799	27,853	(24,054)	-86 %	388,241	(360,388)	-93 %	(384,442)	-99 %	
Income (loss) from unconsolidated entities	(39,225)	(33,857)	(5,368)	-16 %	12,388	(46,245)	-373 %	(51,613)	-417 %	
Gain (loss) on real estate dispositions, net	6,146	328,249	(322,103)	-98 %	528,747	(200,498)	-38 %	(522,601)	-99 %	
Income from continuing operations	(29,280)	322,245	(351,525)	-109 %	929,376	(607,131)	-65 %	(958,656)	-103 %	
Net income (loss)	(29,280)	322,245	(351,525)	-109 %	929,376	(607,131)	-65 %	(958,656)	-103 %	
Less: Net income (loss) attributable to noncontrolling interests	(2,224)	20,301	(22,525)	-111 %	56,513	(36,212)	-64 %	(58,737)	-104 %	
Net income (loss) attributable to common stockholders	\$ (27,056)	\$ 301,944	\$ (329,000)	-109 %	\$ 872,863	\$ (570,919)	-65 %	\$ (899,919)	-103 %	

<sup>(1)</sup> See Non-GAAP Financial Measures below.

Resident fees and services and property operating expenses for the year ended December 31, 2021 increased compared to the prior year primarily due to acquisitions, including the acquisition of the Holiday Retirement portfolio on July 30, 2021 for a total purchase price of \$1.6 billion. The increases were partially offset by decreases in spot occupancy across the portfolio due to the COVID-19 pandemic and property dispositions. Spot occupancy remains below pre-pandemic levels but has steadily increased in recent months, with 94% of communities open for new admissions and nearly all communities allowing visitors, in-person tours and communal dining and activities as of December 31, 2021. Rapid distribution and a high acceptance rate of COVID-19 vaccinations by residents within assisted living and memory care facilities in the U.S. and U.K. have resulted in a significant decrease in total resident case counts across the portfolio from peak levels in mid-January 2021, however, resident case counts have increased in December 2021 as a result of highly transmissible variants. As of December 31, 2021, occupancy has increased approximately 510 bps to 77.7% since the pandemic-low of 72.6% on March 12, 2021. Quarterly spot occupancy rates through December 31, 2021 are as follows:

	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Spot occupancy <sup>(1)</sup>	74.9 %	72.9 %	74.8 %	76.9 %	77.7 %
Sequential occupancy change <sup>(2)</sup>		(1.9) %	1.9 %	2.1 %	0.7 %

<sup>(1)</sup> Spot occupancy represents approximate month end occupancy at our share for 546 properties in operation as of December 31, 2020, including unconsolidated properties but excluding acquisitions, executed dispositions, development conversions and one property closed for redevelopment.

<sup>(2)</sup> Sequential occupancy changes are based on actual spot occupancy and may not recalculate due to rounding.

During the year ended December 31, 2021, the U.S. and U.K. portfolios reported spot occupancy gains of approximately 490 bps and 80 bps, respectively. Canada reported a spot occupancy decline of approximately 290 bps.

On March 27, 2020, the federal government enacted CARES Act to provide financial aid to individuals, businesses, and state and local governments. During the years ended December 31, 2021 and 2020, we received government grants under the CARES Act primarily to cover increased expenses and lost revenue during the COVID-19 pandemic, as well as under similar programs in the U.K. and Canada. Grant income is recognized when there is reasonable assurance that the grant will be received and the Company will comply with all conditions attached to the grant. Additionally, grants are recognized over the periods in which the Company recognizes the increased expenses and lost revenue the grants are intended to defray. For the years ended December 31, 2021 and 2020 we recognized \$97,933,000 and \$31,927,000, respectively, of government grant income as a reduction to property operating expenses in our Consolidated Statements of Comprehensive Income. Additionally, for the years ended December 31, 2021 and 2020, we recognized \$4,642,000 and \$3,014,000, respectively, of government grant income in other income. The amount of qualifying expenditures and lost revenue exceeded grant income recognized and the Company believes it has complied and will continue to comply with all grant conditions.



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Property-level operating expenses associated with the COVID-19 pandemic relating to our Seniors Housing Operating portfolio totaled \$63,681,000 and \$110,719,000 for the years ended December 31, 2021 and 2020, respectively. These expenses were incurred as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor and property cleaning expenses and expenditures related to our efforts to procure personal protective equipment ("PPE") and supplies, net of reimbursements. Specifically in 2021, we incurred elevated labor expenses resulting from the increased utilization of contract labor due to the rise in occupancy and a challenging labor market.

During the year ended December 31, 2021, we recorded impairment charges of \$22,317,000 related to two held for use properties in which the carrying value exceeded the estimated fair value. During the year ended December 31, 2020, we recorded impairment charges of \$100,741,000 related to 15 held for sale or sold properties and six held for use properties. Transaction costs related to asset acquisitions are capitalized as a component of the purchase price. The fluctuation in other expenses is primarily due to the timing of noncapitalizable transaction costs associated with acquisitions and operator transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices. During the year ended December 31, 2020, we recognized a gain on real estate disposition of \$312,249,000 related to an 11 property U.S. portfolio.

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

During the year ended December 31, 2021, we completed two Seniors Housing Operating construction projects representing \$117,386,000 or \$553,573 per unit. The following is a summary of our consolidated Seniors Housing Operating construction projects, excluding expansions, pending as of December 31, 2021 (dollars in thousands):

Location	Units/Beds	Commitment	Balance	Est. Completion
Hendon, UK	102	\$ 74,925	\$ 68,823	1Q22
Barnet, UK	100	69,930	60,722	1Q22
Georgetown, TX	188	36,215	14,082	2Q22
New Rochelle, NY	72	42,669	13,186	3Q22
Sachse, TX	193	38,054	12,693	3Q22
Princeton, NJ	80	29,780	25,167	3Q22
Pflugerville, TX	196	39,500	10,543	4Q22
Denton, TX	65	20,194	5,245	4Q22
Berea, OH	120	14,934	10,714	4Q22
Painesville, OH	119	14,462	8,912	4Q22
Beaver, PA	116	14,184	7,706	4Q22
Lake Jackson, TX	130	32,020	3,726	2Q23
White Marsh, MD	188	78,610	7,620	3Q23
Weymouth, MA	165	77,545	10,188	3Q23
Miami Twp, OH	122	18,206	2,071	4Q23
Charlotte, NC	328	96,416	31,520	1Q24
Gaithersburg, MD	302	173,548	25,986	2Q24
Temple, TX	245	65,569	5,290	4Q24
Kyle, TX	225	62,700	4,457	1Q25
	<u>3,056</u>	<u>\$ 999,461</u>	<u>328,651</u>	
Boise, ID <sup>(1)</sup>			33,216	
Brookhaven, GA <sup>(1)</sup>			10,439	
Brookline, MA <sup>(1)</sup>			30,732	
Columbus, OH <sup>(1)</sup>			13,170	
Raleigh, NC <sup>(1)</sup>			3,508	
Toronto, ON <sup>(1)</sup>			49,901	
Washington, DC <sup>(1)</sup>			31,276	
Wellesley, MA <sup>(1)</sup>			9,132	
			<u>\$ 510,025</u>	

<sup>(1)</sup> Final units/beds, commitment amount and expected conversion date not yet known.

Interest expense represents secured debt interest expense, which fluctuates based on the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The fluctuations in loss (gain) on extinguishment of debt is primarily attributable to the volume of extinguishments and terms of the related secured debt. The following is a summary of our Seniors Housing Operating segment property secured debt principal activity (dollars in thousands):

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	Year Ended December 31, 2021		Year Ended December 31, 2020		Year Ended December 31, 2019	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	\$ 1,706,189	3.05%	\$ 2,115,037	3.54%	\$ 1,810,587	3.87%
Debt issued	23,569	2.83%	62,055	2.55%	343,696	3.11%
Debt assumed	—	—%	—	—%	183,061	4.58%
Debt extinguished	(77,959)	6.14%	(441,208)	2.18%	(219,864)	4.28%
Debt transferred out	—	—%	—	—%	(12,072)	3.89%
Principal payments	(50,603)	3.03%	(48,498)	3.30%	(43,997)	3.45%
Foreign currency	(1,674)	2.67%	18,803	2.93%	53,626	3.33%
Ending balance	\$ 1,599,522	2.81%	\$ 1,706,189	3.05%	\$ 2,115,037	3.54%
Monthly averages	\$ 1,649,485	2.88%	\$ 1,875,910	3.19%	\$ 1,966,892	3.70%

The majority of our Seniors Housing Operating properties are formed through partnership interests. Net income attributable to noncontrolling interests represents our partners' share of net income (loss) related to joint ventures. The decrease compared to the year ended December 31, 2020 relates primarily to our partners' share of gains on real estate dispositions during that year.

**Triple-net**

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

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2021	December 31, 2020	\$	%
SSNOI <sup>(1)</sup>	\$ 148,507	\$ 144,131	\$ 4,376	3.0 %	\$ 569,484	\$ 570,796	\$ (1,312)	-0.2 %

<sup>(1)</sup> Relates to 554 properties for the QTD Pool and 547 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2019	\$	%	\$	%	
<b>Revenues:</b>										
Rental income	\$ 761,441	\$ 733,776	\$ 27,665	4 %	\$ 903,798	\$ (170,022)	-19 %	\$ (142,357)	-16 %	
Interest income	124,540	62,625	61,915	99 %	62,599	26	— %	61,941	99 %	
Other income	4,603	4,903	(300)	-6 %	6,246	(1,343)	-22 %	(1,643)	-26 %	
Total revenues	890,584	801,304	89,280	11 %	972,643	(171,339)	-18 %	(82,059)	-8 %	
Property operating expenses	49,462	53,183	(3,721)	-7 %	53,900	(717)	-1 %	(4,438)	-8 %	
NOI <sup>(1)</sup>	841,122	748,121	93,001	12 %	918,743	(170,622)	-19 %	(77,621)	-8 %	
<b>Other expenses:</b>										
Depreciation and amortization	220,699	232,604	(11,905)	-5 %	232,626	(22)	— %	(11,927)	-5 %	
Interest expense	6,376	9,477	(3,101)	-33 %	12,892	(3,415)	-26 %	(6,516)	-51 %	
Loss (gain) on derivatives and financial instruments, net	(7,333)	11,049	(18,382)	-166 %	(4,399)	15,448	351 %	(2,934)	-67 %	
Provision for loan losses, net	10,339	90,563	(80,224)	-89 %	18,690	71,873	385 %	(8,351)	-45 %	
Impairment of assets	26,579	34,867	(8,288)	-24 %	11,926	22,941	192 %	14,653	123 %	
Other expenses	4,189	22,923	(18,734)	-82 %	13,771	9,152	66 %	(9,582)	-70 %	
	260,849	401,483	(140,634)	-35 %	285,506	115,977	41 %	(24,657)	-9 %	
Income from continuing operations before income taxes and other items	580,273	346,638	233,635	67 %	633,237	(286,599)	-45 %	(52,964)	-8 %	
Income (loss) from unconsolidated entities	20,687	18,462	2,225	12 %	22,985	(4,523)	-20 %	(2,298)	-10 %	
Gain (loss) on real estate dispositions, net	135,881	64,288	71,593	111 %	218,322	(154,034)	-71 %	(82,441)	-38 %	
Income from continuing operations	736,841	429,388	307,453	72 %	874,544	(445,156)	-51 %	(137,703)	-16 %	
Net income	736,841	429,388	307,453	72 %	874,544	(445,156)	-51 %	(137,703)	-16 %	
Less: Net income attributable to noncontrolling interests	35,653	39,985	(4,332)	-11 %	36,271	3,714	10 %	(618)	-2 %	
Net income attributable to common stockholders	\$ 701,188	\$ 389,403	\$ 311,785	80 %	\$ 838,273	\$ (448,870)	-54 %	\$ (137,085)	-16 %	

<sup>(1)</sup> See Non-GAAP Financial Measures below.

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Rental income has increased primarily due to the timing of the establishment of reserves for straight-line rent receivable balances relating to leases for which collection of substantially all contractual lease payments is no longer deemed probable. During the year ended December 31, 2021, we recorded reserves for previously recognized straight-line rent receivables of \$49,241,000. During the year ended December 31, 2020, we recorded \$146,508,000, which included \$91,025,000 related to Genesis Healthcare ("Genesis") whom noted substantial doubt as to their ability to continue as a going concern.

Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or changes in the gross operating revenues of the tenant's properties. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If gross operating revenues at our facilities and/or the Consumer Price Index do not increase, a portion of our revenues may not continue to increase. For the three months ended December 31, 2021, we had ten leases with rental rate increasers ranging from 2.00% to 5.94% in our Triple-net portfolio. Our Triple-net operators are experiencing similar impacts on occupancy and operating costs due to the COVID-19 pandemic as described above with respect to our Seniors Housing Operating properties. However, long-term/post-acute facilities have generally experienced a higher degree of occupancy declines, which in some cases impacted the ability of our Triple-net operators to make contractual rent payments to us. However, many of our Triple-net operators received funds under the CARES Act Paycheck Protection Program and Provider Relief Fund. During the year ended December 31, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant deferrals or rent concessions have been made. We evaluate leases individually and recognize rent on a cash basis if collectibility of substantially all contractual rent payments is not probable.

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

During the year ended December 31, 2021, we recognized a provision for loan losses under the current expected credit losses accounting standard, primarily related to the initial recognition of the £540 million of senior loan financings to affiliates of Safanad as part of the recapitalization of its investment in HC-One Group during the second quarter. The increase to interest income is primarily driven by interest recognized on this loan funding. Additionally, during the year ended December 31, 2020, we recognized a provision for loan losses of \$90,563,000, of which \$80,873,000 represents additional reserves as a result of the current collateral estimate related to the Genesis outstanding loans.

During the year ended December 31, 2021, we recorded impairment charges of \$26,579,000 related to four held for sale or sold properties and two held for use properties. During the year ended December 31, 2020, we recorded impairment charges of \$34,867,000 related to one held for sale and four held for use properties. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs from acquisitions and segment transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

During the year ended December 31, 2021, we completed one Triple-net construction project representing \$22,990,000 or \$280,366 per unit. The following is a summary of our consolidated Triple-net construction projects, excluding expansions, pending as of December 31, 2021 (dollars in thousands):

Location	Units/Beds	Commitment	Balance	Est. Completion
Redhill, UK	76	\$ 21,465	\$ 18,347	1Q22
London, UK	82	43,559	22,981	2Q22
Wombourne, UK	66	16,200	10,422	4Q22
Leicester, UK	60	15,120	9,047	4Q22
Rugby, UK	76	20,673	8,487	4Q22
Raleigh, NC	191	154,256	48,050	2Q23
Total	551	\$ 271,273	\$ 117,334	

During the year ended December 31, 2021, loss (gain) on derivatives and financial instruments, net is primarily attributable to the mark-to-market of the equity warrants received as part of the Safanad/HC-One transaction that closed in the second quarter. In addition, the mark-to-market adjustment on our Genesis available-for-sale investment is reflected in all periods.

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

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	Year Ended December 31, 2021		Year Ended December 31, 2020		Year Ended December 31, 2019	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	\$ 123,652	4.91%	\$ 306,038	3.60%	\$ 288,386	3.63%
Debt transferred in	—	—%	—	—%	12,072	3.89%
Debt extinguished	(46,402)	5.43%	(176,875)	2.03%	—	—%
Principal payments	(4,679)	5.14%	(4,376)	5.16%	(4,017)	5.21%
Foreign currency	(35)	5.43%	(1,135)	2.97%	9,597	2.99%
Ending balance	\$ 72,536	4.57%	\$ 123,652	4.91%	\$ 306,038	3.60%
Monthly averages	\$ 117,966	4.90%	\$ 215,796	3.85%	\$ 294,080	3.63%

A portion of our Triple-net properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The increase in income from unconsolidated entities during the year ended December 31, 2021 is primarily related to the reserves established on straight-line rent receivable balances at unconsolidated Genesis entities in the prior year. Net income attributable to noncontrolling interests represents our partners' share of net income relating to those partnerships where we are the controlling partner.

**Outpatient Medical**

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

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2021	December 31, 2020	\$	%
SSNOI <sup>(1)</sup>	\$ 101,599	\$ 100,185	\$ 1,414	1.4 %	\$ 386,411	\$ 375,497	\$ 10,914	2.9 %

<sup>(1)</sup> Relates to 350 properties for the QTD Pool and 331 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31, 2021	December 31, 2020	\$	%	December 31, 2019	\$	%	\$	%	
<b>Revenues:</b>										
Rental income	\$ 613,254	\$ 709,584	\$ (96,330)	-14 %	\$ 684,602	\$ 24,982	4 %	\$ (71,348)	-10 %	
Interest income	8,792	5,913	2,879	49 %	1,195	4,718	395 %	7,597	636 %	
Other income	13,243	4,522	8,721	193 %	2,031	2,491	123 %	11,212	552 %	
Total revenues	635,289	720,019	(84,730)	-12 %	687,828	32,191	5 %	(52,539)	-8 %	
Property operating expenses	186,939	214,948	(28,009)	-13 %	218,793	(3,845)	-2 %	(31,854)	-15 %	
NOI <sup>(1)</sup>	448,350	505,071	(56,721)	-11 %	469,035	36,036	8 %	(20,685)	-4 %	
<b>Other expenses:</b>										
Depreciation and amortization	223,302	261,371	(38,069)	-15 %	241,258	20,113	8 %	(17,956)	-7 %	
Interest expense	17,506	17,579	(73)	— %	13,411	4,168	31 %	4,095	31 %	
Loss (gain) on extinguishment of debt, net	(4)	1,046	(1,050)	-100 %	—	1,046	n/a	(4)	n/a	
Provision for loan losses, net	(3,463)	3,202	(6,665)	-208 %	—	3,202	n/a	(3,463)	n/a	
Impairment of assets	2,211	—	2,211	n/a	14,062	(14,062)	-100 %	(11,851)	-84 %	
Other expenses	2,523	8,218	(5,695)	-69 %	1,788	6,430	360 %	735	41 %	
	242,075	291,416	(49,341)	-17 %	270,519	20,897	8 %	(28,444)	-11 %	
Income from continuing operations before income taxes and other item	206,275	213,655	(7,380)	-3 %	198,516	15,139	8 %	7,759	4 %	
Income (loss) from unconsolidated entities	(4,395)	7,312	(11,707)	-160 %	7,061	251	4 %	(11,456)	-162 %	
Gain (loss) on real estate dispositions, net	93,348	695,918	(602,570)	-87 %	972	694,946	n/a	92,376	n/a	
Income from continuing operations	295,228	916,885	(621,657)	-68 %	206,549	710,336	344 %	88,679	43 %	
Net income (loss)	295,228	916,885	(621,657)	-68 %	206,549	710,336	344 %	88,679	43 %	
Less: Net income (loss) attributable to noncontrolling interests	4,916	(278)	5,194	n/a	5,194	(5,472)	-105 %	(278)	-5 %	
Net income (loss) attributable to common stockholders	\$ 290,312	\$ 917,163	\$ (626,851)	-68 %	\$ 201,355	\$ 715,808	355 %	\$ 88,957	44 %	

<sup>(1)</sup> See Non-GAAP Financial Measures below.

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Rental income has decreased due primarily to significant dispositions that closed during 2020. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the Consumer Price Index does not increase, a portion of our revenues may not continue to increase. Our leases could renew above or below current rental rates, resulting in an increase or decrease in rental income. For the three months ended December 31, 2021, our consolidated Outpatient Medical portfolio signed 143,266 square feet of new leases and 203,285 square feet of renewals. The weighted-average term of these leases was seven years, with a rate of \$36.65 per square foot and tenant improvement and lease commission costs of \$51.78 per square foot. Substantially all of these leases contain an annual fixed or contingent escalation rent structure ranging from 1.0% to 10.0%.

We have collected virtually all rent due through the year ended December 31, 2021, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants. We evaluate leases individually and recognize rent on a cash basis if collectibility of substantially all contractual rent payments is not probable.

The increase in interest income for the year ended December 31, 2021 is due primarily to a \$178,207,000 first mortgage initiated in August 2020, which was subsequently repaid in full in June of 2021, resulting in the reversal of the previously established allowance for credit losses.

The fluctuation in property operating expenses and depreciation and amortization are primarily attributable to the significant dispositions that occurred in 2020. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly. During the year ended December 31, 2021, we recognized an impairment charge of \$2,211,000 related to one held for sale property. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs. Changes in gains/losses on sales of properties are related to volume of property sales and the sales prices.

During the year ended December 31, 2021, we completed three Outpatient Medical construction projects representing \$125,179,000 or \$605 per square foot. The following is a summary of our consolidated Outpatient Medical construction projects, excluding expansions, pending as of December 31, 2021 (dollars in thousands):

Location	Square Feet	Commitment	Balance	Est. Completion
Tyler, TX	85,214	\$ 35,369	\$ 14,534	4Q22
Stafford, TX	36,788	18,031	4,249	4Q22
Total	122,002	\$ 53,400	\$ 18,783	

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

	Year Ended December 31, 2021		Year Ended December 31, 2020		Year Ended December 31, 2019	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	\$ 548,229	3.55%	\$ 572,267	3.97%	\$ 386,738	4.20%
Debt assumed	—	—%	—	—%	202,084	4.12%
Debt extinguished	(7,670)	5.64%	(14,205)	5.34%	(10,244)	5.75%
Principal payments	(10,305)	4.43%	(9,833)	4.60%	(6,311)	4.97%
Ending balance	\$ 530,254	3.49%	\$ 548,229	3.55%	\$ 572,267	3.97%
Monthly averages	\$ 540,947	3.52%	\$ 562,017	3.72%	\$ 397,756	4.15%

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

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**Non-Segment/Corporate**

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2021	2020			2019					
Revenues:										
Other income	\$ 2,992	\$ 2,781	\$ 211	8 %	\$ 3,966	\$ (1,185)	-30 %	\$ (974)	-25 %	
Total revenues	2,992	2,781	211	8 %	3,966	(1,185)	-30 %	(974)	-25 %	
Property operating expenses	8,817	3,381	5,436	161 %	—	3,381	n/a	8,817	n/a	
NOI <sup>(1)</sup>	(5,825)	(600)	(5,225)	-871 %	3,966	(4,566)	-115 %	(9,791)	-247 %	
Other expenses:										
Interest expense	426,644	432,431	(5,787)	-1 %	461,273	(28,842)	-6 %	(34,629)	-8 %	
General and administrative expenses	126,727	128,394	(1,667)	-1 %	126,549	1,845	1 %	178	— %	
Loss (gain) on extinguishments of debt, net	52,506	33,344	19,162	57 %	82,541	(49,197)	-60 %	(30,035)	-36 %	
Other expenses	7,895	24,929	(17,034)	-68 %	10,705	14,224	133 %	(2,810)	-26 %	
Total expenses	613,772	619,098	(5,326)	-1 %	681,068	(61,970)	-9 %	(67,296)	-10 %	
Loss from continuing operations before income taxes and other items	(619,597)	(619,698)	101	— %	(677,102)	57,404	8 %	57,505	8 %	
Income tax benefit (expense)	(8,713)	(9,968)	1,255	13 %	(2,957)	(7,011)	-237 %	(5,756)	-195 %	
Loss from continuing operations	(628,310)	(629,666)	1,356	— %	(680,059)	50,393	7 %	51,749	8 %	
Net loss attributable to common stockholders	\$ (628,310)	\$ (629,666)	\$ 1,356	— %	\$ (680,059)	\$ 50,393	7 %	\$ 51,749	8 %	

<sup>(1)</sup> See Non-GAAP Financial Measures below.

Property operating expenses represent insurance costs related to our captive insurance company formed as of July 1, 2020, which acts as a direct insurer of property level insurance coverage for our portfolio.

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

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2021	2020			2019					
Senior unsecured notes	\$ 401,247	\$ 400,014	\$ 1,233	— %	\$ 402,133	\$ (2,119)	-1 %	\$ (886)	— %	
Unsecured credit facility and commercial paper program	6,759	15,313	(8,554)	-56 %	43,861	(28,548)	-65 %	(37,102)	-85 %	
Loan expense	18,638	17,104	1,534	9 %	15,279	1,825	12 %	3,359	22 %	
Totals	\$ 426,644	\$ 432,431	\$ (5,787)	-1 %	\$ 461,273	\$ (28,842)	-6 %	\$ (34,629)	-8 %	

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments, as well as the movement in foreign exchange rates and related hedge activity. Please refer to Note 11 to the consolidated financial statements for additional information. The change in interest expense on our unsecured revolving credit facility and commercial paper program is due primarily to the net effect and timing of draws, paydowns and variable interest rate changes. Please refer to Note 10 of our consolidated financial statements for additional information. Loan expenses represent the amortization of costs incurred in connection with senior unsecured notes issuances. The loss on extinguishment recognized during the year ended December 31, 2021 is due primarily to the early extinguishment of \$339,128,000 of our 3.75% senior unsecured notes due March 2023 and \$334,624,000 of our 3.95% senior unsecured notes due September 2023. The loss on extinguishment recognized during the year ended December 31, 2020 is due primarily to the early extinguishment of \$160,872,000 of our 3.75% senior unsecured notes due March 2023 and \$265,376,000 of our 3.95% senior unsecured notes due September 2023.

General and administrative expenses as a percentage of consolidated revenues for the years ended December 31, 2021, 2020 and 2019 were 2.67%, 2.79% and 2.47%, respectively. Other expenses for all years include severance-related costs associated with the departure of certain executive officers and key employees. The provision for income taxes primarily relates to state taxes, foreign taxes and taxes based on income generated by entities that are structured as TRSs.

**Other**

**Non-GAAP Financial Measures**

We believe that net income and net income attributable to common stockholders, as defined by U.S. GAAP, are the most appropriate earnings measurements. However, we consider FFO, NOI, SSNOI, EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to

be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created funds from operations attributable to common stockholders ("FFO") as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means NICS, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

NOI is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets. Same store NOI ("SSNOI") is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. We believe the drivers of property level NOI for both consolidated properties and unconsolidated properties are generally the same and therefore, we evaluate SSNOI based on our ownership interest in each property ("Welltower Share"). To arrive at Welltower's Share, NOI is adjusted by adding our minority ownership share related to unconsolidated properties and by subtracting the minority partners' noncontrolling ownership interests for consolidated properties. We do not control investments in unconsolidated properties and while we consider disclosures at Welltower Share to be useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in SSNOI five full quarters or eight full quarters after acquisition or being placed into service for the QTD Pool and the YTD Pool, respectively. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the respective periods are excluded from SSNOI. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from SSNOI until five full quarters or eight full quarters post completion of the redevelopment for the QTD Pool and YTD Pool, respectively. Properties undergoing operator transitions and/or segment transitions are also excluded from SSNOI until five full quarters or eight full quarters post completion of the transition for the QTD Pool and YTD Pool, respectively. In addition, properties significantly impacted by force majeure, acts of God, or other extraordinary adverse events are excluded from SSNOI until five full quarters or eight full quarters after the properties are placed back into service for the QTD Pool and YTD Pool, respectively. SSNOI excludes non-cash NOI and includes adjustments to present consistent ownership percentages and to translate Canadian properties and U.K. properties using a consistent exchange rate. We believe NOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

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

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

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

	Year Ended December 31,		
	2021	2020	2019
<b>FFO Reconciliation:</b>			
Net income attributable to common stockholders	\$ 336,138	\$ 978,844	\$ 1,232,432
Depreciation and amortization	1,037,566	1,038,437	1,027,073
Impairment of assets	51,107	135,608	28,133
Loss (gain) on real estate dispositions, net	(235,375)	(1,088,455)	(748,041)
Noncontrolling interests	(54,190)	(23,968)	(20,197)
Unconsolidated entities	85,476	62,096	57,680
Funds from operations attributable to common stockholders	\$ 1,220,722	\$ 1,102,562	\$ 1,577,080
Average diluted shares outstanding:	426,841	417,387	403,808
Per diluted share data:			
Net income attributable to common stockholders <sup>(1)</sup>	\$ 0.78	\$ 2.33	\$ 3.05
Funds from operations attributable to common stockholders	\$ 2.86	\$ 2.64	\$ 3.91

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

The following tables reflect the reconciliation of consolidated NOI to net income, the most directly comparable U.S. GAAP measure, for the years presented. Dollar amounts are in thousands.

	Year Ended December 31,		
	2021	2020	2019
<b>NOI Reconciliation:</b>			
Net income (loss)	\$ 374,479	\$ 1,038,852	\$ 1,330,410
Loss (gain) on real estate dispositions, net	(235,375)	(1,088,455)	(748,041)
Loss (income) from unconsolidated entities	22,933	8,083	(42,434)
Income tax expense (benefit)	8,713	9,968	2,957
Other expenses	41,739	70,335	52,612
Impairment of assets	51,107	135,608	28,133
Provision for loan losses, net	7,270	94,436	18,690
Loss (gain) on extinguishment of debt, net	49,874	47,049	84,155
Loss (gain) on derivatives and financial instruments, net	(7,333)	11,049	(4,399)
General and administrative expenses	126,727	128,394	126,549
Depreciation and amortization	1,037,566	1,038,437	1,027,073
Interest expense	489,853	514,388	555,559
Consolidated net operating income (NOI)	\$ 1,967,553	\$ 2,008,144	\$ 2,431,264
NOI by segment:			
Seniors Housing Operating	\$ 683,906	\$ 755,552	\$ 1,039,520
Triple-net	841,122	748,121	918,743
Outpatient Medical	448,350	505,071	469,035
Non-segment/corporate	(5,825)	(600)	3,966
Total NOI	\$ 1,967,553	\$ 2,008,144	\$ 2,431,264



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Quarterly NOI  
by Segment:  
(in thousands)

	Three Months Ended								Year Ended	
	March 31,		June 30,		September 30,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Seniors Housing Operating:</b>										
Total revenues	\$ 726,402	\$ 851,128	\$ 742,549	\$ 773,650	\$ 839,519	\$ 742,065	\$ 904,780	\$ 715,020	\$ 3,213,250	\$ 3,081,863
Property operating expenses	555,968	607,871	582,361	595,513	666,610	567,704	724,405	555,223	2,529,344	2,326,311
Consolidated NOI	\$ 170,434	\$ 243,257	\$ 160,188	\$ 178,137	\$ 172,909	\$ 174,361	\$ 180,375	\$ 159,797	\$ 683,906	\$ 755,552
<b>Triple-net:</b>										
Total revenues	\$ 168,482	\$ 207,729	\$ 238,941	\$ 233,619	\$ 239,985	\$ 120,928	\$ 243,176	\$ 239,028	\$ 890,584	\$ 801,304
Property operating expenses	12,841	13,302	12,627	13,563	11,664	12,567	12,330	13,751	49,462	53,183
Consolidated NOI	\$ 155,641	\$ 194,427	\$ 226,314	\$ 220,056	\$ 228,321	\$ 108,361	\$ 230,846	\$ 225,277	\$ 841,122	\$ 748,121
<b>Outpatient Medical:</b>										
Total revenues	\$ 156,223	\$ 199,329	\$ 159,072	\$ 180,831	\$ 159,503	\$ 172,704	\$ 160,491	\$ 167,155	\$ 635,289	\$ 720,015
Property operating expenses	46,863	60,608	45,495	51,688	48,072	52,728	46,509	49,924	186,939	214,948
Consolidated NOI	\$ 109,360	\$ 138,721	\$ 113,577	\$ 129,143	\$ 111,431	\$ 119,976	\$ 113,982	\$ 117,231	\$ 448,350	\$ 505,067
<b>Corporate:</b>										
Total revenues	\$ 955	\$ 416	\$ 430	\$ 375	\$ 790	\$ 1,177	\$ 817	\$ 813	\$ 2,992	\$ 2,781
Property operating expenses	1,654	—	2,174	—	3,054	1,718	1,935	1,663	8,817	3,381
Consolidated NOI	\$ (699)	\$ 416	\$ (1,744)	\$ 375	\$ (2,264)	\$ (541)	\$ (1,118)	\$ (850)	\$ (5,825)	\$ (600)

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

SSNOI Property Reconciliations:	QTD Pool				YTD Pool			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Consolidated properties	721	624	306	1,651	721	624	306	1,651
Unconsolidated properties	92	39	79	210	92	39	79	210
Total properties	813	663	385	1,861	813	663	385	1,861
Recent acquisitions/development conversions <sup>(1)</sup>	(183)	(48)	(23)	(254)	(193)	(50)	(42)	(285)
Under development	(35)	(5)	(3)	(43)	(35)	(5)	(3)	(43)
Under redevelopment <sup>(2)</sup>	(2)	(1)	(2)	(5)	(3)	(1)	(2)	(6)
Current held for sale	(2)	(14)	(1)	(17)	(2)	(14)	(1)	(17)
Land parcels, loans and subleases	(18)	(19)	(6)	(43)	(18)	(19)	(6)	(43)
Transitions <sup>(3)</sup>	(82)	(20)	—	(102)	(83)	(25)	—	(108)
Other <sup>(4)</sup>	(2)	(2)	—	(4)	(2)	(2)	—	(4)
Same store properties	489	554	350	1,393	477	547	331	1,355

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

<sup>(2)</sup> Redevelopment properties will enter the QTD Pool and YTD Pool after five full quarters and eight full quarters of operations post redevelopment completion, respectively.

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

<sup>(4)</sup> Represents properties that are either closed or being closed.

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The following is a reconciliation of our consolidated NOI to same store NOI for the periods presented for the respective pools. Dollar amounts are in thousands.

	QTD Pool				YTD Pool			
	Three Months Ended		Twelve Months Ended		December 31, 2021		December 31, 2020	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2020	
<b>SSNOI Reconciliations:</b>								
Seniors Housing Operating:								
Consolidated NOI	\$	180,375	\$	159,797	\$	683,906	\$	755,552
NOI attributable to unconsolidated investments		10,713		13,182		44,470		53,736
NOI attributable to noncontrolling interests		(12,125)		(9,405)		(59,602)		(49,070)
Non-cash NOI attributable to same store properties		(35)		(381)		11,266		(3,390)
NOI attributable to non-same store properties		(42,733)		(20,058)		(135,437)		(109,345)
Currency and ownership adjustments <sup>(1)</sup>		149		1,062		(848)		5,340
SSNOI at Welltower Share		136,344		144,197		543,755		652,823
Triple-net:								
Consolidated NOI		230,846		225,277		841,122		748,121
NOI attributable to unconsolidated investments		4,893		4,818		19,559		13,796
NOI attributable to noncontrolling interests		(13,600)		(14,563)		(48,874)		(58,245)
Non-cash NOI attributable to same store properties		(6,854)		(10,176)		15,778		(16,453)
NOI attributable to non-same store properties		(67,192)		(62,498)		(258,800)		(122,851)
Currency and ownership adjustments <sup>(1)</sup>		414		1,273		699		6,420
SSNOI at Welltower Share		148,507		144,131		569,484		570,796
Outpatient Medical:								
Consolidated NOI		113,982		117,231		448,350		505,071
NOI attributable to unconsolidated investments		4,682		3,609		18,998		10,136
NOI attributable to noncontrolling interests		(4,896)		(4,392)		(17,168)		(15,070)
Non-cash NOI attributable to same store properties		(2,483)		(3,092)		(8,140)		(12,392)
NOI attributable to non-same store properties		(9,446)		(7,476)		(54,490)		(68,633)
Currency and ownership adjustments <sup>(1)</sup>		(240)		(5,695)		(1,139)		(43,618)
SSNOI at Welltower Share		101,599		100,185		386,411		375,497
SSNOI at Welltower Share:								
Seniors Housing Operating		136,344		144,197		543,755		652,823
Triple-net		148,507		144,131		569,484		570,796
Outpatient Medical		101,599		100,185		386,411		375,497
Total	\$	386,450	\$	388,513	\$	1,499,650	\$	1,599,116

<sup>(1)</sup> Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2684 and to translate U.K. properties at a GBP/USD rate of 1.38.

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

	Year Ended December 31,		
	2021	2020	2019
<b>Adjusted EBITDA Reconciliation:</b>			
Net income (loss)	\$ 374,479	\$ 1,038,852	\$ 1,330,410
Interest expense	489,853	514,388	555,559
Income tax expense (benefit)	8,713	9,968	2,957
Depreciation and amortization	1,037,566	1,038,437	1,027,073
EBITDA	1,910,611	2,601,645	2,915,999
Loss (income) from unconsolidated entities	22,933	8,083	(42,434)
Stock-based compensation expense <sup>(1)</sup>	17,812	28,318	25,047
Loss (gain) on extinguishment of debt, net	49,874	47,049	84,155
Loss (gain) on real estate dispositions, net	(235,375)	(1,088,455)	(748,041)
Impairment of assets	51,107	135,608	28,133
Provision for loan losses, net	7,270	94,436	18,690
Loss (gain) on derivatives and financial instruments, net	(7,333)	11,049	(4,399)
Other expenses <sup>(1)</sup>	40,860	64,171	51,052
Leasehold interest adjustment <sup>(2)</sup>	760	—	—
Casualty losses, net of recoveries <sup>(3)</sup>	5,786	—	—
Other impairment <sup>(4)</sup>	49,241	146,508	—
Adjusted EBITDA	\$ 1,913,546	\$ 2,048,412	\$ 2,328,202
<b>Adjusted Interest Coverage Ratio:</b>			
Interest expense	\$ 489,853	\$ 514,388	\$ 555,559
Capitalized interest	19,352	17,472	15,272
Non-cash interest expense	(17,506)	(15,751)	(8,645)
Total interest	491,699	516,109	562,186
Adjusted EBITDA	\$ 1,913,546	\$ 2,048,412	\$ 2,328,202
Adjusted interest coverage ratio	3.89x	3.97x	4.14x
<b>Adjusted Fixed Charge Coverage Ratio:</b>			
Total interest	\$ 491,699	\$ 516,109	\$ 562,186
Secured debt principal payments	65,587	62,707	54,325
Total fixed charges	557,286	578,816	616,511
Adjusted EBITDA	\$ 1,913,546	\$ 2,048,412	\$ 2,328,202
Adjusted fixed charge coverage ratio	3.43x	3.54x	3.78x

<sup>(1)</sup> Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

<sup>(2)</sup> Represents \$27,988,000 of revenue and \$28,748,000 of property operating expenses associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

<sup>(3)</sup> Represents casualty losses, net of any insurance recoveries.

<sup>(4)</sup> Represents reserve for straight-line rent receivables balances relating to leases placed on cash recognition.

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

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	Year Ended December 31,		
	2021	2020	2019
<b>Book capitalization:</b>			
Unsecured credit facility and commercial paper	\$ 324,935	\$ —	\$ 1,587,597
Long-term debt obligations <sup>(1)</sup>	13,917,702	13,905,822	13,436,365
Cash and cash equivalents and restricted cash	(346,755)	(2,021,043)	(385,766)
Total net debt	13,895,882	11,884,779	14,638,196
Total equity and noncontrolling interests <sup>(2)</sup>	18,997,873	17,225,062	16,982,504
Book capitalization	\$ 32,893,755	\$ 29,109,841	\$ 31,620,700
Net debt to book capitalization ratio	42.2 %	40.8 %	46.3 %
<b>Undepreciated book capitalization:</b>			
Total net debt	\$ 13,895,882	\$ 11,884,779	\$ 14,638,196
Accumulated depreciation and amortization	6,910,114	6,104,297	5,715,459
Total equity and noncontrolling interests <sup>(2)</sup>	18,997,873	17,225,062	16,982,504
Undepreciated book capitalization	\$ 39,803,869	\$ 35,214,138	\$ 37,336,159
Net debt to undepreciated book capitalization ratio	34.9 %	33.8 %	39.2 %
<b>Market capitalization:</b>			
Common shares outstanding	447,239	417,401	410,257
Period end share price	\$ 85.77	\$ 64.62	\$ 81.78
Common equity market capitalization	\$ 38,359,689	\$ 26,972,453	\$ 33,550,817
Total net debt	13,895,882	11,884,779	14,638,196
Noncontrolling interests <sup>(2)</sup>	1,361,872	1,252,343	1,442,060
Market capitalization:	\$ 53,617,443	\$ 40,109,575	\$ 49,631,073
Net debt to market capitalization ratio	25.9 %	29.6 %	29.5 %

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

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

**Critical Accounting Policies & Estimates**

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

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

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

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

Nature of Critical Accounting Estimate	Assumptions/Approach Used
<p><u>Impairment of Real Property</u></p> <p>Assessing impairment of real property involves subjectivity in determining if indicators of impairment are present and in estimating the future undiscounted cash flows or estimated fair value of an asset. In estimating the undiscounted cash flows or fair value, key assumptions that would be made are the estimation of future rental revenues, operating expenses, capitalization rates and the ability and intent to hold the respective asset, all of which are affected by our expectations of future market or economic conditions. These estimates can have a significant impact on the undiscounted cash flows or estimated fair value of an asset.</p>	<p>Quarterly, we evaluate our real estate investments on a property by property basis to determine if there are indicators of impairment. These indicators may include expected operational performance, the tenant's ability to make rent payments, a decision to dispose of an asset before the end of its estimated useful life and changes in the market that may permanently reduce the value of the property. If indicators of impairment exist, an undiscounted cash flow analysis will be prepared and the results of such analysis will be compared to the current net book value to determine if an impairment charge is necessary. This analysis requires us to use judgment in determining whether indicators of impairment exist and to estimate the expected future undiscounted cash flows or estimated fair values of the property. Properties that meet the held for sale criteria are recorded at the lesser of the fair value less costs to sell or carrying value.</p> <p>At December 31, 2021, our net real property owned was approximately \$30,695,633,000. During the year ended December 31, 2021, we recorded impairment charges of \$19,567,000 related to four Triple-net properties and one Outpatient Medical property which were disposed of or classified as held for sale for which the carrying values exceeded the fair values. Additionally, we recorded \$31,540,000 of impairment charges related to two Seniors Housing Operating properties and two Triple-net properties that were held for use in which the carrying values exceeded the estimated fair values.</p>
<p><u>Real Estate Acquisitions</u></p> <p>We believe that substantially all of our real estate acquisitions are considered asset acquisitions for which we record the related real estate acquired (tangible assets and identifiable intangible assets and liabilities) at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. Tangible assets consist primarily of land, building and improvements. Identifiable intangible assets and liabilities primarily consist of the above or below market component of in-place leases and the value of in-place leases. The total amount of other intangible assets acquired is further allocated to in-place lease values and customer relationship values based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with respect to that tenant.</p>	<p>The allocation of the purchase price to the related real estate acquired (tangible assets and intangible assets and liabilities) involves subjectivity as such allocations are based on a relative fair value analysis. In determining the fair values that drive such analysis, we estimate the fair value of each component of the real estate acquired which generally includes land, buildings and improvements, the above or below market component of in-place leases and the value of in-place leases. Significant assumptions used to determine such fair values include comparable land sales, capitalization rates, discount rates, market rental rates and property operating data, all of which can be impacted by expectations about future market or economic conditions. Our estimates of the values of these components affect the amount of depreciation and amortization we record over the estimated useful life of the property or the term of the lease.</p> <p>During the year ended December 31, 2021, we completed \$4,084,174,000 of real estate acquisitions. These transactions were accounted for as asset acquisitions and the purchase price of each was allocated based on the relative fair values of the assets acquired and liabilities assumed.</p>

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Nature of Critical Accounting Estimate	Assumptions/Approach Used
<p><u>Principles of Consolidation</u></p> <p>The consolidated financial statements include our accounts, the accounts of our wholly-owned subsidiaries, and the accounts of joint venture entities in which we own a majority voting interest with the ability to control operations and where no substantive participating rights or substantive kick out rights have been granted to the noncontrolling interests. In addition, we consolidate those entities deemed to be variable interest entities ("VIEs") in which we are determined to be the primary beneficiary. All material intercompany transactions and balances have been eliminated in consolidation.</p>	<p>We make judgments about which entities are VIEs based on an assessment of whether (i) the equity investors as a group, if any, do not have a controlling financial interest, or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. We make judgments with respect to our level of influence or control of an entity and whether we are (or are not) the primary beneficiary of a VIE. Consideration of various factors includes, but is not limited to, our ability to direct the activities that most significantly impact the entity's economic performance, our form of ownership interest, our representation on the entity's governing body, the size and seniority of our investment, our ability and the rights of other investors to participate in policy making decisions, replace the manager and/or liquidate the entity, if applicable. Our ability to correctly assess our influence or control over an entity at inception of our involvement or on a continuous basis when determining the primary beneficiary of a VIE affects the presentation of these entities in our consolidated financial statements. If we perform a primary beneficiary analysis at a date other than at inception of the VIE, our assumptions may be different and may result in the identification of a different primary beneficiary.</p>
<p><u>Allowance for Credit Losses on Loans Receivable</u></p> <p>The allowance for credit losses is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of all outstanding loans, including general economic conditions and estimated collectability of loan payments.</p>	<p>The determination of the allowance for credit losses is based on a quarterly evaluation of all outstanding loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of factors, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent and value of the underlying collateral. A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we may return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance. For the remaining loans, we assess credit loss on a collective pool basis and use our historical loss experience for similar loans to determine the reserve for credit losses.</p> <p>During the year ended December 31, 2021, we recognized provision for loan losses of \$7,270,000 based on our historical loss experience.</p>

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

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

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

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

	December 31, 2021		December 31, 2020	
	Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	\$ 11,002,297	\$ (1,059,031)	\$ 9,943,501	\$ (761,581)
Secured debt	1,490,708	(44,222)	1,702,196	(57,756)
Totals	\$ 12,493,005	\$ (1,103,253)	\$ 11,645,697	\$ (819,337)

Our variable rate debt, including our unsecured revolving credit facility and commercial paper program, is reflected at fair value. At December 31, 2021, we had \$1,742,268,000 outstanding related to our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would result in increased annual interest expense of \$17,423,000. At December 31, 2020, we had \$2,241,909,000 outstanding under our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would have resulted in increased annual interest expense of \$22,420,000.

We are subject to currency fluctuations that may, from time to time, affect our financial condition and results of operations. Increases or decreases in the value of the Canadian Dollar or British Pounds Sterling relative to the U.S. Dollar impact the amount of net income we earn from our investments in Canada and the United Kingdom. Based solely on our results for the year ended December 31, 2021, including the impact of existing hedging arrangements, if these exchange rates were to increase or decrease by 10%, our net income from these investments would increase or decrease, as applicable, by less than \$11,000,000. We will continue to mitigate these underlying foreign currency exposures with non-U.S. denominated borrowings and gains and losses on derivative contracts. If we increase our international presence through investments in, or acquisitions or development of, seniors housing and health care properties outside the U.S., we may also decide to transact additional business or borrow funds in currencies other than U.S. Dollars, Canadian Dollars or British Pounds Sterling. To illustrate the impact of changes in foreign currency markets, we performed a sensitivity analysis on our derivative portfolio whereby we modeled the change in net present values arising from a hypothetical 1% increase in foreign currency exchange rates to determine the instruments' change in fair value. The following table summarizes the results of the analysis performed (dollars in thousands):

	December 31, 2021		December 31, 2020	
	Carrying value	Change in fair value	Carrying value	Change in fair value
Foreign currency exchange contracts	\$ 32,280	\$ 19,740	\$ 61,851	\$ 12,731
Debt designated as hedges	1,613,164	16,132	1,630,542	16,305
Totals	\$ 1,645,444	\$ 35,872	\$ 1,692,393	\$ 29,036

**Item 8. Financial Statements and Supplementary Data**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Welltower Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedules listed in the Index at Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 16, 2022 expressed an unqualified opinion thereon.

**Basis for Opinion**

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

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

**Critical Audit Matters**

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

***Impairment of Real Property***

Description of the Matter At December 31, 2021, the Company’s net real property owned was approximately \$30.7 billion. As discussed in Note 2 to the consolidated financial statements, the Company reviews its real property quarterly on a property-by-property basis to determine if facts and circumstances suggest that the real property may be impaired. If the undiscounted cash flows indicate that the real property will not be recoverable, the carrying value of the real property is reduced to its estimated fair value and an impairment charge is recognized for the difference between the carrying value and the fair value.

Auditing the Company’s process to evaluate real property owned for impairment was complex due to the high degree of subjectivity in determining whether indicators of impairment were present for certain properties, and in determining the future undiscounted cash flows and estimated fair values, if necessary, of properties where indicators of impairment were determined to be present. In particular, the undiscounted cash flows and fair value estimates were sensitive to significant assumptions, including future rental revenues and operating expenses, capitalization rates, and anticipated hold period, which are affected by expectations about future market or economic conditions.



HowWeAddressed the  
Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to evaluate real property owned for impairment. This included testing controls over the Company's review of impairment indicators by property and management's review and approval of the significant assumptions described above.

To test the Company's evaluation of real property for impairment, we performed audit procedures that included, among others, assessing the methodologies used by management, evaluating the significant assumptions discussed above and testing the completeness and accuracy of the underlying data used by the Company in its analyses. We compared the significant assumptions used by management to current industry and economic trends and evaluated whether changes to the Company's business and other relevant factors would affect the significant assumptions. In addition, we assessed the historical accuracy of the Company's estimates and performed sensitivity analyses of the significant assumptions to evaluate the changes in the undiscounted future cash flows and estimated fair values of the property that would result from changes in the significant assumptions.

**Real Estate Acquisitions**

Description of the Matter During the year ended December 31, 2021, the Company completed approximately \$4.1 billion of real estate acquisitions. As disclosed in Note 3 of the consolidated financial statements, the total purchase price for all properties acquired has been allocated to the related real estate acquired (tangible assets and identifiable intangible assets and liabilities) based upon their relative fair values.

Auditing the fair values allocated by management to the real estate acquired was complex because the fair value estimates were sensitive to significant assumptions, including comparable land sales, capitalization rates, discount rates, market rental rates and property operating data, which can be impacted by expectations about future market or economic conditions.

HowWeAddressed the  
Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to account for real estate acquisitions, including controls over the Company's review of the significant assumptions discussed above.

To test the fair values allocated to the real estate acquired, we performed audit procedures that included, among others, assessing the methodologies used by management and evaluating the significant assumptions used by the Company discussed above. We compared certain of management's assumptions to external market data for similar properties and tested the clerical accuracy of the valuation models. We involved our valuation specialist in our evaluation of the significant assumptions used by the Company and the review of the valuation models.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1970.  
Toledo, Ohio  
February 16, 2022

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

	December 31, 2021	December 31, 2020
<b>Assets</b>		
Real estate investments:		
Real property owned:		
Land and land improvements	\$ 3,968,430	\$ 3,440,650
Buildings and improvements	31,062,203	28,024,971
Acquired lease intangibles	1,789,628	1,500,030
Real property held for sale, net of accumulated depreciation	134,097	216,613
Construction in progress	651,389	487,742
Less accumulated depreciation and amortization	(6,910,114)	(6,104,297)
Net real property owned	30,695,633	27,565,709
Right of use assets, net	522,796	465,866
Real estate loans receivable, net of credit allowance	1,068,681	443,372
Net real estate investments	32,287,110	28,474,947
Other assets:		
Investments in unconsolidated entities	1,039,043	946,234
Goodwill	68,321	68,321
Cash and cash equivalents	269,265	1,545,046
Restricted cash	77,490	475,997
Straight-line rent receivable	365,643	344,066
Receivables and other assets	803,453	629,031
Total other assets	2,623,215	4,008,695
<b>Total assets</b>	<b>\$ 34,910,325</b>	<b>\$ 32,483,642</b>
<b>Liabilities and equity</b>		
Liabilities:		
Unsecured credit facility and commercial paper	\$ 324,935	\$ —
Senior unsecured notes	11,613,758	11,420,790
Secured debt	2,192,261	2,377,930
Lease liabilities	545,944	418,266
Accrued expenses and other liabilities	1,235,554	1,041,594
<b>Total liabilities</b>	<b>15,912,452</b>	<b>15,258,580</b>
Redeemable noncontrolling interests	401,294	343,490
Equity:		
Common stock	448,605	418,691
Capital in excess of par value	23,133,641	20,823,145
Treasury stock	(107,750)	(104,490)
Cumulative net income	8,663,736	8,327,598
Cumulative dividends	(14,380,915)	(13,343,721)
Accumulated other comprehensive income (loss)	(121,316)	(148,504)
Total Welltower Inc. stockholders' equity	17,636,001	15,972,719
Noncontrolling interests	960,578	908,853
<b>Total equity</b>	<b>18,596,579</b>	<b>16,881,572</b>
<b>Total liabilities and equity</b>	<b>\$ 34,910,325</b>	<b>\$ 32,483,642</b>

See accompanying notes

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**WELLTOWER INC. AND SUBSIDIARIES**

(In thousands, except per share data)

	Year Ended December 31,		
	2021	2020	2019
<b>Revenues:</b>			
Resident fees and services	\$ 3,197,223	\$ 3,074,022	\$ 3,448,175
Rental income	1,374,695	1,443,360	1,588,400
Interest income	137,563	69,156	63,830
Other income	32,634	19,429	20,901
Total revenues	4,742,115	4,605,967	5,121,306
<b>Expenses:</b>			
Property operating expenses	2,774,562	2,597,823	2,690,042
Depreciation and amortization	1,037,566	1,038,437	1,027,073
Interest expense	489,853	514,388	555,559
General and administrative expenses	126,727	128,394	126,549
Loss (gain) on derivatives and financial instruments, net	(7,333)	11,049	(4,399)
Loss (gain) on extinguishment of debt, net	49,874	47,049	84,155
Provision for loan losses	7,270	94,436	18,690
Impairment of assets	51,107	135,608	28,133
Other expenses	41,739	70,335	52,612
Total expenses	4,571,365	4,637,519	4,578,414
Income (loss) from continuing operations before income taxes and other items	170,750	(31,552)	542,892
Income tax (expense) benefit	(8,713)	(9,968)	(2,957)
Income (loss) from unconsolidated entities	(22,933)	(8,083)	42,434
Gain (loss) on real estate dispositions, net	235,375	1,088,455	748,041
Income (loss) from continuing operations	374,479	1,038,852	1,330,410
Net income	374,479	1,038,852	1,330,410
Less: Net income (loss) attributable to noncontrolling interests <sup>(1)</sup>	38,341	60,008	97,978
Net income (loss) attributable to common stockholders	\$ 336,138	\$ 978,844	\$ 1,232,432
Weighted average number of common shares outstanding:			
Basic	424,976	415,451	401,845
Diluted	426,841	417,387	403,808
<b>Earnings per share:</b>			
Basic:			
Income (loss) from continuing operations	\$ 0.88	\$ 2.50	\$ 3.31
Net income (loss) attributable to common stockholders	\$ 0.79	\$ 2.36	\$ 3.07
Diluted:			
Income (loss) from continuing operations	\$ 0.88	\$ 2.49	\$ 3.29
Net income (loss) attributable to common stockholders <sup>(2)</sup>	\$ 0.78	\$ 2.33	\$ 3.05

(1) Includes amounts attributable to redeemable noncontrolling interests

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

See accompanying notes

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

(In thousands)

	Year Ended December 31,		
	2021	2020	2019
Net income	\$ 374,479	\$ 1,038,852	\$ 1,330,410
Other comprehensive income (loss):			
Unrecognized actuarial gain (loss)	—	—	540
Foreign currency translation gain (loss)	(52,826)	103,612	161,915
Derivative and financial instruments designated as hedges gain (loss)	79,702	(134,369)	(131,120)
Total other comprehensive income (loss)	26,876	(30,757)	31,335
Total comprehensive income (loss)	401,355	1,008,095	1,361,745
Less: Total comprehensive income (loss) attributable to noncontrolling interests <sup>(1)</sup>	38,029	65,598	111,701
Total comprehensive income (loss) attributable to common stockholders	\$ 363,326	\$ 942,497	\$ 1,250,044

(1) Includes amounts attributable to redeemable noncontrolling interests.

See accompanying notes

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

(in thousands)

	Preferred Stock	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at December 31, 2018	\$ 718,498	\$ 384,465	\$ 18,424,662	\$ (68,499)	\$ 6,121,534	\$ (10,818,557)	\$ (129,769)	\$ 954,265	\$ 15,586,599
Comprehensive income:									
Net income (loss)					1,232,432			67,365	1,299,797
Other comprehensive income (loss)							17,612	13,440	31,052
Total comprehensive income									1,330,849
Net change in noncontrolling interests			3,583					(68,887)	(65,304)
Amounts related to stock incentive plans, net of forfeitures		162	25,163	(10,456)					14,869
Net proceeds from issuance of common stock		13,666	1,030,925						1,044,591
Conversion of preferred stock	(718,498)	12,712	705,786						—
Dividends paid:									
Common stock dividends						(1,404,977)			(1,404,977)
Balances at December 31, 2019	—	411,005	20,190,119	(78,955)	7,353,966	(12,223,534)	(112,157)	966,183	16,506,627
Cumulative change in accounting principle (Note 2)					(5,212)				(5,212)
Balances at January 1, 2020 (as adjusted for change in accounting principle)	—	411,005	20,190,119	(78,955)	7,348,754	(12,223,534)	(112,157)	966,183	16,501,415
Comprehensive income:									
Net income (loss)					978,844			98,910	1,077,754
Other comprehensive income (loss)							(36,347)	5,493	(30,854)
Total comprehensive income									1,046,900
Net change in noncontrolling interests			18,158					(161,733)	(143,575)
Amounts related to stock incentive plans, net of forfeitures		622	27,666	(17,879)					10,409
Net proceeds from issuance of common stock		7,064	587,202						594,266
Conversion of preferred stock				(7,656)					(7,656)
Dividends paid:									
Common stock dividends						(1,120,187)			(1,120,187)
Balances at December 31, 2020	—	418,691	20,823,145	(104,490)	8,327,598	(13,343,721)	(148,504)	908,853	16,881,572
Comprehensive income:									
Net income (loss)					336,138			36,795	372,933
Other comprehensive income (loss)							27,188	(366)	26,822
Total comprehensive income									399,755
Net change in noncontrolling interests			(23,743)					15,296	(8,447)
Amounts related to stock incentive plans, net of forfeitures		246	18,087	(3,260)					15,073
Net proceeds from issuance of common stock		29,668	2,316,152						2,345,820
Dividends paid:									
Common stock dividends						(1,037,194)			(1,037,194)
Balances at December 31, 2021	\$ —	\$ 448,605	\$ 23,133,641	\$ (107,750)	\$ 8,663,736	\$ (14,380,915)	\$ (121,316)	\$ 960,578	\$ 18,596,579

See accompanying notes

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

	Year Ended December 31,		
	2021	2020	2019
Operating activities:			
Net income	\$ 374,479	\$ 1,038,852	\$ 1,330,410
Adjustments to reconcile net income to net cash provided from (used in) operating activities:			
Depreciation and amortization	1,037,566	1,038,437	1,027,073
Other amortization expenses	19,148	13,213	16,827
Provision for loan losses	7,270	94,436	18,690
Impairment of assets	51,107	135,608	28,133
Stock-based compensation expense	17,812	28,318	25,047
Loss (gain) on derivatives and financial instruments, net	(7,333)	11,049	(4,399)
Loss (gain) on extinguishment of debt, net	49,874	47,049	84,155
Loss (income) from unconsolidated entities	22,933	8,083	(42,434)
Rental income less than (in excess of) cash received	(30,820)	60,254	(106,331)
Amortization related to above (below) market leases, net	(3,536)	(1,870)	(676)
Loss (gain) on real estate dispositions, net	(235,375)	(1,088,455)	(748,041)
Distributions by unconsolidated entities	16,763	11,601	—
Increase (decrease) in accrued expenses and other liabilities	77,554	22,764	(29,068)
Decrease (increase) in receivables and other assets	(122,117)	(54,583)	(63,418)
Net cash provided from (used in) operating activities	1,275,325	1,364,756	1,535,968
Investing activities:			
Cash disbursed for acquisitions, net of cash acquired	(4,084,174)	(903,756)	(3,959,683)
Cash disbursed for capital improvements to existing properties	(282,588)	(244,989)	(328,824)
Cash disbursed for construction in progress	(417,963)	(201,336)	(323,488)
Capitalized interest	(19,352)	(17,472)	(15,272)
Investment in loans receivable	(997,449)	(247,543)	(119,699)
Principal collected on loans receivable	343,260	31,548	127,706
Other investments, net of payments	(26,595)	7,726	(8,282)
Contributions to unconsolidated entities	(396,020)	(411,154)	(279,631)
Distributions by unconsolidated entities	286,772	48,195	216,231
Proceeds from (payments on) derivatives	7,519	(13,319)	(8,499)
Proceeds from sales of real property	1,070,322	4,300,028	2,650,650
Net cash provided from (used in) investing activities	(4,516,268)	2,347,928	(2,048,791)
Financing activities:			
Net increase (decrease) under unsecured credit facility and commercial paper	324,935	(1,587,597)	440,597
Proceeds from issuance of senior unsecured notes	1,703,626	1,588,549	3,974,559
Payments to extinguish senior unsecured notes	(1,533,752)	(566,248)	(3,335,290)
Net proceeds from the issuance of secured debt	23,569	62,055	343,696
Payments on secured debt	(197,618)	(694,995)	(284,433)
Net proceeds from the issuance of common stock	2,348,201	595,313	1,056,125
Repurchase of common stock	—	(7,656)	—
Payments for deferred financing costs and prepayment penalties	(73,735)	(39,087)	(84,142)
Contributions by noncontrolling interests <sup>(1)</sup>	156,318	44,023	55,365
Distributions to noncontrolling interests <sup>(1)</sup>	(138,756)	(333,489)	(172,940)
Cash distributions to stockholders	(1,035,906)	(1,119,232)	(1,400,712)
Other financing activities	(9,218)	(22,494)	(15,675)
Net cash provided from (used in) financing activities	1,567,664	(2,080,858)	577,150
Effect of foreign currency translation on cash and cash equivalents and restricted cash	(1,009)	3,451	5,310
Increase (decrease) in cash, cash equivalents and restricted cash	(1,674,288)	1,635,277	69,637
Cash, cash equivalents and restricted cash at beginning of period	2,021,043	385,766	316,129
Cash, cash equivalents and restricted cash at end of period	\$ 346,755	\$ 2,021,043	\$ 385,766
Supplemental cash flow information:			
Interest paid	\$ 492,742	\$ 508,454	\$ 574,536
Income taxes paid (received)	(4,812)	13,671	14,338

(1) Includes amounts attributable to redeemable noncontrolling interests.

See accompanying notes.

## 1. Business

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

## 2. Accounting Policies and Related Matters

### *Use of Estimates*

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

### *Principles of Consolidation*

The consolidated financial statements include the accounts of our wholly-owned subsidiaries and joint venture ("JV") entities that we control, through voting rights or other means. All material intercompany transactions and balances have been eliminated in consolidation. At inception of JV transactions, we identify entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and determine which business enterprise is the primary beneficiary of its operations. A VIE is broadly defined as an entity where either (i) the equity investors as a group, if any, do not have a controlling financial interest, or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. We consolidate investments in VIEs when we are determined to be the primary beneficiary. Accounting Standards Codification Topic 810, Consolidations ("ASC 810"), requires enterprises to perform a qualitative approach to determining whether or not a VIE will need to be consolidated. This evaluation is based on an enterprise's ability to direct and influence the activities of a VIE that most significantly impact that entity's economic performance. For investments in JVs, U.S. GAAP may preclude consolidation by the sole general partner in certain circumstances based on the type of rights held by the limited partner(s). We assess the limited partners' rights and their impact on our consolidation conclusions, and we reassess if there is a change to the terms or in the exercisability of the rights of the limited partners, the sole general partner increases or decreases its ownership of limited partnership interests, or there is an increase or decrease in the number of outstanding limited partnership interests. We similarly evaluate the rights of managing members of limited liability companies.

### *Revenue Recognition*

For our Triple-net and Outpatient Medical segments, a significant source of our revenue is generated through leasing arrangements. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Leases in our Outpatient Medical portfolio typically include some form of operating expense reimbursement by the tenant. Certain payments made to operators are treated as lease incentives and amortized as a reduction of revenue over the lease term.

For our Seniors Housing Operating segment, revenue from resident fees and services is predominantly service-based, and generally is recognized monthly as services are provided. Agreements with residents generally have varying terms and are cancellable by the resident with 30 days' notice. Management contracts are present in some of our joint venture agreements to provide asset and property management, leasing, marketing and other services.

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

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

We recognize gains on the disposition of real estate when the recognition criteria have been met, generally at the time the risks and rewards and title have transferred and we no longer have substantial continuing involvement with the real estate sold. We recognize losses from disposition of real estate when known.

#### *Cash and Cash Equivalents*

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

#### *Restricted Cash*

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

#### *Deferred Loan Expenses*

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

#### *Investments in Unconsolidated Entities*

Investments in entities that we do not consolidate but have the ability to exercise significant influence over operating and financial policies are reported under the equity method of accounting. Under the equity method, our share of the investee's earnings or losses is included in our consolidated results of operations. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the entity interest inclusive of transaction costs. To the extent that our cost basis is different from the basis reflected at the entity level, the basis difference is generally amortized over the lives of the related assets and liabilities, and such amortization is included in our share of equity in earnings of the entity. We evaluate our equity method investments for impairment based upon a comparison of the estimated fair value of the equity method investment to its carrying value. When we determine a decline in the estimated fair value of such an investment below its carrying value is other-than-temporary, an impairment is recorded.

#### *Equity Securities*

Equity securities are measured at fair value with gains and losses recognized in loss (gain) on derivatives and financial instruments, net in the Consolidated Statements of Comprehensive Income.

#### *Redeemable Noncontrolling Interests*

Certain noncontrolling interests are redeemable at fair value. Accordingly, we record the carrying amount of the noncontrolling interests at the greater of (i) the initial carrying amount, increased or decreased for the noncontrolling interest's share of net income or loss and its share of other comprehensive income or loss, and dividends or (ii) the redemption value. If the interests are redeemable in the future, we accrete the carrying value to the redemption value over the period until expected redemption, currently a weighted-average period of approximately five years. In accordance with ASC 810, the redeemable noncontrolling interests are classified outside of permanent equity, as a mezzanine item, on the balance sheet. At December 31, 2021, the current redemption value of redeemable noncontrolling interests exceeded the carrying value of \$401,294,000 by \$40,212,000.

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

#### *Real Property Owned*

Real estate acquisitions are generally classified as asset acquisitions for which we record tangible assets and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. Tangible assets primarily consist of land, buildings and improvements.

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



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

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

The net book value of long-lived assets is reviewed quarterly on a property by property basis to determine if facts and circumstances suggest that the assets may be impaired or that the depreciable life may need to be changed. We consider external factors relating to each asset and the existence of a master lease which may link the cash flows of an individual asset to a larger portfolio of assets leased to the same tenant. If these factors and the projected undiscounted cash flows of the assets over the remaining depreciation period indicate that the assets will not be recoverable, the carrying value is reduced to the estimated fair market value. In addition, we are exposed to the risks inherent in concentrating investments in real estate, and in particular, the seniors housing and health care industries. A downturn in the real estate industry could adversely affect the value of our properties and our ability to sell properties for a price or on terms acceptable to us. Additionally, properties that meet the held for sale criteria are recorded at the lesser of fair value less costs to sell or the carrying value.

Expenditures for repairs and maintenance are expensed as incurred.

#### *Capitalization of Construction Period Interest*

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

#### *Loans Receivable*

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

#### *In Substance Real Estate Investments*

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

*Allowance for Credit Losses on Loans Receivable*

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

*Goodwill*

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

*Fair Value of Derivative Instruments*

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

*Accrued Expenses and Other Liabilities*

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

	Year Ended December 31,	
	2021	2020
Accounts payable	\$ 174,799	\$ 101,592
Accrued interest	111,157	112,202
Other accrued expenses	238,931	193,631
Unearned revenues	307,316	115,411
Taxes payable	117,013	99,916
Other liabilities	286,338	418,842
Total	\$ 1,235,554	\$ 1,041,594

*Federal Income Tax*

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

*Foreign Currency*

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

*Earnings Per Share*

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

*Reclassifications*

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

*Impact of COVID-19 Pandemic*

The extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, the direct and indirect economic effects of the pandemic and containment measures, the impact of new variants, the effectiveness of vaccines, the overall pace of recovery, among others. The COVID-19 pandemic could have material and adverse effects on our financial condition, results of operations and cash flows in the future.

Our Seniors Housing Operating revenues are dependent on occupancy. Spot occupancy has steadily increased in recent months, with 94% (unaudited) of communities open for new admissions and nearly all communities allowing visitors, in-person tours and communal dining and activities as of December 31, 2021. Rapid distribution and a high acceptance rate of COVID-19 vaccinations by residents within assisted living and memory care facilities in the U.S. and U.K. have resulted in a significant decrease in total resident case counts across the portfolio from peak levels in mid-January 2021, however, resident case counts have increased in December 2021 as a result of highly transmissible variants. As of December 31, 2021, occupancy has increased approximately 510 basis points ("bps") to 77.7% since the pandemic-low of 72.6% on March 12, 2021 (unaudited). Quarterly spot occupancy rates through December 31, 2021 are as follows (unaudited):

	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Spot occupancy <sup>(1)</sup>	74.9 %	72.9 %	74.8 %	76.9 %	77.7 %
Sequential occupancy change <sup>(2)</sup>		(1.9)%	1.9 %	2.1 %	0.7 %

<sup>(1)</sup> Spot occupancy represents approximate month end occupancy at our share for 546 properties in operation as of December 31, 2020, including unconsolidated properties but excluding acquisitions, executed dispositions, development conversions since this date as well as one property closed for redevelopment.

<sup>(2)</sup> Sequential occupancy changes are based on actual spot occupancy and may not recalculate due to rounding.

During the year ended December 31, 2021, the U.S. and U.K. portfolios reported spot occupancy gains of approximately 490 bps and 80 bps, respectively. Canada reported a spot occupancy gain of approximately 290 bps (unaudited).

On March 27, 2020, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") to provide financial aid to individuals, businesses, and state and local governments. During the twelve months ended December 31, 2021 and 2020, we received government grants under the CARES Act primarily to cover increased expenses and lost revenue during the COVID-19 pandemic, as well as under similar programs in the U.K. and Canada. Grant income is recognized when there is reasonable assurance that the grant will be received and the Company will comply with all conditions attached to the grant. Additionally, grants are recognized over the periods in which the Company recognizes the increased expenses and lost revenue the grants are intended to defray. For the years ended December 31, 2021 and 2020 we recognized \$97,933,000 and \$31,927,000, respectively, of government grant income as a reduction to property operating expenses in our Consolidated Statements of Comprehensive Income. Additionally, for the years ended December 31, 2021 and 2020, we recognized \$4,642,000 and \$3,014,000, respectively, of government grant income in other income in our Consolidated Statements of Comprehensive Income. The amount of qualifying expenditures and lost revenue exceeded grant income recognized and we believe we have complied and will continue to comply with all grant conditions.

Property-level operating expenses associated with the COVID-19 pandemic relating to our Seniors Housing Operating portfolio totaled \$63,681,000 and \$110,719,000 for the years ended December 31, 2021 and 2020, respectively. These expenses were incurred as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor and property cleaning expenses and expenditures related to our efforts to procure personal protective equipment ("PPE") and supplies. Certain new expenses incurred since the start of the pandemic may continue on an ongoing basis as part of new health and safety protocols.

Our Triple-net operators have experienced similar occupancy declines and operating costs as described above with respect to our Seniors Housing Operating properties. Additionally, long-term/post-acute care facilities are generally experiencing a higher degree of occupancy declines. These factors may continue to impact the ability of our Triple-net operators to make contractual rent payments to us in the future. Many of our Triple-net operators received funds under the CARES Act Paycheck Protection Program and Provider Relief Fund.

During the year ended December 31, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant rent deferrals or rent concessions have been made. We evaluate leases individually and recognize rent on a cash basis if collectibility of substantially all contractual rent payments is not probable. To the extent the prolonged impact of the COVID-19 pandemic causes operators or tenants to seek further modifications of their lease agreements, we may recognize reductions in revenue and increases in uncollectible receivables.

During the year ended December 31, 2021, we have collected virtually all rent due from tenants in our Outpatient Medical portfolio, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants. We evaluate leases individually and recognize rent on a cash basis if collectibility of substantially all contractual rent payments is not probable.

#### *New Accounting Standards*

- In August 2020, the FASB issued ASU 2020-06, "Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40) Accounting for Convertible Instruments and Contracts in an Entity's Own Equity". This ASU simplifies accounting for convertible instruments and removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception. This ASU also simplifies the diluted earnings per share calculation in certain areas and provides updated disclosure requirements. The ASU is effective for public business entities beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. The adoption of this standard will not have a significant impact on our consolidated financial statements.
- In March 2020, the FASB issued an amendment to the reference rate reform standard which provides the option for a limited period of time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on contract modifications and hedge accounting. An example of such reform is the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. Entities that make this optional expedient election would not have to remeasure the contracts at the modification date or reassess the accounting treatment if certain criteria are met and would continue applying hedge accounting for relationships affected by reference rate reform. The new standard was effective for us upon issuance and elections can be made through December 31, 2022. We are currently evaluating our options with regards to existing contracts and hedging relationships and the impact of adopting this update on our consolidated financial statements.

### **3. Real Property Acquisitions and Development**

The total purchase price for all properties acquired has been allocated to the tangible and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. The results of operations for these acquisitions have been included in our consolidated results of operations since the date of acquisition and are a component of the appropriate segments. Transaction costs primarily represent costs incurred with acquisitions, including due diligence costs, fees for legal and valuation services, termination of pre-existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs. Transaction costs related to asset acquisitions are capitalized as a component of purchase price and all other non-capitalizable costs are reflected in other expenses on our Consolidated Statements of Comprehensive Income.

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

<sup>(2)</sup> Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

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

	Year Ended December 31, 2020			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Land and land improvements	\$ 55,000	\$ 16,876	\$ 45,590	\$ 117,466
Buildings and improvements	527,189	73,855	179,004	780,048
Acquired lease intangibles	28,668	—	24,718	53,386
Total net real estate assets	610,857	90,731	249,312	950,900
Receivables and other assets	746	—	268	1,014
Total assets acquired <sup>(1)</sup>	611,603	90,731	249,580	951,914
Accrued expenses and other liabilities	(1,650)	—	(962)	(2,612)
Total liabilities acquired	(1,650)	—	(962)	(2,612)
Noncontrolling interests <sup>(2)</sup>	(45,546)	—	—	(45,546)
Cash disbursed for acquisitions	564,407	90,731	248,618	903,756
Construction in progress additions	134,945	45,256	39,833	220,034
Less: Capitalized interest	(10,389)	(3,209)	(3,874)	(17,472)
Accruals <sup>(3)</sup>	(1,226)	—	—	(1,226)
Cash disbursed for construction in progress	123,330	42,047	35,959	201,336
Capital improvements to existing properties	107,379	76,625	60,985	244,989
Total cash invested in real property, net of cash acquired	<u>\$ 795,116</u>	<u>\$ 209,403</u>	<u>\$ 345,562</u>	<u>\$ 1,350,081</u>

<sup>(1)</sup> Excludes \$580,000 of unrestricted and restricted cash acquired.

<sup>(2)</sup> Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

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

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2019

	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Land and land improvements	\$ 154,470	\$ 24,097	\$ 293,933	\$ 472,500
Buildings and improvements	1,518,748	203,282	1,954,928	3,676,958
Acquired lease intangibles	76,009	—	183,921	259,930
Real property held for sale	17,435	—	—	17,435
Construction in progress	36,174	—	—	36,174
Right of use assets, net	—	—	58,377	58,377
Total net real estate assets	1,802,836	227,379	2,491,159	4,521,374
Receivables and other assets	15,634	—	1,586	17,220
Total assets acquired <sup>(1)</sup>	1,818,470	227,379	2,492,745	4,538,594
Secured debt	(194,408)	—	(206,754)	(401,162)
Lease liabilities	—	—	(47,740)	(47,740)
Accrued expenses and other liabilities	(12,024)	—	(32,893)	(44,917)
Total liabilities acquired	(206,432)	—	(287,387)	(493,819)
Noncontrolling interests <sup>(2)</sup>	(67,987)	(4,015)	(1,201)	(73,203)
Non-cash acquisition related activity <sup>(3)</sup>	(11,889)	—	—	(11,889)
Cash disbursed for acquisitions	1,532,162	223,364	2,204,157	3,959,683
Construction in progress additions	227,018	61,414	60,884	349,316
Less: Capitalized interest	(8,889)	(2,385)	(3,998)	(15,272)
Accruals <sup>(4)</sup>	—	—	(1,035)	(1,035)
Cash disbursed for construction in progress	218,129	59,029	55,851	333,009
Capital improvements to existing properties	260,413	17,426	50,985	328,824
Total cash invested in real property, net of cash acquired	\$ 2,010,704	\$ 299,819	\$ 2,310,993	\$ 4,621,516

<sup>(1)</sup> Excludes \$2,090,000 of unrestricted and restricted cash acquired.

<sup>(2)</sup> Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

<sup>(3)</sup> Relates to the acquisition of assets previously recognized as investments in unconsolidated entities.

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

**Holiday Retirement Acquisition**

On July 30, 2021, we acquired a portfolio of 85 seniors housing properties owned by Holiday Retirement for \$1,576,600,000, which are included in our Seniors Housing Operating segment and in the table above for the year ended December 31, 2021. Atria Senior Living assumed operations of the portfolio following its acquisition of the Holiday Retirement management company pursuant to an incentive-based management agreement. As part of this transaction, a wholly owned subsidiary assumed the leasehold interest in a 26 property portfolio and subsequently purchased eight of the leased properties from the landlord. The lease, identified as an operating lease, expires in 2035 and was recognized as a right of use asset, net of above market lease intangibles, and lease liability.

**Construction Activity**

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

	Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Development projects:			
Seniors Housing Operating	\$ 117,386	\$ 93,188	\$ 28,117
Triple-net	22,990	75,149	—
Outpatient Medical	125,179	43,493	21,006
Total development projects	265,555	211,830	49,123
Expansion projects	5,292	48,600	—
Total construction in progress conversions	\$ 270,847	\$ 260,430	\$ 49,123

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**4. Real Estate Intangibles**

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

	December 31, 2021		December 31, 2020
<b>Assets:</b>			
In place lease intangibles	\$ 1,681,533	\$	1,406,705
Above market tenant leases	53,964		52,621
Lease commissions	54,131		40,704
Gross historical cost	1,789,628		1,500,030
Accumulated amortization	(1,286,259)		(1,177,513)
Net book value	<u>\$ 503,369</u>	<u>\$</u>	<u>322,517</u>
Weighted-average amortization period in years	5.5		10.5
<b>Liabilities:</b>			
Below market tenant leases	\$ 74,909	\$	77,851
Accumulated amortization	(45,291)		(40,871)
Net book value	<u>\$ 29,618</u>	<u>\$</u>	<u>36,980</u>
Weighted-average amortization period in years	8.2		8.3

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

	Year Ended December 31,		
	2021	2020	2019
Rental income related to (above)/below market tenant leases, net	\$ 1,680	\$ 1,710	\$ 508
Amortization related to in place lease intangibles and lease commissions	(115,579)	(121,004)	(135,047)

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

	Assets		Liabilities	
2022	\$	168,534	\$	7,374
2023		113,105		5,253
2024		56,699		3,118
2025		22,706		2,588
2026		23,009		2,075
Thereafter		119,316		9,210
Totals	<u>\$</u>	<u>503,369</u>	<u>\$</u>	<u>29,618</u>

**5. Dispositions, Real Property Held for Sale and Impairment**

We periodically sell properties for various reasons, including favorable market conditions, the exercise of tenant purchase options or reduction of concentrations (e.g. property type, relationship or geography). At December 31, 2021, two Seniors Housing Operating, 14 Triple-net and one Outpatient Medical properties, with an aggregate net real estate balance of \$134,097,000, were classified as held for sale. In addition to the real property balances held for sale, net other assets and (liabilities) of \$9,876,000 were included in the Consolidated Balance Sheets related to the held for sale properties. Expected gross sales proceeds related to the held for sale properties are approximately \$171,184,000.

During the year ended December 31, 2021, we recorded impairment charges of \$19,567,000 related to four Triple-net properties and one Outpatient Medical property, which were disposed of or classified as held for sale for which the carrying value exceeded the fair values, less estimated costs to sell. Additionally, we recorded \$31,540,000 of impairment charges related to two Seniors Housing Operating properties and two Triple-net properties that were held for use in which the carrying value exceed the estimated fair value. During the year ended December 31, 2020, we recorded impairment charges of \$87,873,000 related to 15 Seniors Housing Operating and one Triple-net properties, which were disposed of or classified as held for sale as the carrying value exceeded the fair values, less estimated costs to sell. Additionally, during the year ended December 31, 2020, we recorded \$47,735,000 of impairment charges related to six Seniors Housing Operating and four Triple-net properties that were held for use in which the carrying value exceed the fair value. The following is a summary of our real property disposition activity for the periods presented (in thousands):

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	Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Real estate dispositions:			
Seniors Housing Operating	\$ 112,837	\$ 1,289,769	\$ 1,232,816
Triple-net	486,369	51,666	667,632
Outpatient Medical	229,660	1,755,864	482
Total dispositions	828,866	3,097,299	1,900,930
Gain (loss) on real estate dispositions, net	235,375	1,088,455	748,041
Net other assets (liabilities) disposed	6,081	114,274	1,679
Proceeds from real estate dispositions	<u>\$ 1,070,322</u>	<u>\$ 4,300,028</u>	<u>\$ 2,650,650</u>

Operating results attributable to properties sold or classified as held for sale which do not meet the definition of discontinued operations, are not reclassified on our Consolidated Statements of Comprehensive Income. The following represents the activity related to these properties for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Revenues:			
Total revenues	\$ 63,114	\$ 303,791	\$ 827,961
Expenses:			
Interest expense	1,479	11,241	23,186
Property operating expenses	8,490	163,800	403,010
Provision for depreciation	8,665	82,330	162,761
Total expenses	18,634	257,371	588,957
Income (loss) from real estate dispositions, net	<u>\$ 44,480</u>	<u>\$ 46,420</u>	<u>\$ 239,004</u>

## 6. Leases

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

We sublease certain real estate to a third party. Our sublease portfolio consists of a finance lease for seven buildings which are subleased to a long-term/ post-acute care operator.

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

	Classification	Year Ended December 31,		
		2021	2020	2019
Operating lease cost: <sup>(1)</sup>				
Real estate lease expense	Property operating expenses	\$ 22,642	\$ 23,472	\$ 25,166
Non-real estate investment lease expense	General and administrative expenses	4,596	4,745	1,654
Finance lease cost:				
Amortization of leased assets	Property operating expenses	8,105	8,203	7,795
Interest on lease liabilities	Interest expense	6,574	6,411	4,748
Sublease income	Rental income	(8,687)	(4,173)	(4,173)
Total		<u>\$ 33,230</u>	<u>\$ 38,658</u>	<u>\$ 35,190</u>

<sup>(1)</sup> Includes short-term leases which are immaterial.



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Maturities of lease liabilities as of December 31, 2021 are as follows (in thousands):

	Operating Leases	Finance Leases
2022	\$ 45,151	\$ 8,698
2023	45,994	69,774
2024	45,856	1,860
2025	43,612	1,658
2026	43,689	1,696
Thereafter	1,159,048	127,171
Total lease payments	1,383,350	210,857
Less: Imputed interest	(949,089)	(99,174)
Total present value of lease liabilities	<u>\$ 434,261</u>	<u>\$ 111,683</u>

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

	Classification	December 31, 2021	December 31, 2020
Right of use assets:			
Operating leases - real estate	Right of use assets, net	\$ 367,068	\$ 310,017
Finance leases - real estate	Right of use assets, net	155,728	155,849
Real estate right of use assets, net		522,796	465,866
Operating leases - non-real estate investments	Receivables and other assets	9,627	9,624
Total right of use assets, net		<u>\$ 532,423</u>	<u>\$ 475,490</u>
Lease liabilities:			
Operating leases		\$ 434,261	\$ 311,164
Finance leases		111,683	107,102
Total lease liabilities		<u>\$ 545,944</u>	<u>\$ 418,266</u>
Weighted average remaining lease term (years):			
Operating leases		36.6	46.9
Finance leases		19.8	17.7
Weighted average discount rate:			
Operating leases		9.72 %	5.02 %
Finance leases		5.06 %	5.16 %

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

	Classification	Year Ended December 31,		
		2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	Decrease (increase) in receivables and other assets	\$ 9,081	\$ 9,323	\$ 6,397
Operating cash flows from operating leases	Increase (decrease) in accrued expenses and other liabilities	(6,008)	(3,918)	(5,489)
Operating cash flows from finance leases	Decrease (increase) in receivables and other assets	8,336	8,263	10,732
Financing cash flows from finance leases	Other financing activities	(3,578)	(3,568)	(3,401)

Substantially all of our operating leases in which we are the lessor contain escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. During the years ended December 31, 2021 and 2020, we reserved for previously recognized straight-line rent receivable balances of \$49,241,000 and \$146,508,000 through rental income, relating to leases for which collection of substantially all contractual lease payments was no longer deemed probable. Included in the 2020 amount

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was \$91,025,000 related to Genesis Healthcare ("Genesis") whom noted substantial doubt as to their ability to continue as a going concern.

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

	Year Ended December 31,		
	2021	2020	2019
Fixed income from operating leases	\$ 1,193,837	\$ 1,240,012	\$ 1,387,836
Variable lease payments	180,858	203,348	200,564

The following table sets forth the future minimum lease payments receivable for leases in effect at December 31, 2021 (excluding properties in our Seniors Housing Operating portfolio and excluding any operating expense reimbursements) (in thousands):

2022	\$	1,136,024
2023		1,132,184
2024		1,117,953
2025		1,109,530
2026		1,097,517
Thereafter		6,701,274
Totals	\$	12,294,482

**7. Loans Receivable**

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

Accrued interest receivable was \$26,659,000 and \$15,615,000 as of December 31, 2021 and December 31, 2020, respectively, and is included in receivables and other assets on the Consolidated Balance Sheets. The following is a summary of our loans receivable (in thousands):

	Year Ended December 31,	
	2021	2020
Mortgage loans	\$ 889,556	\$ 299,430
Other real estate loans	194,477	152,739
Allowance for credit losses on real estate loans receivable	(15,352)	(8,797)
Real estate loans receivable, net of credit allowance	1,068,681	443,372
Non-real estate loans	375,060	455,508
Allowance for credit losses on non-real estate loans receivable	(151,433)	(215,239)
Non-real estate loans receivable, net of credit allowance <sup>(1)</sup>	223,627	240,269
Total loans receivable, net of credit allowance	\$ 1,292,308	\$ 683,641

<sup>(1)</sup> Included in receivables and other assets on the Consolidated Balance Sheets.

During the year ended December 31, 2020, the real estate collateral associated with one loan was released, therefore, the principal balance of \$86,411,000 and related allowance for credit losses of \$42,376,000 was reclassified to non-real estate loans.

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

	Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Advances on loans receivable:			
Investments in new loans	\$ 975,018	\$ 224,078	\$ 46,824
Draws on existing loans	22,431	23,465	72,875
Net cash advances on loans receivable	997,449	247,543	119,699
Receipts on loans receivable:			
Loan payoffs	266,822	15,677	118,703
Principal payments on loans	76,438	15,871	9,003
Net cash receipts on loans receivable	343,260	31,548	127,706
Net cash advances (receipts) on loans receivable	\$ 654,189	\$ 215,995	\$ (8,007)

During the year ended December 31, 2021, we provided £540 million (approximately \$750,330,000 based on the Sterling/ U.S. Dollar exchange rate as of the date of funding) of senior loan financing and a £30 million delayed facility for working capital and capital expenditures to affiliates of Safanad, a global real estate and private equity firm, as part of the recapitalization of its investment in HC-One Group. The loan has a five-year term and is fully collateralized by the shares and assets of the HC-One Group, including its underlying portfolio of owned assets across the U.K. As part of the transaction, we received equity warrants which provide us the right to participate in the capital appreciation of HC-One Group above a designated price upon liquidation. See Note 12 for additional details.

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

Loan category	Years of Origination	December 31, 2021			
		Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2018	\$ 178,369	\$ (148,438)	\$ 29,931	3
Collective loan pool	2007 - 2016	205,380	(3,097)	202,283	17
Collective loan pool	2017	34,397	(519)	33,878	7
Collective loan pool	2018	23,322	(351)	22,971	2
Collective loan pool	2019	22,083	(333)	21,750	4
Collective loan pool	2020	48,712	(734)	47,978	6
Collective loan pool	2021	946,830	(13,313)	933,517	22
Total loans		\$ 1,459,093	\$ (166,785)	\$ 1,292,308	61

In 2019, we recognized a provision for loan losses of \$18,690,000 to fully reserve for and eventually wrote off certain Triple-net real estate loans receivable that were no longer deemed collectible. During the year ended December 31, 2020, we recognized additional provision for loan losses of \$88,201,000 as a result of the current collateral estimates for loans with deteriorated credit, primarily relating to our outstanding Genesis loans. As of December 31, 2021, the total allowance for credit losses balance of \$166,785,000 is deemed to be sufficient to absorb expected losses relating to our loan portfolio. The following is a summary of the allowance for credit losses on loans receivable for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Balance at beginning of year	\$ 224,036	\$ 68,372	\$ 68,372
Adoption of ASU 2016-13	—	5,212	—
Provision for loan losses	7,270	94,436	18,690
Loan write-offs <sup>(1)</sup>	(64,075)	(7,000)	(18,690)
Foreign currency translation	(446)	197	—
Reclassification of deferred gain as credit loss <sup>(2)</sup>	—	62,819	—
Balance at end of year	\$ 166,785	\$ 224,036	\$ 68,372

<sup>(1)</sup> Includes \$64,075,000 related to the Genesis lease terminations for the twelve months ended December 31, 2021. See Note 9 for further details.

<sup>(2)</sup> During the year ended December 31, 2020, two loans receivable originated in 2016 to Genesis with an aggregate carrying value of \$62,753,000 were transferred to the deteriorated loan pool. In addition, deferred gains of \$62,819,000 previously recorded in accrued expenses and other liabilities were reclassified to the allowance for credit losses.

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

	Year Ended December 31,		
	2021	2020	2019
Balance of deteriorated loans at end of year <sup>(1)</sup>	\$ 178,369	\$ 242,319	\$ 188,018
Allowance for credit losses	(148,438)	(212,514)	(68,372)
Balance of deteriorated loans not reserved	<u>\$ 29,931</u>	<u>\$ 29,805</u>	<u>\$ 119,646</u>
Interest recognized on deteriorated loans <sup>(2)</sup>	\$ 3,185	\$ 18,937	\$ 16,235

<sup>(1)</sup> Balances include \$2,157,000, \$3,623,000 and \$2,534,000 of loans on non-accrual as of December 31, 2021, 2020 and 2019, respectively.

<sup>(2)</sup> Represents cash interest recognized in the period.

### 8. Investments in Unconsolidated Entities

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

	Percentage Ownership <sup>(1)</sup>	December 31, 2021	December 31, 2020
Seniors Housing Operating	10% to 65%	\$ 830,647	\$ 653,057
Triple-net	10% to 25%	44,814	5,629
Outpatient Medical	15% to 50%	163,582	287,548
Total		<u>\$ 1,039,043</u>	<u>\$ 946,234</u>

<sup>(1)</sup> Includes ownership of investments classified as liabilities and excludes ownership of in-substance real estate.

We own 34% of Sunrise Senior Living Management, Inc. ("Sunrise"), who provides comprehensive property management and accounting services with respect to certain of our Seniors Housing Operating properties that Sunrise operates. We pay Sunrise annual management fees pursuant to long-term management agreements. The majority of our management agreements have initial terms expiring in 2028, plus, if applicable, optional renewal periods ranging from an additional 3 to 15 years depending on the property. The management fees payable to Sunrise under the management agreements include a fee based on a percentage of revenues generated by the applicable properties plus, if applicable, positive or negative adjustments based on specified performance targets. For the years ended December 31, 2021, 2020 and 2019, we recognized fees to Sunrise of \$37,052,000, \$37,569,000 and \$41,200,000, respectively, which are reflected within property operating expenses in our Consolidated Statements of Comprehensive Income.

During the year ended December 31, 2019, we sold our interest in a Seniors Housing Operating joint venture and recognized a gain of \$38,681,000 in income (loss) from unconsolidated entities in our Consolidated Statements of Comprehensive Income.

At December 31, 2021, the aggregate unamortized basis difference of our joint venture investments of \$140,187,000 is primarily attributable to the difference between the amount for which we purchased our interest in the entity, including transaction costs, and the historical carrying value of the net assets of the joint venture. This difference is being amortized over the remaining useful life of the related properties and included in the reported amount of income from unconsolidated entities.

We have made loans related to 12 properties as of December 31, 2021 for the development and construction of certain properties which are classified as in substance real estate investments and have a carrying value of \$317,647,000. We believe that such borrowers typically represent VIEs in accordance with ASC 810. VIEs are required to be consolidated by their primary beneficiary which is the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We have concluded that we are not the primary beneficiary of such borrowers, therefore, the loan arrangements were assessed based on among other factors, the amount and timing of expected residual profits, the estimated fair value of the collateral and the significance of the borrower's equity in the project. Based on these assessments the arrangements have been classified as in substance real estate investments. We expect to fund an additional \$86,644,000 related to these investments.

### 9. Credit Concentration

We use consolidated net operating income ("NOI") as our credit concentration metric. See Note 18 for additional information and reconciliation. The following table summarizes certain information about our credit concentration for the year ended December 31, 2021, excluding our share of NOI in unconsolidated entities (dollars in thousands):

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Concentration by relationship:<sup>(1)</sup>

	Number of Properties	Total NOI	Percent of NOI <sup>(2)</sup>
ProMedica	205	\$ 228,052	12%
Sunrise Senior Living <sup>(3)</sup>	110	195,148	10%
Revera <sup>(3)</sup>	85	90,015	5%
Avery Healthcare	61	84,552	4%
HC-One Group <sup>(4)</sup>	1	65,942	3%
Remaining portfolio	1,189	1,303,844	66%
Totals	1,651	\$ 1,967,553	100%

<sup>(1)</sup> Sunrise and Revera are in our Seniors Housing Operating segment. ProMedica and HC-One Group are in our Triple-net segment. Avery Healthcare is in both the Triple-net and Seniors Housing Operating segments.

<sup>(2)</sup> NOI with our top five relationships comprised 36% of total NOI for the year ending December 31, 2020.

<sup>(3)</sup> Revera owns a controlling interest in Sunrise. For the year ended December 31, 2021, we recognized \$1,051,094,000 of revenue from properties managed by Sunrise.

<sup>(4)</sup> In addition to the one property, HC-One Group is the borrower on a £540,000,000 loan. See Note 7 for further detail.

During the quarter ended March 31, 2021, we entered into definitive agreements to substantially exit our operating relationship with Genesis. The status of these transactions as of December 31, 2021 is as follows:

- We contributed nine Triple-net properties operated by Genesis into an 80/20 joint venture with ProMedica and such properties were added to the existing master lease with ProMedica.
- Operations have transitioned to regional operators for 39 of the remaining 42 properties, with the three remaining properties expected to be transitioned at a later date.
- We entered into definitive agreements to sell the 42 former Genesis properties to either a joint venture with Aurora Health Network, the new operator and us, or to sell outright. We have closed on the sale of 25 of these properties. An additional ten properties are classified as held for sale and the remaining seven properties are expected to close simultaneously with our purchase option exercise in April 2023.
- To effectuate the transition of all 51 properties, we agreed to provide Genesis a lease termination fee of \$86 million upon successful transition of all properties, which will be used to immediately repay indebtedness to us. The debt reduction associated with the lease termination fee was previously reserved as an allowance for credit losses on loans receivable.
- Additionally, upon achievement of certain restructuring milestones, we will reduce Genesis' indebtedness by an additional \$170 million in exchange for an equity interest in Genesis. Upon conclusion of the aforementioned loan transactions, Genesis will have \$167 million of indebtedness to us, exclusive of additional paid in kind interest, which will carry a maturity date of January 1, 2024. As of December 31, 2021, our total carrying value of Genesis loans receivable, net of allowances for credit losses, was \$154,476,000.

**10. Borrowings Under Credit Facilities and Commercial Paper Program**

At December 31, 2021, we had a primary unsecured credit facility with a consortium of 34 banks that included a \$4,000,000,000 unsecured revolving credit facility, a \$500,000,000 unsecured term credit facility and a \$250,000,000 Canadian-denominated unsecured term credit facility. The unsecured revolving credit facility is comprised of a \$1,000,000,000 tranche that matures on June 4, 2023 (none outstanding at December 31, 2021) and a \$3,000,000,000 tranche that matures on June 4, 2025 (none outstanding at December 31, 2021). Both tranches may be extended for two successive terms of six months at our option. The term credit facilities mature on July 19, 2023. We have an option, through an accordion feature, to upsize the unsecured revolving credit facility and the \$500,000,000 unsecured term credit facility by up to an additional \$1,250,000,000, in the aggregate, and the \$250,000,000 Canadian-denominated unsecured term credit facility by up to an additional \$250,000,000. The primary unsecured credit facility also allows us to borrow up to \$1,000,000,000 in alternate currencies (none outstanding at December 31, 2021). Borrowings under the unsecured revolving credit facility are subject to interest payable at the applicable margin over LIBOR interest rate. The applicable margin is based on our debt ratings and was 0.775% at December 31, 2021. In addition, we pay a facility fee quarterly to each bank based on the bank's commitment amount. The facility fee depends on our debt ratings and was 0.15% at December 31, 2021.

In January 2019, we established an unsecured commercial paper program. Under the terms of the program, we may issue unsecured commercial paper notes with maturities that vary, but do not exceed 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of \$1,000,000,000. As of December 31, 2021, there was a balance of \$324,935,000 outstanding on the commercial paper program (\$325,000,000 in principal outstanding, net of an unamortized discount of \$65,000), which reduces the borrowing capacity of the unsecured revolving credit facility. The notes bear interest at floating rates with a weighted average of 0.41% as of December 31, 2021 and a weighted average maturity of 18 days as of December 31, 2021.

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The following information relates to aggregate borrowings under the unsecured revolving credit facility and commercial paper program for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2021	2020	2019
Balance outstanding at year end	\$ 325,000	\$ —	\$ 1,588,600
Maximum amount outstanding at any month end	\$ 994,000	\$ 2,100,000	\$ 2,880,000
Average amount outstanding (total of daily principal balances divided by days in period)	\$ 384,418	\$ 497,014	\$ 1,376,813
Weighted-average interest rate (actual interest expense divided by average borrowings outstanding)	0.33 %	2.09 %	2.84 %

**11. Senior Unsecured Notes and Secured Debt**

We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the sum of (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any “make-whole” amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. At December 31, 2021, the annual principal payments due on these debt obligations were as follows (in thousands):

	Senior Unsecured Notes <sup>(1,2)</sup>	Secured Debt <sup>(1,3)</sup>	Totals
2022	\$ —	\$ 582,884	\$ 582,884
2023 <sup>(4,5)</sup>	695,664	551,716	1,247,380
2024	1,350,000	181,710	1,531,710
2025	1,260,000	160,427	1,420,427
2026	700,000	107,327	807,327
Thereafter <sup>(6,7,8)</sup>	7,702,297	618,248	8,320,545
<b>Totals</b>	<b>\$ 11,707,961</b>	<b>\$ 2,202,312</b>	<b>\$ 13,910,273</b>

<sup>(1)</sup> Amounts represent principal amounts due and do not include unamortized premiums/discounts, debt issuance costs, or other fair value adjustments as reflected on the Consolidated Balance Sheets.

<sup>(2)</sup> Annual interest rates range from 0.80% to 6.50%.

<sup>(3)</sup> Annual interest rates range from 0.08% to 6.67%. Carrying value of the properties securing the debt totaled \$5,062,000,000 at December 31, 2021.

<sup>(4)</sup> Includes a \$250,000,000 Canadian-denominated unsecured term credit facility (approximately \$195,664,000 based on the Canadian/U.S. Dollar exchange rate on December 31, 2021). The loan matures on July 19, 2023 and bears interest at the Canadian Dealer Offered Rate plus 0.9% (1.34% at December 31, 2021).

<sup>(5)</sup> Includes a \$500,000,000 unsecured term credit facility. The loan matures on July 19, 2023 and bears interest at LIBOR plus 0.9% (1.00% at December 31, 2021).

<sup>(6)</sup> Includes a \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 (approximately \$234,797,000 based on the Canadian/U.S. Dollar exchange rate on December 31, 2021).

<sup>(7)</sup> Includes a £550,000,000 4.80% senior unsecured notes due 2028 (approximately \$742,500,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on December 31, 2021).

<sup>(8)</sup> Includes a £500,000,000 4.50% senior unsecured notes due 2034 (approximately \$675,000,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on December 31, 2021).

The following is a summary of our senior unsecured notes principal activity during the periods presented (dollars in thousands):

	Year Ended					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	\$ 11,509,533	3.67%	\$ 10,427,562	4.03%	\$ 9,699,984	4.48%
Debt issued	1,750,000	2.57%	1,600,000	1.89%	3,987,790	3.34%
Debt extinguished	(1,533,752)	2.42%	(566,248)	3.26%	(3,335,290)	4.39%
Foreign currency	(17,820)	4.55%	48,219	4.35%	75,078	4.22%
<b>Ending balance</b>	<b>\$ 11,707,961</b>	<b>3.67%</b>	<b>\$ 11,509,533</b>	<b>3.67%</b>	<b>\$ 10,427,562</b>	<b>4.03%</b>

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The following is a summary of our secured debt principal activity for the periods presented (dollars in thousands):

	Year Ended					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	\$ 2,378,073	3.27%	\$ 2,993,342	3.63%	\$ 2,485,711	3.90%
Debt issued	23,569	2.83%	62,055	2.55%	343,696	3.11%
Debt assumed	—	—%	—	—%	385,145	4.34%
Debt extinguished	(132,031)	5.86%	(632,288)	2.21%	(230,108)	4.35%
Principal payments	(65,587)	3.40%	(62,707)	3.63%	(54,325)	3.75%
Foreign currency	(1,712)	2.72%	17,671	2.93%	63,223	3.28%
Ending balance	<u>\$ 2,202,312</u>	<u>3.03%</u>	<u>\$ 2,378,073</u>	<u>3.27%</u>	<u>\$ 2,993,342</u>	<u>3.63%</u>

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of December 31, 2021, we were in compliance in all material respects with all of the covenants under our debt agreements.

## 12. Derivative Instruments

We are exposed to, among other risks, the impact of changes in foreign currency exchange rates as a result of our non-U.S. investments and interest rate risk related to our capital structure. Our risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes foreign currency forward contracts, cross currency swap contracts, interest rate swaps, interest rate locks and debt issued in foreign currencies to offset a portion of these risks.

### *Foreign Currency Forward Contracts Designated as Cash Flow Hedges*

For instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is deferred as a component of other comprehensive income (“OCI”) and reclassified into earnings in the same period or periods, during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in earnings.

### *Cash Flow Hedges of Interest Rate Risk*

We enter into interest rate swaps in order to maintain a capital structure containing targeted amounts of fixed and floating-rate debt and manage interest rate risk. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our fixed-rate payments. These interest rate swap agreements were used to hedge the variable cash flows associated with variable-rate debt.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately reclassified to the Consolidated Statements of Comprehensive Income. Approximately \$2,562,000 of losses, which are included in OCI, are expected to be reclassified into earnings in the next 12 months.

### *Foreign Currency Forward Contracts and Cross Currency Swap Contracts Designated as Net Investment Hedges*

We use foreign currency forward and cross currency forward swap contracts to hedge a portion of the net investment in foreign subsidiaries against fluctuations in foreign exchange rates. For instruments that are designated and qualify as net investment hedges, the variability in the foreign currency to U.S. Dollar of the instrument is recorded as a cumulative translation adjustment component of OCI.

During the years ended December 31, 2021, 2020, and 2019 we settled certain net investment hedges generating cash proceeds of \$14,505,000, necessitating cash payments of \$1,988,000, and generating cash proceeds of \$6,716,000, respectively. The balance of the cumulative translation adjustment will be reclassified to earnings if the hedged investment is sold or substantially liquidated.

### *Derivative Contracts Undesignated*

We use foreign currency exchange contracts to manage existing exposures to foreign currency exchange risk. Gains and losses resulting from the changes in fair value of these instruments are recorded in interest expense on the Consolidated Statements of Comprehensive Income, and are substantially offset by net revaluation impacts on foreign currency denominated

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balance sheet exposures. In addition, we have several interest rate cap contracts related to variable rate secured debt agreements. Gains and losses resulting from the changes in fair values of these instruments are also recorded in interest expense.

*Equity Warrants*

We received equity warrants through our lending activities further described in Note 7, which were accounted for as loan origination fees. The warrants provide us the right to participate in the capital appreciation of the underlying company above a designated price upon liquidation and contain net settlement terms qualifying as derivatives under ASC Topic 815. The warrants are classified within receivables and other assets on our Consolidated Balance Sheets. These warrants are measured at fair value with changes in fair value being recognized within gain (loss) on derivatives and financial instruments in our Consolidated Statements of Comprehensive Income.

The following presents the notional amount of derivatives and other financial instruments as of the dates indicated (in thousands):

	December 31, 2021		December 31, 2020	
Derivatives designated as net investment hedges:				
Denominated in Canadian Dollars	\$	675,000	\$	625,000
Denominated in Pound Sterling	£	1,904,708	£	1,340,708
Financial instruments designated as net investment hedges:				
Denominated in Canadian Dollars	\$	250,000	\$	250,000
Denominated in Pound Sterling	£	1,050,000	£	1,050,000
Interest rate swaps designated as cash flow hedges:				
Denominated in U.S. Dollars <sup>(1)</sup>	\$	25,000	\$	450,000
Derivative instruments not designated:				
Interest rate caps denominated in U.S. Dollars	\$	26,137	\$	26,137
Forward sales contracts denominated in Canadian Dollars	\$	80,000	\$	80,000

<sup>(1)</sup> At December 31, 2021 the maximum maturity date was November 1, 2023.

The following presents the impact of derivative instruments on the Consolidated Statements of Comprehensive Income for the periods presented (in thousands):

Description	Location	Year Ended		
		December 31, 2021	December 31, 2020	December 31, 2019
Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	\$ 23,133	\$ 22,698	\$ 26,419
Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	\$ (433)	\$ (5,982)	\$ (2,310)
Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments, net	\$ 10,361	\$ —	\$ —
Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	\$ 79,702	\$ (134,369)	\$ (131,120)

**13. Commitments and Contingencies**

At December 31, 2021, we had 15 outstanding letter of credit obligations totaling \$34,744,000 and expiring during 2022. At December 31, 2021, we had outstanding construction in progress of \$651,389,000 and were committed to providing additional funds of approximately \$1,208,913,000 to complete construction. Additionally, at December 31, 2021, we had outstanding investments classified as in substance real estate of \$317,647,000 and were committed to provide additional funds of \$86,644,000 (see Note 8 for additional information). Purchase obligations include \$83,363,000 of contingent purchase obligations to fund capital improvements. Rents due from the tenant are increased to reflect the additional investment in the property.

**14. Stockholders' Equity**

The following is a summary of our stockholders' equity capital accounts as of the dates indicated:



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	December 31, 2021	December 31, 2020
Preferred Stock, \$1.00 par value:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, \$1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	448,998,438	419,124,469
Outstanding shares	447,239,477	417,400,602

*Preferred Stock*

The following is a summary of our preferred stock activity during the periods presented:

	Year Ended					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Shares	Weighted Avg. Dividend Rate	Shares	Weighted Avg. Dividend Rate	Shares	Weighted Avg. Dividend Rate
Beginning balance	—	—%	—	—%	14,369,965	6.50%
Shares converted	—	—%	—	—%	(14,369,965)	6.50%
Ending balance	—	—%	—	—%	—	—%

During the year ended December 31, 2019, we converted all of the outstanding Series I Preferred Stock. Each share was converted into 0.8857 shares of common stock.

*Common Stock*

In July 2021, we entered into an amended and restated equity distribution agreement whereby we can offer and sell up to \$2,500,000,000 aggregate amount of our common stock ("ATM Program"). The ATM Program also allows us to enter into forward sale agreements. As of December 31, 2021, we had \$1,876,085,000 of remaining capacity under the ATM Program, which excludes forward sales agreements outstanding for the sale of 5,187,250 shares with maturity dates in 2022 which we expect to physically settle for cash proceeds of \$435,172,000.

On May 1, 2020, our Board of Directors authorized a share repurchase program whereby we may repurchase up to \$1 billion of common stock through December 31, 2021 (the "Repurchase Program"). Under this authorization, we are not required to purchase shares but may choose to do so in the open market or through private transactions at times and amounts based on our evaluation of market conditions and other factors. We expect to finance any share repurchases under the Repurchase Program using available cash and may use proceeds from borrowings or debt offerings. During the year ended December 31, 2020, we repurchased 201,947 shares at an average price of \$37.89 per share. We did not repurchase any shares of our common stock during the year ended December 31, 2021.

The following is a summary of our common stock issuances during the periods indicated (dollars in thousands, except shares and average price amounts):

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	Shares Issued	Average Price	Gross Proceeds	Net Proceeds
2019 Dividend reinvestment plan issuances	5,798,979	\$ 77.18	\$ 447,559	\$ 443,929
2019 Option exercises	10,736	51.32	551	551
2019 ATM Program issuances	7,855,956	78.15	613,948	611,645
2019 Preferred stock conversions	12,712,452		—	—
2019 Stock incentive plans, net of forfeitures	203,889		—	—
2019 Totals	<u>26,582,012</u>		<u>\$ 1,062,058</u>	<u>\$ 1,056,125</u>
2020 Dividend reinvestment plan issuances	264,153	\$ 72.33	\$ 19,105	\$ 19,105
2020 Option exercises	251	47.81	12	12
2020 ATM Program issuances	6,799,978	86.48	588,072	576,196
2020 Stock incentive plans, net of forfeitures	281,552		—	—
2020 Totals	<u>7,345,934</u>		<u>\$ 607,189</u>	<u>\$ 595,313</u>
2021 Option exercises	338	\$ 56.21	\$ 19	\$ 19
2021 ATM Program issuances	29,667,348	80.41	2,385,683	2,348,182
2021 Stock incentive plans, net of forfeitures	171,189		—	—
2021 Totals	<u>29,838,875</u>		<u>\$ 2,385,702</u>	<u>\$ 2,348,201</u>

*Dividends*

During the year ended December 31, 2020, we declared a reduced cash dividend beginning with the quarter ended March 31, 2020. Please refer to Note 19 for information related to federal income tax of dividends. The following is a summary of our dividend payments (in thousands, except per share amounts):

	Year Ended							
	December 31, 2021		December 31, 2020				December 31, 2019	
	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount
Common Stock	\$ 2.44	\$ 1,037,194	\$ 2.70	\$ 1,120,187	\$ 3.48	\$ 1,404,977		

*Accumulated Other Comprehensive Income*

The following is a summary of accumulated other comprehensive income/(loss) for the periods presented (in thousands):

	December 31, 2021	December 31, 2020
Foreign currency translation	\$ (674,306)	\$ (621,792)
Derivative and financial instruments designated as hedges	552,990	473,288
Total accumulated other comprehensive income (loss)	<u>\$ (121,316)</u>	<u>\$ (148,504)</u>

**15. Stock Incentive Plans**

Our 2016 Long-Term Incentive Plan ("2016 Plan") authorizes up to 10,000,000 shares of common stock to be issued at the discretion of the Compensation Committee of the Board of Directors. Our non-employee directors, officers and key employees are eligible to participate in the 2016 Plan. The 2016 Plan allows for the issuance of, among other things, stock options, stock appreciation rights, restricted stock, deferred stock units, performance units, and dividend equivalent rights. Vesting periods for options, deferred stock units and restricted shares generally range from three to five years. Options expire ten years from the date of grant.

Under our long-term incentive plan, certain restricted stock awards are market, performance and time-based. For market and performance based awards, we will grant a target number of restricted stock units, with the ultimate award determined by the total shareholder return and operating performance metrics, measured in each case over a measurement period of three years. These awards vest after the end of the performance periods. The expected term represents the period from the grant date to the end of the performance period. Compensation expense for these performance grants is measured based on the probability of achievement of certain performance goals and is recognized over the performance period. For the portion of the grant for which the award is determined by the operating performance metrics, the compensation cost is based on the grant date closing price and management's estimate of corporate achievement of the financial metrics. If the estimated number of performance based restricted stock to be earned changes, an adjustment will be recorded to recognize the accumulated difference between the revised and previous estimates. For the portion of the grant determined by the total shareholder return, management used a Monte Carlo model to assess the fair value and compensation cost. Forfeitures are accounted for as they occur.

The following table summarizes compensation expense recognized for the periods presented (in thousands):

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	Year Ended December 31,		
	2021	2020	2019
Stock options	\$ 1,088	\$ —	\$ —
Restricted stock	16,724	28,318	25,047
Total compensation expense	<u>\$ 17,812</u>	<u>\$ 28,318</u>	<u>\$ 25,047</u>

*Stock Options*

During the year ended December 31, 2021, we granted 311,306 time-based stock options at a weighted average exercise price of \$67.17, all of which were outstanding and non-vested at December 31, 2021. The grant date fair value of \$14.64 was estimated on the date of grant using the Black-Scholes option pricing model. As of December 31, 2021, there was \$3,470,000 of total unrecognized compensation expense related to unvested time-based stock options that is expected to be recognized over a weighted-average period of 3 years. Time-based stock options outstanding at December 31, 2021 have an aggregate intrinsic value of \$2,763,000.

During the year ended December 31, 2021, we granted 832,356 performance-based stock options at a weighted average exercise price of \$83.44, all of which were outstanding and non-vested at December 31, 2021. The grant date fair value of \$20.31 was estimated on the date of grant using the Black-Scholes option pricing model. These options have a performance condition based on a Funds From Operations goal measured over the performance period of January 1, 2022 to December 31, 2024. These awards vest over two years after the end of the performance period, with a portion vesting immediately at the end of the performance period. Compensation expense is measured based on the probability of achievement of the performance goal and is recognized over both the performance period and vesting period. At December 31, 2021, the performance goal is not probable of being achieved.

*Restricted Stock*

The fair value of the restricted stock is equal to the market price of the Company's common stock on the date of grant and is amortized over the vesting periods. As of December 31, 2021, there was \$22,055,000 of total unrecognized compensation expense related to unvested restricted stock that is expected to be recognized over a weighted-average period of two years. The following table summarizes information about non-vested restricted stock incentive awards as of and for the year ended December 31, 2021:

	Restricted Stock	
	Number of Shares (000's)	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2020	405	\$ 69.35
Vested	(208)	63.21
Granted	470	71.41
Forfeited or expired	(101)	79.92
Non-vested at December 31, 2021	<u>566</u>	<u>\$ 76.28</u>

*Defined Contribution Plan*

We sponsor a 401(k) plan which is available to substantially all U.S. employees. We match a percentage of employee contributions up to 5% of an employee's wages and provide a discretionary profit sharing contribution calculated as a percentage of eligible compensation. We recognized expense of \$3,477,000, \$3,323,000 and \$2,975,000 during the years ended December 31, 2021, 2020 and 2019, respectively, related to this plan.

**16. Earnings Per Share**

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

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	Year Ended December 31,		
	2021	2020	2019
Numerator for basic earnings per share - net income attributable to common stockholders	\$ 336,138	\$ 978,844	\$ 1,232,432
Adjustment for net income (loss) attributable to OP units	(3,020)	(6,146)	806
Numerator for diluted earnings per share	\$ 333,118	\$ 972,698	\$ 1,233,238
Denominator for basic earnings per share - weighted average shares	424,976	415,451	401,845
Effect of dilutive securities:			
Non-vested restricted shares	447	519	835
Redeemable OP units	1,396	1,396	1,112
Employee stock purchase program	22	21	16
Dilutive potential common shares	1,865	1,936	1,963
Denominator for diluted earnings per share - adjusted weighted average shares	426,841	417,387	403,808
Basic earnings per share	\$ 0.79	\$ 2.36	\$ 3.07
Diluted earnings per share	\$ 0.78	\$ 2.33	\$ 3.05

As of December 31, 2021, and December 31, 2019, outstanding forward sales agreements for the sale of 5,187,250 shares and 4,935,804 shares, respectively, were not included in the computation of diluted earnings per share because such forward sales were anti-dilutive for the period. Employee stock options were anti-dilutive for the periods presented.

**17. Disclosure about Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy exists for disclosures of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

*Mortgage Loans, Other Real Estate Loans and Non-real Estate Loans Receivable* — The fair value of mortgage loans, other real estate loans and non-real estate loans receivable is generally estimated by using Level 2 and Level 3 inputs such as discounting the estimated future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

*Cash and Cash Equivalents and Restricted Cash* — The carrying amount approximates fair value.

*Equity Securities* — Equity securities are recorded at their fair value based on Level 1 publicly available trading prices.

*Equity Warrants* — The fair value of equity warrants is estimated using Level 3 inputs and includes data points such as enterprise value of the underlying HC-One Group real estate portfolio, marketability discount for private company warrants, dividend yield, volatility and risk-free rate. The enterprise value is driven by projected cash flows, weighted average cost of capital and a terminal capitalization rate.

*Borrowings Under Primary Unsecured Credit Facility and Commercial Paper Program* — The carrying amount of the primary unsecured credit facility and commercial paper program approximates fair value because the borrowings are interest rate adjustable.

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*Senior Unsecured Notes* — The fair value of the senior unsecured notes payable was estimated based on Level 1 publicly available trading prices. The carrying amount of the variable rate senior unsecured notes approximates fair value because they are interest rate adjustable.

*Secured Debt* — The fair value of fixed rate secured debt is estimated using Level 2 inputs by discounting the estimated future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities. The carrying amount of variable rate secured debt approximates fair value because the borrowings are interest rate adjustable.

*Foreign Currency Forward Contracts, Interest Rate Swaps and Cross Currency Swaps* — Foreign currency forward contracts, interest rate swaps and cross currency swaps are recorded in other assets or other liabilities on the balance sheet at fair value that is derived from observable market data, including yield curves and foreign exchange rates.

*Redeemable OP Unitholder Interests* — Our redeemable OP unitholder interests are recorded on the balance sheet at fair value using Level 2 inputs unless the fair value is below the initial amount, in which case the redeemable OP unitholder interests are recorded at the initial amount adjusted for distributions to the unitholders and income or loss attributable to the unitholders. The fair value is measured using the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, one share of our common stock per unit, subject to adjustment in certain circumstances.

The carrying amounts and estimated fair values of our financial instruments are as follows (in thousands):

	December 31, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets:</b>				
Mortgage loans receivable	\$ 877,102	\$ 932,552	\$ 293,752	\$ 297,207
Other real estate loans receivable	191,579	193,999	149,620	152,211
Equity securities	1,608	1,608	4,636	4,636
Cash and cash equivalents	269,265	269,265	1,545,046	1,545,046
Restricted cash	77,490	77,490	475,997	475,997
Non-real estate loans receivable	223,627	241,544	240,269	255,724
Foreign currency forward contracts, interest rate swaps and cross currency swaps	7,205	7,205	4,668	4,668
Equity warrants	41,909	41,909	—	—
<b>Financial liabilities:</b>				
Borrowings under unsecured credit facility and commercial paper program	\$ 324,935	\$ 324,935	\$ —	\$ —
Senior unsecured notes	11,613,758	13,139,748	11,420,790	13,093,926
Secured debt	2,192,261	2,252,107	2,377,930	2,451,782
Foreign currency forward contracts, interest rate swaps and cross currency swaps	39,296	39,296	118,054	118,054
Redeemable OP unitholder interests	\$ 153,098	\$ 153,098	\$ 116,240	\$ 115,346

*Items Measured at Fair Value on a Recurring Basis*

The market approach is utilized to measure fair value for our financial assets and liabilities reported at fair value on a recurring basis. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The following summarizes items measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements as of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Equity securities	\$ 1,608	\$ 1,608	\$ —	\$ —
Equity warrants	41,909	—	—	41,909
Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) <sup>(1)</sup>	(32,091)	—	(32,091)	—
<b>Totals</b>	<b>\$ 11,426</b>	<b>\$ 1,608</b>	<b>\$ (32,091)</b>	<b>\$ 41,909</b>

<sup>(1)</sup> Please see Note 12 for additional information.

The following table summarizes the change in fair value for equity warrants using unobservable Level 3 inputs for the year ended December 31, 2021 (in thousands):

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	Year Ended	
	December 31, 2021	
Beginning balance	\$	—
Warrants acquired		32,419
Mark-to-market adjustment		10,361
Foreign currency		(871)
Ending balance	\$	41,909

The most significant assumptions utilized in the valuation of the equity warrants are the cash flows of the underlying HC-One Group enterprise, as well as the terminal capitalization rate of 9.5%.

*Items Measured at Fair Value on a Nonrecurring Basis*

In addition to items that are measured at fair value on a recurring basis, we also have assets and liabilities in our balance sheet that are measured at fair value on a nonrecurring basis that are not included in the tables above. Assets, liabilities and noncontrolling interests that are measured at fair value on a nonrecurring basis include those acquired or assumed. Asset impairments (if applicable, see Note 5 for impairments of real property and Note 7 for impairments of loans receivable) are also measured at fair value on a nonrecurring basis. We have determined that the fair value measurements included in each of these assets and liabilities rely primarily on company-specific inputs and our assumptions about the use of the assets and settlement of liabilities, as observable inputs are not available. As such, we have determined that each of these fair value measurements generally resides within Level 3 of the fair value hierarchy. We estimate the fair value of real estate and related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also consider local and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair value. We estimate the fair value of assets held for sale based on current sales price expectations or, in the absence of such price expectations, Level 3 inputs described above. We estimate the fair value of loans receivable using projected payoff valuations based on the expected future cash flows and/or the estimated fair value of collateral, net of sales costs, if the repayment of the loan is expected to be provided solely by the collateral. We estimate the fair value of secured debt assumed in asset acquisitions using current interest rates at which similar borrowings could be obtained on the transaction date.

**18. Segment Reporting**

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three operating segments: Seniors Housing Operating, Triple-net and Outpatient Medical. Our Seniors Housing Operating properties include seniors apartments, assisted living, independent living/continuing care retirement communities, independent supportive living communities (Canada), care homes with and without nursing (U.K.) and combinations thereof that are owned and/or operated through RIDEA structures (see Note 19). Our Triple-net properties include the property types described above as well as long-term/post-acute care facilities. Under the Triple-net segment, we invest in seniors housing and health care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are not involved in the management of the property. Our Outpatient Medical properties are typically leased to multiple tenants and generally require a certain level of property management by us.

We evaluate performance based upon consolidated NOI of each segment. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. We believe NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties.

Non-segment revenue consists mainly of interest income on cash investments recorded in other income. Non-segment assets consist of corporate assets including cash, deferred loan expenses and corporate offices and equipment among others. Non-property specific revenues and expenses are not allocated to individual segments in determining NOI.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2). The results of operations for all acquisitions described in Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. All inter-segment transactions are eliminated.

Summary information for the reportable segments (which excludes unconsolidated entities) during the years ended December 31, 2021, 2020 and 2019 is as follows (in thousands):

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2021:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	\$ 3,197,223	\$ —	\$ —	\$ —	\$ 3,197,223
Rental income	—	761,441	613,254	—	1,374,695
Interest income	4,231	124,540	8,792	—	137,563
Other income	11,796	4,603	13,243	2,992	32,634
Total revenues	<u>3,213,250</u>	<u>890,584</u>	<u>635,289</u>	<u>2,992</u>	<u>4,742,115</u>
Property operating expenses	<u>2,529,344</u>	<u>49,462</u>	<u>186,939</u>	<u>8,817</u>	<u>2,774,562</u>
Consolidated net operating income (loss)	683,906	841,122	448,350	(5,825)	1,967,553
Depreciation and amortization	593,565	220,699	223,302	—	1,037,566
Interest expense	39,327	6,376	17,506	426,644	489,853
General and administrative expenses	—	—	—	126,727	126,727
Loss (gain) on derivatives and financial instruments, net	—	(7,333)	—	—	(7,333)
Loss (gain) on extinguishment of debt, net	(2,628)	—	(4)	52,506	49,874
Provision for loan losses, net	394	10,339	(3,463)	—	7,270
Impairment of assets	22,317	26,579	2,211	—	51,107
Other expenses	27,132	4,189	2,523	7,895	41,739
Income (loss) from continuing operations before income taxes and other items	3,799	580,273	206,275	(619,597)	170,750
Income tax (expense) benefit	—	—	—	(8,713)	(8,713)
Income (loss) from unconsolidated entities	(39,225)	20,687	(4,395)	—	(22,933)
Gain (loss) on real estate dispositions, net	6,146	135,881	93,348	—	235,375
Income (loss) from continuing operations	<u>(29,280)</u>	<u>736,841</u>	<u>295,228</u>	<u>(628,310)</u>	<u>374,479</u>
Net income (loss)	<u>\$ (29,280)</u>	<u>\$ 736,841</u>	<u>\$ 295,228</u>	<u>\$ (628,310)</u>	<u>\$ 374,479</u>
Total assets	\$ 18,851,999	\$ 9,710,194	\$ 6,204,064	\$ 144,068	\$ 34,910,325

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2020:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	\$ 3,074,022	\$ —	\$ —	\$ —	\$ 3,074,022
Rental income	—	733,776	709,584	—	1,443,360
Interest income	618	62,625	5,913	—	69,156
Other income	7,223	4,903	4,522	2,781	19,429
Total revenues	<u>3,081,863</u>	<u>801,304</u>	<u>720,019</u>	<u>2,781</u>	<u>4,605,967</u>
Property operating expenses	2,326,311	53,183	214,948	3,381	2,597,823
Consolidated net operating income (loss)	<u>755,552</u>	<u>748,121</u>	<u>505,071</u>	<u>(600)</u>	<u>2,008,144</u>
Depreciation and amortization	544,462	232,604	261,371	—	1,038,437
Interest expense	54,901	9,477	17,579	432,431	514,388
General and administrative expenses	—	—	—	128,394	128,394
Loss (gain) on derivatives and financial instruments, net	—	11,049	—	—	11,049
Loss (gain) on extinguishment of debt, net	12,659	—	1,046	33,344	47,049
Provision for loan losses, net	671	90,563	3,202	—	94,436
Impairment of assets	100,741	34,867	—	—	135,608
Other expenses	14,265	22,923	8,218	24,929	70,335
Income (loss) from continuing operations before income taxes and other items	27,853	346,638	213,655	(619,698)	(31,552)
Income tax (expense) benefit	—	—	—	(9,968)	(9,968)
Income (loss) from unconsolidated entities	(33,857)	18,462	7,312	—	(8,083)
Gain (loss) on real estate dispositions, net	328,249	64,288	695,918	—	1,088,455
Income (loss) from continuing operations	<u>322,245</u>	<u>429,388</u>	<u>916,885</u>	<u>(629,666)</u>	<u>1,038,852</u>
Net income (loss)	<u>\$ 322,245</u>	<u>\$ 429,388</u>	<u>\$ 916,885</u>	<u>\$ (629,666)</u>	<u>\$ 1,038,852</u>
Total assets	\$ 16,044,153	\$ 8,547,482	\$ 6,522,880	\$ 1,369,127	\$ 32,483,642



**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2019:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	\$ 3,448,175	\$ —	\$ —	\$ —	\$ 3,448,175
Rental income	—	903,798	684,602	—	1,588,400
Interest income	36	62,599	1,195	—	63,830
Other income	8,658	6,246	2,031	3,966	20,901
Total revenues	3,456,869	972,643	687,828	3,966	5,121,306
Property operating expenses	2,417,349	53,900	218,793	—	2,690,042
Consolidated net operating income (loss)	1,039,520	918,743	469,035	3,966	2,431,264
Depreciation and amortization	553,189	232,626	241,258	—	1,027,073
Interest expense	67,983	12,892	13,411	461,273	555,559
General and administrative expenses	—	—	—	126,549	126,549
Loss (gain) on derivatives and financial instruments, net	—	(4,399)	—	—	(4,399)
Loss (gain) on extinguishment of debt, net	1,614	—	—	82,541	84,155
Provision for loan losses, net	—	18,690	—	—	18,690
Impairment of assets	2,145	11,926	14,062	—	28,133
Other expenses	26,348	13,771	1,788	10,705	52,612
Income (loss) from continuing operations before income taxes and other items	388,241	633,237	198,516	(677,102)	542,892
Income tax (expense) benefit	—	—	—	(2,957)	(2,957)
Income (loss) from unconsolidated entities	12,388	22,985	7,061	—	42,434
Gain (loss) on real estate dispositions, net	528,747	218,322	972	—	748,041
Income (loss) from continuing operations	929,376	874,544	206,549	(680,059)	1,330,410
Net income (loss)	\$ 929,376	\$ 874,544	\$ 206,549	\$ (680,059)	\$ 1,330,410

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

	Year Ended					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Amount <sup>(1)</sup>	%	Amount	%	Amount	%
Revenues:						
United States	\$ 3,766,707	79.4 %	\$ 3,720,155	80.8 %	\$ 4,205,492	82.1 %
United Kingdom	552,650	11.7 %	451,399	9.8 %	452,698	8.8 %
Canada	422,758	8.9 %	434,413	9.4 %	463,116	9.1 %
Total	\$ 4,742,115	100.0 %	\$ 4,605,967	100.0 %	\$ 5,121,306	100.0 %
	As of					
	December 31, 2021		December 31, 2020			
Assets:	Amount	%	Amount	%		
United States	\$ 28,595,703	81.9 %	\$ 26,658,659	82.1 %		
United Kingdom	3,938,258	11.3 %	3,352,549	10.3 %		
Canada	2,376,364	6.8 %	2,472,434	7.6 %		
Total	\$ 34,910,325	100.0 %	\$ 32,483,642	100.0 %		

<sup>(1)</sup> The United States, United Kingdom and Canada represent 75%, 12% and 13%, respectively, of our resident fees and services revenue for the year ended December 31, 2021.

**19. Income Taxes and Distributions**

We elected to be taxed as a REIT commencing with our first taxable year. To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, basis differences in acquisitions, recording of impairments, differing useful lives and depreciation and amortization methods for real property and the provision for loan losses for reporting purposes versus bad debt expense for tax purposes.

Cash distributions paid to common stockholders, for federal income tax purposes, are as follows for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
Per share:			
Ordinary dividend <sup>(1)</sup>	\$ 1.4828	\$ 1.6389	\$ 2.6937
Long-term capital gain/(loss) <sup>(2)</sup>	0.8371	1.0611	0.7863
Return of capital	0.1201	—	—
<b>Totals</b>	<b>\$ 2.4400</b>	<b>\$ 2.7000</b>	<b>\$ 3.4800</b>

<sup>(1)</sup> For the years ended December 31, 2021, 2020 and 2019, includes Section 199A dividends of \$1.4828, \$1.6389 and \$2.6937 respectively.

<sup>(2)</sup> For the years ended December 31, 2021, 2020 and 2019, includes Unrecaptured Section 1250 Gains of \$0.4523, \$0.3458 and \$0.2835, respectively.

Our consolidated provision for income tax expense (benefit) is as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Current tax expense	\$ 10,199	\$ 11,358	\$ 12,594
Deferred tax benefit	(1,486)	(1,390)	(9,637)
<b>Income tax expense (benefit)</b>	<b>\$ 8,713</b>	<b>\$ 9,968</b>	<b>\$ 2,957</b>

REITs generally are not subject to U.S. federal income taxes on that portion of REIT taxable income or capital gain that is distributed to stockholders. For the tax year ended December 31, 2021, as a result of ownership of investments in Canada and the U.K., we were subject to foreign income taxes under the respective tax laws of these jurisdictions.

The provision for income taxes for the year ended December 31, 2021 primarily relates to state taxes, foreign taxes, and taxes based on income generated by entities that are structured as TRSs. For the tax years ended December 31, 2021, 2020 and 2019, the foreign tax provision/(benefit) amount included in the consolidated provision for income taxes was \$6,787,000, \$5,777,000 and \$(3,892,000), respectively.

A reconciliation of income taxes, which is computed by applying the federal corporate tax rate for the years ended December 31, 2021, 2020 and 2019, to the income tax expense/(benefit) is as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Tax at statutory rate on earnings from continuing operations before unconsolidated entities, noncontrolling interests and income taxes	\$ 80,470	\$ 220,252	\$ 280,005
Increase (decrease) in valuation allowance <sup>(1)</sup>	19,383	85,881	3,465
Tax at statutory rate on earnings not subject to federal income taxes	(117,931)	(300,196)	(311,224)
Foreign permanent depreciation	1,449	1,504	9,260
Other differences	25,342	2,527	21,451
<b>Totals</b>	<b>\$ 8,713</b>	<b>\$ 9,968</b>	<b>\$ 2,957</b>

<sup>(1)</sup> Excluding purchase price accounting.

Each TRS and foreign entity subject to income taxes is a tax paying component for purposes of classifying deferred tax assets and liabilities. The tax effects of taxable and deductible temporary differences, as well as tax asset/(liability) attributes, are summarized as follows for the periods presented (in thousands):

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	Year Ended December 31,		
	2021	2020	2019
Investments and property, primarily differences in investment basis, depreciation and amortization, the basis of land assets and the treatment of interests and certain costs	\$ (32,616)	\$ (24,085)	\$ (13,064)
Operating loss and interest deduction carryforwards	247,015	196,634	127,525
Expense accruals and other	53,367	72,459	43,056
Valuation allowances	(264,321)	(244,938)	(159,057)
Net deferred tax assets (liabilities)	<u>\$ 3,445</u>	<u>\$ 70</u>	<u>\$ (1,540)</u>

On the basis of the evaluations performed as required by the codification, valuation allowances totaling \$264,321,000 were recorded on U.S. taxable REIT subsidiaries as well as entities in other jurisdictions to limit the deferred tax assets to the amount that we believe is more likely than not realizable. However, the amount of the deferred tax asset considered realizable could be adjusted if (i) estimates of future taxable income during the carryforward period are reduced or increased or (ii) objective negative evidence in the form of cumulative losses is no longer present (and additional weight may be given to subjective evidence such as our projections for growth). The valuation allowance rollforward is summarized as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Beginning balance	\$ 244,938	\$ 159,057	\$ 155,592
Expense (benefit)	19,383	85,881	3,465
Ending balance	<u>\$ 264,321</u>	<u>\$ 244,938</u>	<u>\$ 159,057</u>

As a result of certain acquisitions, we are subject to corporate level taxes for any related asset dispositions that may occur during the five-year period immediately after such assets were owned by a C corporation ("built-in gains tax"). The amount of income potentially subject to this special corporate level tax is generally equal to the lesser of (i) the excess of the fair value of the asset over its adjusted tax basis as of the date it became a REIT asset, or (ii) the actual amount of gain. Some but not all gains recognized during this period of time could be offset by available net operating losses and capital loss carryforwards. During the year ended December 31, 2017, we acquired certain additional assets with built-in gains as of the date of acquisition that could be subject to the built-in gains tax if disposed of prior to the expiration of the applicable five-year period. We have not recorded a deferred tax liability as a result of the potential built-in gains tax based on our intentions with respect to such properties and available tax planning strategies.

Given the applicable statute of limitations, we generally are subject to audit by the Internal Revenue Service ("IRS") for the year ended December 31, 2018 and subsequent years. The statute of limitations may vary in the states in which we own properties or conduct business. We do not expect to be subject to audit by state taxing authorities for any year prior to the year ended December 31, 2017. We are also subject to audit by the Canada Revenue Agency and provincial authorities generally for periods subsequent to May 2017 related to entities acquired or formed in connection with acquisitions, and by the U.K.'s HM Revenue & Customs for periods subsequent to August 2015 related to entities acquired or formed in connection with acquisitions.

At December 31, 2021, we had a net operating loss ("NOL") carryforward related to the REIT of \$340,827,000. In addition, we completed the acquisition of Holiday Retirement, which included NOLs of \$382,399,000. Due to our uncertainty regarding the realization of certain deferred tax assets, we have not recorded a deferred tax asset related to NOLs generated by the REIT. These amounts can be used to offset future taxable income (and/or taxable income for prior years if an audit determines that tax is owed), if any. The REIT will be entitled to utilize NOLs and tax credit carryforwards only to the extent that REIT taxable income exceeds our deduction for dividends paid. The NOL carryforwards generated through December 31, 2017 will expire through 2037. Beginning with the tax years after December 31, 2017, the law eliminates the NOL carryback period for REITs, replaces the 20-year NOL carryforward period with an indefinite carryforward period and, with respect to tax years beginning after 2020, limits the use of NOLs to 80% of taxable income.

At December 31, 2021 and 2020, we had an NOL carryforward related to Canadian entities of \$316,821,000 and \$262,345,000 respectively. These Canadian losses have a 20-year carryforward period. At December 31, 2021 and 2020, we had an NOL carryforward related to U.K. entities of \$193,998,000 and \$207,085,000 respectively. These U.K. losses do not have a finite carryforward period.

**WELLTOWER INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**20. Variable Interest Entities**

We have entered into joint ventures to own certain seniors housing and outpatient medical assets which are deemed to be VIEs. We have concluded that we are the primary beneficiary of these VIEs based on a combination of operational control of the joint venture and the rights to receive residual returns or the obligation to absorb losses arising from the joint ventures. Except for capital contributions associated with the initial joint venture formations, the joint ventures have been and are expected to be funded from the ongoing operations of the underlying properties. Accordingly, such joint ventures have been consolidated, and the table below summarizes the balance sheets of consolidated VIEs in the aggregate (in thousands):

	December 31, 2021	December 31, 2020
<b>Assets:</b>		
Net real estate investments	\$ 445,776	\$ 454,333
Cash and cash equivalents	9,964	15,547
Receivables and other assets	7,617	11,171
Total assets <sup>(1)</sup>	\$ 463,357	\$ 481,051
<b>Liabilities and equity:</b>		
Secured debt	\$ 163,519	\$ 165,671
Lease liabilities	1,324	1,325
Accrued expenses and other liabilities	12,394	14,997
Total equity	286,120	299,058
Total liabilities and equity	\$ 463,357	\$ 481,051

<sup>(1)</sup> Note that assets of the consolidated VIEs can only be used to settle obligations relating to such VIEs. Liabilities of the consolidated VIEs represent claims against the specific assets of the VIEs.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

**Item 9A. Controls and Procedures****Disclosure Controls and Procedures**

An evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

**Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021 based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in a report entitled Internal Control — Integrated Framework.

Based on this assessment, using the criteria above, management concluded that the Company's system of internal control over financial reporting was effective as of December 31, 2021.

The independent registered public accounting firm of Ernst & Young LLP, as auditors of the Company's consolidated financial statements, has issued an attestation report on the Company's internal control over financial reporting.

**Changes in Internal Control over Financial Reporting**

No change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended) occurred during the fourth quarter of the one-year period covered by this report that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

### Opinion on Internal Control over Financial Reporting

We have audited Welltower Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Welltower Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Welltower Inc. and subsidiaries as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedules listed in the index at Item 15(a) and our report dated February 16, 2022 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Toledo, Ohio  
February 16, 2022

**Item 9B. Other Information**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item is incorporated herein by reference to the information under the headings “Election of Directors,” “Corporate Governance,” “Executive Officers,” and “Security Ownership of Directors and Management and Certain Beneficial Owners — Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive proxy statement, which will be filed with the Securities and Exchange Commission (the “Commission”) prior to April 30, 2022.

We have adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees. The code is posted on the Internet at [www.welltower.com/investors/governance](http://www.welltower.com/investors/governance). Any amendment to, or waivers from, the code that relate to any officer or director of the company will be promptly disclosed on the Internet at [www.welltower.com](http://www.welltower.com).

In addition, the Board has adopted charters for the Audit, Compensation and Nominating/Corporate Governance Committees. These charters are posted on the Internet at [www.welltower.com/investors/governance](http://www.welltower.com/investors/governance). Please refer to “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Executive Summary – Corporate Governance” in the Annual Report on Form 10-K for further discussion of corporate governance.

The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

**Item 11. Executive Compensation**

The information required by this Item is incorporated herein by reference to the information under the headings “Executive Compensation” and “Director Compensation” in our definitive proxy statement, which will be filed with the Commission prior to April 30, 2022.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item is incorporated herein by reference to the information under the headings “Security Ownership of Directors and Management and Certain Beneficial Owners” and “Equity Compensation Plan Information” in our definitive proxy statement, which will be filed with the Commission prior to April 30, 2022.

**Item 13. Certain Relationships and Related Transactions and Director Independence**

The information required by this Item is incorporated herein by reference to the information under the headings “Corporate Governance — Independence and Meetings” and “Security Ownership of Directors and Management and Certain Beneficial Owners — Certain Relationships and Related Transactions” in our definitive proxy statement, which will be filed with the Commission prior to April 30, 2022.

**Item 14. Principal Accounting Fees and Services**

The information required by this Item is incorporated herein by reference to the information under the heading “Ratification of the Appointment of the Independent Registered Public Accounting Firm” in our definitive proxy statement, which will be filed with the Commission prior to April 30, 2022.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a) 1. *Our Consolidated Financial Statements are included in Part II, Item 8:*

Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	71
Consolidated Balance Sheets – December 31, 2021 and 2020	73
Consolidated Statements of Comprehensive Income — Years ended December 31, 2021, 2020 and 2019	74
Consolidated Statements of Equity — Years ended December 31, 2021, 2020 and 2019	76
Consolidated Statements of Cash Flows — Years ended December 31, 2021, 2020 and 2019	77
Notes to Consolidated Financial Statements	78

2. *The following Financial Statement Schedules are included beginning on page 119*

- III – Real Estate and Accumulated Depreciation
- IV – Mortgage Loans on Real Estate

All other schedules have been omitted because they are inapplicable or not required or the information is included elsewhere in the Consolidated Financial Statements or notes thereto.

3. *Exhibits:*

The exhibits listed below are either filed with this Form 10-K or incorporated by reference in accordance with Rule 12b-32 of the Securities Exchange Act of 1934.



- 2.1 Agreement and Plan of Merger, dated as of April 25, 2018, by and among the Company, Potomac Acquisition LLC, Quality Care Properties, Inc. and certain subsidiaries of Quality Care Properties, Inc. (filed with the Commission as Exhibit 2.1 to the Company's Form 8-K filed April 26, 2018 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(a) Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 10-K filed March 20, 2000 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(b) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 10-K filed March 20, 2000 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(c) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed June 13, 2003 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(d) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.9 to the Company's Form 10-Q filed August 9, 2007 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(e) Certificate of Change of Location of Registered Office and of Registered Agent of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 10-Q filed August 6, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(f) Certificate of Designation of 6.50% Series I Cumulative Convertible Perpetual Preferred Stock of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed March 7, 2011 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(g) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed May 10, 2011 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(h) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed May 6, 2014 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1(i) Certificate of Amendment of Second Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed September 30, 2015 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.2 Seventh Amended and Restated By-laws of the Company (filed with the Commission as Exhibit 3.1 to the Company's Form 8-K filed May 6, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(a) Indenture, dated as of March 15, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed March 15, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(b) Supplemental Indenture No. 1, dated as of March 15, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 15, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(c) Amendment No. 1 to Supplemental Indenture No. 1, dated as of June 18, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed June 18, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(d) Supplemental Indenture No. 2, dated as of April 7, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed April 7, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(e) Amendment No. 1 to Supplemental Indenture No. 2, dated as of June 8, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed June 8, 2010 (File No. 001-08923), and incorporated herein by reference thereto).

- 4.1(f) Supplemental Indenture No. 3, dated as of September 10, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed September 13, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(g) Supplemental Indenture No. 4, dated as of November 16, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed November 16, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(h) Supplemental Indenture No. 5, dated as of March 14, 2011, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 14, 2011 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(i) Supplemental Indenture No. 6, dated as of April 3, 2012, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed April 4, 2012 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(j) Supplemental Indenture No. 7, dated as of December 6, 2012, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed December 11, 2012 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(k) Supplemental Indenture No. 8, dated as of October 7, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed October 9, 2013 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(l) Supplemental Indenture No. 9, dated as of November 20, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed November 20, 2013 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(m) Supplemental Indenture No. 10, dated as of November 25, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed November 25, 2014 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(n) Supplemental Indenture No. 11, dated as of May 26, 2015, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed May 27, 2015 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(o) Amendment No. 1 to Supplemental Indenture No. 11, dated as of October 19, 2015, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed October 20, 2015 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(p) Supplemental Indenture No. 12, dated as of March 1, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 3, 2016 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(q) Supplemental Indenture No. 13, dated as of April 10, 2018, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed April 10, 2018 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(r) Supplemental Indenture No. 14, dated as of August 16, 2018, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed August 16, 2018 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(s) Supplemental Indenture No. 15, dated as of February 15, 2019 between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed February 15, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(t) Supplemental Indenture No. 16, dated as of August 19, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed August 19, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(u) Supplemental Indenture No. 17, dated as of December 16, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed December 16, 2019 (File No. 001-08923), and incorporated herein by reference thereto).

- 4.1(v) Supplemental Indenture No. 18, dated as of June 30, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed June 30, 2020 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(w) Supplemental Indenture No. 19, dated as of March 25, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on March 25, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(x) Supplemental Indenture No. 20, dated as of June 28, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on June 28, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(y) Supplemental Indenture No. 21, dated as of November 19, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on November 19, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.2 Form of Indenture for Senior Subordinated Debt Securities (filed with the Commission as Exhibit 4.2 to the Company's Form S-3 (File No. 333-2250004) filed May 17, 2018, and incorporated herein by reference thereto).
- 4.3 Form of Indenture for Junior Subordinated Debt Securities (filed with the Commission as Exhibit 4.3 to the Company's Form S-3 (File No. 333-2250004) filed May 17, 2018, and incorporated herein by reference thereto).
- 4.4(a) Indenture, dated as of November 25, 2015, by and among HCN Canadian Holdings-1 LP, the Company and BNY Trust Company of Canada (filed with the Commission as Exhibit 4.5(a) to the Company's Form 10-K filed February 18, 2016 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.4(b) First Supplemental Indenture, dated as of November 25, 2015, by and among HCN Canadian Holdings-1 LP, the Company and BNY Trust Company of Canada (filed with the Commission as Exhibit 4.5(b) to the Company's Form 10-K filed February 18, 2016 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.4(c) Second Supplemental Indenture, dated as of December 20, 2019, by and among HCN Canadian Holdings-1 LP, the Company and BNY Trust Company of Canada (filed with the Commission as Exhibit 4.4(c) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.5 Description of Securities of the Registrant (filed with the Commission as Exhibit 4.5 to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.1(a) Credit Agreement dated as of July 19, 2018 by and among the Company; the lenders listed therein; KeyBank National Association, as administrative agent, L/C issuer and a swingline lender; Bank of America, N.A. and JPMorgan Chase Bank, N.A., as co-syndication agents; Deutsche Bank Securities Inc., as documentation agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and Deutsche Bank Securities Inc., as U.S. joint lead arrangers; Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and RBC Capital Markets, as Canadian joint lead arrangers; and Merrill Lynch, Pierce, Fenner & Smith Incorporated and JPMorgan Chase Bank, N.A., as joint book runners (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed July 24, 2018 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.1(b) First Amendment, dated April 26, 2019, to the Credit Agreement, dated as of July 19, 2018, by and among the Company; the lenders listed therein; KeyBank National Association, as administrative agent, L/C issuer and a swingline lender; Bank of America, N.A. and JPMorgan Chase Bank, N.A., as co-syndication agents; Deutsche Bank Securities Inc., as documentation agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and Deutsche Bank Securities Inc., as U.S. joint lead arrangers; Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and RBC Capital Markets, as Canadian joint lead arrangers; and Merrill Lynch, Pierce, Fenner & Smith Incorporated and JPMorgan Chase Bank, N.A., as joint book runners (filed with the Commission as Exhibit 10.1 to the Company's Form 10-Q filed April 30, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.1(c) Credit Agreement, dated as of June 4, 2021, by and among the Company; the lenders listed therein; KeyBank National Association, as administrative agent and L/C issuer; BofA Securities, Inc. and JPMorgan Chase Bank, N.A., as joint book runners; BofA Securities, Inc., JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and Wells Fargo Securities LLC, as U.S. joint lead arrangers; BofA Securities, Inc., JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and RBC Capital Markets, as Canadian joint lead arrangers; Bank of America, N.A. and JPMorgan Chase Bank, N.A., as co-syndication agents; Wells Fargo Bank, N.A., MUFG Bank, Ltd., Barclays Bank PLC, Citibank,

N.A., Credit Agricole Corporate and Investment Bank, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Mizuho Bank, Ltd., Morgan Stanley Bank, N.A., PNC Bank, National Association and Royal Bank of Canada, as co-documentation agents; BNP Paribas, Capital One, National Association, Citizens Bank, N.A., Fifth Third Bank, National Association, The Huntington National Bank, Regions Bank, The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporation, TD Bank, NA, Truist Bank and Bank of Montreal, as co-senior managing agents and Credit Agricole Corporate and Investment Bank, as sustainability structuring agent. (filed with the Commission as Exhibit 10.1 to the Company's 8-K filed June 8, 2021 (File No. 001-08923) and incorporated by reference herein).

- 10.2 Settlement Agreement by and between Thomas J. DeRosa and Welltower Inc. (filed with the Commission as Exhibit 10.1 to the Company's Form 10-Q filed October 29, 2020 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.3 Form of Indemnification Agreement between the Company and each director, executive officer and officer of the Company (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed February 18, 2005 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.4 Summary of Director Compensation (filed with the Commission as Exhibit 10.2 to the Company's Form 10-Q filed August 1, 2019 (File No. 001-08923), and incorporated by reference thereto).\*
- 10.5(a) Welltower Inc. 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed May 10, 2016 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.5(b) Form of Restricted Stock Grant Notice for Executive Officers under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(b) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.5(c) Form of Restricted Stock Grant Notice for Senior Vice Presidents under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(c) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.5(d) Form of Deferred Stock Unit Grant Agreement for Non-Employee Directors under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(d) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.6(a) Welltower Inc. 2016-2018 Long-Term Incentive Program (filed with the Commission as Exhibit 10.3 to the Company's Form 10-Q filed August 2, 2016 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.6(b) Form of Performance Restricted Stock Unit Award Agreement under the 2016-2018 Long-Term Incentive Program (filed with the Commission as Exhibit 10.15(b) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(a) Welltower Inc. 2017-2019 Long-Term Incentive Program (filed with the Commission as Exhibit 10.4 to the Company's Form 10-Q filed May 5, 2017 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(b) Form of Award Notice under the 2017-2019 Long-Term Incentive Program (filed with the Commission as Exhibit 10.16(b) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(c) Welltower Inc. 2017-2019 Long-Term Incentive Program – Bridge 1 (filed with the Commission as Exhibit 10.2 to the Company's Form 10-Q filed November 7, 2017 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(d) Form of Award Notice under the 2017-2019 Long Term Incentive Program - Bridge 1 (filed with the Commission as Exhibit 10.16(d) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(e) Welltower Inc. 2017-2019 Long-Term Incentive Program – Bridge 2 (filed with the Commission as Exhibit 10.3 to the Company's Form 10-Q filed November 7, 2017 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.7(f) Form of Award Notice under the 2017-2019 Long Term Incentive Program - Bridge 2 (filed with the Commission as Exhibit 10.16(f) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.8(a) Welltower Inc. 2018-2020 Long-Term Incentive Program (filed with the Commission as Exhibit 10.17(a) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*

- 10.8(b) Form of Restricted Stock Unit Award Agreement under the 2018-2020 Long-Term Incentive Program (filed with the Commission as Exhibit 10.17(b) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.9(a) Welltower Inc. 2019-2021 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(a) to the Company's Form 10-K filed February 25, 2019 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.9(b) Form of Restricted Stock Unit Award Agreement under the 2019-2021 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(b) to the Company's Form 10-K filed February 25, 2019 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.10 2019 Non-Qualified Deferred Compensation Plan (filed with the Commission as Exhibit 10.2 to the Company's Form 10-Q filed October 30, 2019 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.11(a) Welltower Inc. 2020-2022 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(a) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.11(b) Form of Restricted Stock Unit Award Agreement under the 2020-2022 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(b) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.12 Executive Employment Agreement, dated May 19, 2021, between Welltower Inc. and Shankh Mitra (filed with the Commission as Exhibit 99.1 to the Company's Form 8-K filed May 19, 2021 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.13 Employment Offer Letter, dated May 20, 2021, between Welltower Inc. and John F. Burkhardt (filed with the Commission as Exhibit 10.3 to the Company's Form 10-Q filed July 30, 2021 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.14 Welltower Inc. Nonqualified Deferred Compensation Plan Amended and Restated Effective January 1, 2022 (filed with the Commission as Exhibit 10.1 to the Company's Form 10-Q filed November 5, 2021 (File No. 001-08923), and incorporated herein by reference thereto).\*
- 10.15 Equity Distribution Agreement, dated as of May 4, 2021, between Welltower Inc. and the sales agent and forward sellers named therein and the related forward purchasers (filed with the Commission as Exhibit 1.1 to the Company's Form 8-K filed May 4, 2021 (File No. 001-08923) and incorporated herein by reference thereto).
- 10.16 Form of Master Forward Sale Confirmation (filed with the Commission as Exhibit 1.2 to the Company's Form 8-K filed May 4, 2021 (File No. 001-08923) and incorporated herein by reference thereto).
- 10.17(a) Welltower Inc. 2021-2023 Long-Term Incentive Program.\*
- 10.17(b) Form of Long-Term Incentive Program Award Agreement under the 2021-2023 Long-Term Incentive Program.\*
- 10.18(a) Welltower Inc. 2022-2024 Long-Term Incentive Program.\*
- 10.18(b) Form of Long-Term Incentive Program Award Agreement under the 2022-2024 Long-Term Incentive Program.\*
- 10.19(a) 2022 Outperformance Program.\*
- 10.19(b) Form of Outperformance Program Award Agreement under the 2022 Outperformance Program.\*
- 21 Subsidiaries of the Company.
- 23 Consent of Ernst & Young LLP, independent registered public accounting firm.
- 24 Powers of Attorney.
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer.
- 32.2 Certification pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer.

101.INS Inline XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

104 The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, formatted in Inline XBRL (included in Exhibit 101)

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\* Management Contract or Compensatory Plan or Arrangement.

**Item 16. Form 10-K Summary**

None.

**SIGNATURES**

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

Date: February 16, 2022

**WELLTOWER INC.**

By: /s/ Shankh Mitra  
Shankh Mitra,  
Chief Executive Officer, Chief Investment Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 16, 2022 by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ Kenneth J. Bacon \*\*  
Kenneth J. Bacon, Chairman and Director

/s/ Johnese M. Spisso \*\*  
Johnese M. Spisso, Director

/s/ Karen B. DeSalvo \*\*  
Karen B. DeSalvo, Director

/s/ Kathryn M. Sullivan \*\*  
Kathryn M. Sullivan, Director

/s/ Jeffrey H. Donahue \*\*  
Jeffrey H. Donahue, Director

/s/ Shankh Mitra \*\*  
Shankh Mitra, Chief Executive Officer, Chief Investment Officer and Director  
(Principal Executive Officer)

/s/ Philip L. Hawkins \*\*  
Philip L. Hawkins, Director

/s/ Timothy G. McHugh \*\*  
Timothy G. McHugh, Executive Vice President - Chief  
Financial Officer (Principal Financial Officer)

/s/ Dennis G. Lopez \*\*  
Dennis G. Lopez, Director

/s/ Joshua T. Fieweger\*\*  
Joshua T. Fieweger, Chief Accounting Officer  
(Principal Accounting Officer)

/s/ Ade J. Patton \*\*  
Ade J. Patton, Director

/s/ Diana W. Reid \*\*  
Diana W. Reid, Director

**\*\*By:** /s/ Shankh Mitra  
Shankh Mitra, Attorney-in-Fact

/s/ Sergio D. Rivera \*\*  
Sergio D. Rivera, Director

**Welltower Inc.**  
**Schedule III**  
**Real Estate and Accumulated Depreciation**  
**December 31, 2021**

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements			Land & Land Improvements	Building & Improvements	Accumulated Depreciation <sup>(1)</sup>			
<b>Seniors Housing Operating:</b>											
Adderbury, UK	\$ —	\$ 2,144	\$ 12,549	\$ 1,003	\$ 2,269	\$ 13,427	\$ 1,874	2015	2017	Banbury Road	
Alberville, AL	—	170	6,203	1,246	176	7,443	2,506	2010	1999	151 Woodham Dr.	
Alexandria, VA	—	8,294	49,673	—	8,294	49,673	5,132	2016	2018	5550 Cardinal Place	
Alexandria, VA	—	12,225	11,823	9,485	12,225	21,308	375	2021	1972	5100 Fillmore Avenue	
Altrincham, UK	—	4,244	25,187	3,867	4,644	28,654	8,737	2012	2009	295 Hale Road	
Amarillo, TX	—	719	10,378	1,213	719	11,591	434	2021	1985	4707 Bell Street	
Amherst, NY	—	1,182	11,413	—	1,182	11,413	1,701	2019	2013	1880 Sweet Home Road	
Amherstview, ON	—	473	4,446	799	526	5,192	1,362	2015	1974	4567 Bath Road	
Anderson, SC	—	710	6,290	1,474	712	7,762	4,528	2003	1986	311 Simpson Rd.	
Ankeny, IA	—	1,129	10,270	322	1,164	10,557	1,809	2016	2012	1275 SW State Street	
Apple Valley, CA	—	480	16,639	2,328	486	18,961	6,306	2010	1999	11825 Apple Valley Rd.	
Arlington, TX	—	1,660	37,395	4,524	1,660	41,919	13,543	2012	2000	1250 West Pioneer Parkway	
Arlington, TX	—	894	12,351	652	894	13,003	488	2021	1996	2315 Little Road	
Arlington, VA	—	8,385	31,198	16,488	8,393	47,678	19,621	1992	1992	900 N Taylor Street	
Arlington, VA	—	—	2,338	2,529	77	4,790	987	2018	1992	900 N Taylor Street	
Arnprior, ON	—	788	6,283	1,111	862	7,320	2,197	2013	1991	15 Arthur Street	
Athens, GA	—	—	76	—	—	76	—	2021	2000	755 Epps Bridge Parkway	
Atlanta, GA	—	2,058	14,914	4,249	2,080	19,141	13,216	1997	1999	1460 S Johnson Ferry Rd.	
Atlanta, GA	—	2,100	20,603	2,349	2,206	22,846	6,261	2014	2000	1000 Lenox Park Blvd NE	
Austin, TX	—	880	9,520	3,188	885	12,703	7,012	1999	1998	12429 Scofield Farms Dr.	
Austin, TX	—	1,560	21,413	877	1,574	22,276	4,897	2014	2013	11330 Farrah Lane	
Austin, TX	—	4,200	74,850	2,231	4,200	77,081	14,607	2015	2014	4310 Bee Caves Road	
Austin, TX	—	4,832	18,499	2,132	4,832	20,631	514	2021	1989	11279 Taylor Draper Ln	
Bagshot, UK	—	4,960	29,881	8,287	5,446	37,682	11,738	2012	2009	14 - 16 London Road	
Bakersfield, CA	—	1,127	14,334	792	1,127	15,126	468	2021	1988	3201 Columbus	
Ballston Spa, NY	—	5,540	17,901	173	5,540	18,074	794	2020	2019	2000 Carlton Hollow Way	
Banstead, UK	—	6,695	55,113	13,277	7,380	67,705	20,911	2012	2005	Croydon Lane	
Bartlesville, OK	—	2,339	10,608	1,393	2,339	12,001	486	2021	2000	2633 Mission Drive SE	
Basingstoke, UK	—	3,420	18,853	2,581	3,742	21,112	4,602	2014	2012	Grove Road	
Basking Ridge, NJ	—	2,356	37,710	2,657	2,395	40,328	11,280	2013	2002	404 King George Road	
Basset, UK	—	4,874	32,304	10,624	5,347	42,455	14,635	2013	2006	111 Burgess Road	
Bath, UK	—	2,696	11,876	1,160	2,854	12,878	1,802	2015	2017	Clarks Way, Rush Hill	
Baton Rouge, LA	12,930	790	29,436	1,648	939	30,935	8,675	2013	2009	9351 Siegen Lane	
Baton Rouge, LA	—	1,605	6,356	361	1,605	6,717	270	2021	1989	8680 Jefferson Highway	
Beaconsfield, UK	—	5,566	50,952	6,169	6,102	56,585	15,534	2013	2009	30-34 Station Road	
Beaconsfield, QC	—	1,149	17,484	2,222	1,308	19,547	6,705	2013	2008	505 Elm Avenue	
Beaver, PA	2,020	—	—	—	—	—	—	2020	1900	1225 Western Ave	

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements			Land & Land Improvements	Building & Improvements	Accumulated Depreciation <sup>(1)</sup>			
<b>Seniors Housing Operating:</b>											
Beavercreek, OH	—	981	11,210	—	981	11,210	761	2019	2020	2475 Lillian Lane	
Beckenham, UK	—	21,888	36,713	—	21,888	36,713	202	2019	2021	2 Roman Way	
Bee Cave, TX	—	1,820	21,084	883	1,832	21,955	3,900	2016	2014	14058 A Bee Cave Parkway	
Bellevue, WA	—	2,800	19,004	3,034	2,816	22,022	7,552	2013	1998	15928 NE 8th Street	
Bellevue, WA	—	6,307	9,036	596	6,307	9,632	270	2021	1905	13350 SE 26th Street	
Bellevue, WA	—	46,352	31,794	10,913	46,352	42,707	418	2021	1986	919 109th Avenue North East	
Bellingham, WA	—	1,500	19,861	2,351	1,507	22,205	7,338	2010	1996	4415 Columbine Dr.	
Bellingham, WA	—	1,290	16,292	1,261	1,290	17,553	1,842	2020	1999	848 W Orchard Dr	
Belmont, CA	—	—	35,300	2,685	178	37,807	11,319	2013	2002	1010 Alameda de Las Pulgas	
Berea, OH	5,205	—	—	—	—	—	—	2020	1900	45 Sheldon Road	
Bethel Park, PA	—	1,643	12,965	—	1,643	12,965	1,294	2019	2019	631 McMurray Road	
Bethel Park, PA	—	3,476	11,635	1,152	3,476	12,787	442	2021	1998	2960 Bethel Church Road	
Bethesda, MD	—	—	45,309	1,607	3	46,913	13,229	2013	2009	8300 Burdett Road	
Bethesda, MD	—	—	—	69,731	3,513	66,218	4,943	2016	2018	4925 Battery Lane	
Bethesda, MD	—	—	45	1,161	—	1,206	472	2013	2009	8300 Burdett Road	
Bethesda, MD	—	—	212	926	—	1,138	803	2013	2009	8300 Burdett Road	
Birmingham, UK	—	151	19,858	—	151	19,858	5,322	2013	2006	5 Church Road, Edgbaston	
Birmingham, UK	—	1,480	13,014	1,739	1,620	14,613	2,069	2015	2016	47 Bristol Road South	
Blainville, QC	—	2,077	8,902	1,796	2,335	10,440	3,913	2013	2008	50 des Chateaux Boulevard	
Bloomfield Hills, MI	—	2,000	35,662	1,550	2,133	37,079	10,468	2013	2009	6790 Telegraph Road	
Boca Raton, FL	32,270	6,565	111,247	28,777	6,991	139,598	32,618	2018	1994	6343 Via De Sonrise Del Sur	
Boise, ID	—	1,391	16,067	5,535	2,220	20,773	3,535	2019	1999	10250 W Smoke Ranch Drive	
Boise, ID	—	1,625	9,547	921	1,625	10,468	305	2021	1905	7250 Poplar Street	
Borehamwood, UK	—	5,367	41,937	5,435	5,912	46,827	13,810	2012	2003	Edgwarebury Lane	
Bothell, WA	—	1,350	13,439	7,063	1,350	20,502	5,500	2015	1988	10605 NE 185th Street	
Boulder, CO	—	2,994	27,458	3,010	3,150	30,312	10,239	2013	2003	3955 28th Street	
Bournemouth, UK	—	5,527	42,547	6,007	6,070	48,011	13,670	2013	2008	42 Belle Vue Road	
Bradenton, FL	—	4,664	10,136	1,066	4,664	11,202	254	2021	1987	1055 301 Blvd E	
Braintree, MA	—	—	41,290	1,614	100	42,804	12,364	2013	2007	618 Granite Street	
Brampton, ON	46,020	10,196	59,989	5,546	10,885	64,846	16,071	2015	2009	100 Ken Whillans Drive	
Brandon, MS	—	1,220	10,241	2,118	1,220	12,359	3,360	2010	1999	140 Castlewoods Blvd	
Bremerton, WA	—	2,417	22,627	1,825	2,417	24,452	2,226	2020	1999	966 Oyster Bay Ct	
Bremerton, WA	—	2,145	6,200	1,088	2,145	7,288	493	2021	1985	2707 Clare Ave	
Brentwood, UK	—	8,537	45,869	6,303	9,342	51,367	7,297	2016	2013	London Road	
Brick, NJ	—	1,170	17,372	1,957	1,218	19,281	5,996	2010	1998	515 Jack Martin Blvd	
Brick, NJ	—	690	17,125	6,200	695	23,320	6,055	2010	1999	1594 Route 88	
Bridgewater, NJ	—	1,730	48,201	3,108	1,774	51,265	14,647	2010	1999	2005 Route 22 West	
Brockport, NY	—	1,500	23,496	621	1,642	23,975	5,765	2015	1999	90 West Avenue	
Brockville, ON	4,142	484	7,445	1,312	532	8,709	1,982	2015	1996	1026 Bridlewood Drive	
Broken Arrow, OK	—	—	39	—	—	39	2	2021	2002	2601 S Elm Place	
Brookfield, WI	—	1,300	12,830	361	1,300	13,191	2,904	2012	2013	1105 Davidson Road	
Broomfield, CO	—	4,140	44,547	15,299	10,140	53,846	23,208	2013	2009	400 Summit Blvd	
Brossard, QC	9,674	5,499	31,854	3,788	5,802	35,339	9,920	2015	1989	2455 Boulevard Rome	

















(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Building & Improvements	Accumulated Depreciation(1)			
<b>Seniors Housing Operating:</b>										
Winnipeg, MB	10,577	1,960	38,612	7,230	2,242	45,560	16,190	2013	1999	857 Wilkes Avenue
Winnipeg, MB	24,100	1,276	21,732	3,534	1,661	24,881	7,039	2013	1988	3161 Grant Avenue
Winnipeg, MB	11,605	1,317	15,609	3,955	1,448	19,433	4,752	2015	1999	125 Portsmouth Boulevard
Woking, UK	—	2,990	12,523	1,444	3,172	13,785	1,646	2016	2017	12 Streets Heath, West End
Wolverhampton, UK	—	2,941	8,922	1,709	3,225	10,347	4,322	2013	2008	73 Wergs Road
Woodland Hills, CA	—	3,400	20,478	1,551	3,456	21,973	7,130	2013	2005	20461 Ventura Boulevard
Wyoming, MI	—	3,373	23,195	2,124	3,373	25,319	859	2021	1999	2380 Aurora Pond Dr. SW
Yakima, WA	—	1,104	10,030	677	1,104	10,707	334	2021	1905	620 North 34th Avenue
Yonkers, NY	—	3,962	50,107	2,705	4,074	52,700	15,297	2013	2005	65 Crisfield Street
Yorkton, SK	2,808	463	8,760	1,096	503	9,816	2,912	2013	2001	94 Russell Drive
<b>Seniors Housing Operating Total</b>	<b>\$ 1,599,522</b>	<b>\$ 1,958,208</b>	<b>\$ 15,959,072</b>	<b>\$ 2,969,135</b>	<b>\$ 2,110,813</b>	<b>\$ 18,775,602</b>	<b>\$ 4,123,782</b>			















(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Building & Improvements	Accumulated Depreciation <sup>(1)</sup>			
<b>Triple-net:</b>										
Wallingford, PA	—	1,356	6,487	—	1,356	6,487	682	2018	1930	115 South Providence Road
Walnut Creek, CA	—	4,358	18,407	—	4,358	18,407	1,696	2018	1997	1975 Tice Valley Boulevard
Walnut Creek, CA	—	5,394	39,084	—	5,394	39,084	3,423	2018	1990	1226 Rossmoor Parkway
Walsall, UK	—	1,184	8,562	919	1,296	9,369	1,718	2015	2015	Little Aston Road
Wamego, KS	—	40	2,510	57	40	2,567	447	2015	1996	1607 4th St
Wareham, MA	—	875	7,906	—	875	7,906	6,281	2002	1989	50 Indian Neck Rd.
Warren, NJ	—	2,000	30,810	1,337	2,000	32,147	8,691	2011	1999	274 King George Rd
Waterloo, IA	—	605	3,030	—	605	3,030	308	2018	1964	201 West Ridgeway Avenue
Wayne, NJ	—	1,427	15,674	—	1,427	15,674	1,835	2018	1998	800 Hamburg Turnpike
Wellingborough, UK	—	1,480	5,724	679	1,620	6,263	1,273	2015	2015	159 Northampton
West Bend, WI	—	620	17,790	38	620	17,828	4,729	2010	2011	2130 Continental Dr
West Des Moines, IA	—	828	5,103	—	828	5,103	525	2018	2006	5010 Grand Ridge Drive
West Milford, NJ	—	1,960	24,614	—	1,960	24,614	2,140	2019	2000	197 Cahill Cross Road
West Orange, NJ	—	1,347	19,389	—	1,347	19,389	2,126	2018	1998	510 Prospect Avenue
West Reading, PA	—	890	12,118	—	890	12,118	1,057	2018	1975	425 Buttonwood Street
Westerville, OH	—	740	8,287	4,146	740	12,433	11,082	1998	2001	690 Cooper Rd.
Westerville, OH	—	—	—	26,086	2,566	23,520	980	2017	2020	702 Polaris Parkway
Westerville, OH	—	1,420	5,371	—	1,420	5,371	521	2018	1982	1060 Eastwind Drive
Westerville, OH	—	1,582	10,279	—	1,582	10,279	1,014	2018	1980	215 Huber Village Boulevard
Westfield, IN	—	890	15,964	1	890	15,965	3,424	2014	2013	937 E. 186th Street
Westlake, OH	—	855	11,963	—	855	11,963	1,136	2018	1997	28400 Center Ridge Road
Weston Super Mare, UK	—	2,517	7,054	902	2,754	7,719	1,721	2013	2011	141b Milton Road
Wheaton, MD	—	3,864	3,788	—	3,864	3,788	382	2018	1961	11901 Georgia Avenue
Whippany, NJ	—	1,571	14,977	—	1,571	14,977	1,430	2018	2000	18 Eden Lane
Whitehall, MI	—	1,645	6,789	—	1,645	6,789	375	2020	2012	6827 Whitehall Rd
Wichita, KS	—	260	2,240	129	260	2,369	416	2015	1992	900 N Bayshore Dr
Wichita, KS	—	1,400	11,000	456	1,400	11,456	6,185	2006	1997	505 North Maize Road
Wichita, KS	12,038	630	19,747	315	630	20,062	4,867	2012	2009	2050 North Webb Road
Wichita, KS	—	900	10,134	123	900	10,257	2,791	2011	2012	10600 E 13th Street North
Wichita, KS	—	860	8,873	—	860	8,873	2,589	2011	2012	10604 E 13th Street North
Williamsburg, VA	—	1,187	5,728	6	1,187	5,734	1,416	2018	2000	1811 Jamestown Rd
Willoughby, OH	—	1,774	8,653	—	1,774	8,653	835	2018	1974	37603 Euclid Avenue
Wilmington, NC	—	210	2,991	—	210	2,991	1,771	1999	1999	3501 Converse Dr.
Wilmington, NC	—	400	15,355	207	400	15,562	3,212	2014	2012	3828 Independence Blvd
Wilmington, DE	—	1,376	13,450	—	1,376	13,450	1,259	2018	1998	700 1/2 Foulk Road
Wilmington, DE	—	2,843	36,948	—	2,843	36,948	3,324	2018	1988	5651 Limestone Road
Wilmington, DE	—	2,266	9,500	—	2,266	9,500	913	2018	1984	700 Foulk Road
Windsor, VA	—	1,148	6,514	7	1,148	6,521	1,599	2018	1999	23352 Courthouse Hwy
Winston-Salem, NC	—	360	2,514	595	360	3,109	1,475	2003	1996	2980 Reynolda Rd.
Winter Garden, FL	—	1,110	7,937	—	1,110	7,937	2,091	2012	2013	720 Roper Road
Winter Springs, FL	—	1,152	14,822	—	1,152	14,822	1,372	2018	1999	1057 Willa Springs Drive
Witherwack, UK	—	944	6,915	741	1,033	7,567	1,688	2013	2009	Whitchurch Road
Wolverhampton, UK	—	1,573	6,678	778	1,721	7,308	1,645	2013	2011	378 Prestonwood Road
Woodbury, MN	—	1,317	20,935	298	1,317	21,233	2,886	2017	2015	2195 Century Avenue South
Woodstock, VA	—	594	5,108	5	594	5,113	1,105	2018	2001	803 S Main St

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Building & Improvements	Accumulated Depreciation <sup>(1)</sup>			
<b>Triple-net:</b>										
Worcester, MA	—	3,500	54,099	4	3,500	54,103	17,379	2007	2009	101 Barry Road
Yardley, PA	—	773	14,914	—	773	14,914	1,460	2018	1995	493 Stony Hill Road
Yardley, PA	—	1,561	9,439	—	1,561	9,439	1,099	2018	1990	1480 Oxford Valley Road
York, UK	—	2,961	8,266	1,058	3,240	9,045	1,736	2014	2006	Rosetta Way, Boroughbridge Road
York, PA	—	976	9,354	—	976	9,354	890	2018	1972	200 Pauline Drive
York, PA	—	1,050	4,210	—	1,050	4,210	474	2018	1983	2400 Kingston Court
York, PA	—	1,121	7,584	—	1,121	7,584	771	2018	1979	1770 Barley Road
Youngsville, NC	—	380	10,689	115	380	10,804	2,177	2014	2013	100 Sunset Drive
Zephyrhills, FL	—	2,131	6,669	—	2,131	6,669	712	2018	1987	38220 Henry Drive
Zionsville, IN	—	1,610	22,400	1,790	1,610	24,190	7,039	2010	2009	11755 N Michigan Rd
Zionsville, IN	—	2,162	33,238	—	2,162	33,238	721	2021	2018	6800 Central Blvd
<b>Triple-net Total</b>	<b>\$ 72,536</b>	<b>\$ 911,678</b>	<b>\$ 7,485,316</b>	<b>\$ 592,881</b>	<b>\$ 955,620</b>	<b>\$ 8,034,255</b>	<b>\$ 1,459,518</b>			









(Dollars in thousands)

Description	Initial Cost to Company				Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
	Encumbrances	Land & Land Improvements	Building & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Building & Improvements	Accumulated Depreciation <sup>(1)</sup>			
<b>Outpatient Medical:</b>										
Suffolk, VA	—	1,566	11,511	173	1,620	11,630	5,771	2010	2007	5838 Harbour View Blvd.
Sugar Land, TX	—	—	—	19,075	3,543	15,532	7,391	2012	2005	11555 University Boulevard
Sycamore, IL	—	1,113	12,910	2,473	1,113	15,383	1,119	2020	2002	1630 Gateway Drive
Tacoma, WA	—	—	—	64,307	—	64,307	26,409	2011	2013	1608 South J Street
Tampa, FL	—	4,319	12,234	—	4,319	12,234	3,906	2011	2003	14547 Bruce B Downs Blvd
Tarzana, CA	—	6,115	15,510	2,065	6,115	17,575	2,195	2020	1986	5620 Wilbur Ave
Timonium, MD	—	—	—	21,644	8,850	12,794	2,416	2015	2017	2118 Greenspring Drive
Tustin, CA	—	3,345	541	297	3,345	838	445	2015	1976	14591 Newport Ave
Tustin, CA	—	3,361	12,039	3,633	3,361	15,672	4,531	2015	1985	14642 Newport Ave
Tyler, TX	58,863	2,903	104,300	10,625	2,903	114,925	7,590	2019	2013	1814 Roseland Boulevard
Van Nuys, CA	—	—	—	36,187	—	36,187	13,123	2009	1991	6815 Noble Ave.
Voorhees, NJ	—	—	—	32,517	6,477	26,040	12,099	2006	1997	900 Centennial Blvd.
Voorhees, NJ	—	6	96,075	2,347	99	98,329	37,017	2010	2012	200 Bowman Drive
Waco, TX	—	—	—	289	125	164	12	2018	1962	6612 Fish Pond Road
Waco, TX	—	—	—	148	35	113	9	2018	1961	6620 Fish Pond Rd
Waco, TX	13,577	2,250	28,632	352	2,250	28,984	3,685	2018	1981	601 Highway 6 West
Waco, TX	—	601	2,594	1,125	468	3,852	797	2018	2000	6600 Fish Pond Rd
Washington, PA	18,243	3,981	31,706	17	3,981	31,723	4,166	2018	2010	100 Trich Drive
Wausau, WI	—	—	—	14,225	2,050	12,175	2,009	2015	2017	1901 Westwood Center Boulevard
Waxahachie, TX	—	—	18,068	303	303	18,068	4,205	2016	2014	2460 N I-35 East
Wellington, FL	—	—	—	19,718	326	19,392	8,973	2006	2000	10115 Forest Hill Blvd.
Wellington, FL	—	—	—	11,661	580	11,081	5,681	2007	2003	1395 State Rd. 7
Westlake Village, CA	8,000	2,553	15,851	246	2,553	16,097	2,762	2018	1975	1250 La Venta Drive
Westlake Village, CA	6,360	2,487	9,776	169	2,487	9,945	1,540	2018	1989	1220 La Venta Drive
Winston-Salem, NC	—	2,006	6,542	1,226	2,006	7,768	1,620	2019	1998	2025 Frontis Plaza
Woodbridge, VA	—	346	16,629	15	346	16,644	1,856	2018	2012	12825 Minnieville Road
Wyandotte, MI	—	581	8,023	773	581	8,796	652	2020	2002	1700 Biddle Ave
Ypsilanti, MI	—	3,615	12,117	579	3,615	12,696	—	2021	1989	4918, 4936, 4940, 4972, and 4990 W. Clark Road
Yuma, AZ	—	1,592	9,589	837	1,592	10,426	1,647	2019	2004	2270 South Ridgeview Drive
Zephyrhills, FL	—	3,875	27,269	—	3,875	27,269	9,588	2011	1974	38135 Market Square Dr
<b>Outpatient Medical Total</b>	<b>\$ 530,254</b>	<b>\$ 728,837</b>	<b>\$ 4,612,615</b>	<b>\$ 1,602,519</b>	<b>\$ 901,997</b>	<b>\$ 6,041,974</b>	<b>\$ 1,326,814</b>			

**Welltower Inc.**  
**Schedule III**  
**Real Estate and Accumulated Depreciation**  
**December 31, 2021**

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Buildings & Improvements			Land & Land Improvements	Buildings & Improvements	Accumulated Depreciation			
<b>Assets Held For Sale:</b>											
Brookline, MA	\$ —	\$ —	\$ 3,799	\$ —	\$ —	\$ 3,799	\$ —	2019	1900	125 Holland Road	
Concord, NH	—	720	3,041	—	—	2,974	—	2011	1926	227 Pleasant Street	
Concord, NH	—	1,760	43,179	—	—	21,811	—	2011	1994	239 Pleasant Street	
Fort Collins, CO	—	890	4,532	—	—	4,478	—	2018	1965	1005 East Elizabeth	
Fountain Valley, CA	—	5,259	9,379	—	—	13,952	—	2018	1988	11680 Warner Avenue	
Franconia, NH	—	360	8,609	—	—	8,609	—	2011	1971	93 Main Street	
Gig Harbor, WA	—	3,000	4,463	—	—	7,062	—	2018	1990	3309 45th Street Court Northwest	
Hemet, CA	—	6,224	8,414	—	—	14,001	—	2018	1989	1717 West Stetson Avenue	
Irving, TX	—	1,030	6,823	—	—	2,785	—	2007	1999	8855 West Valley Ranch Parkway	
Las Vegas, NV	—	—	—	2,945	—	2,945	—	2007	1900	SW corner of Deer Springs Way and Riley Street	
Louisville, KY	—	490	10,010	—	—	7,780	—	2005	1978	4604 Lowe Rd	
Morrison, CO	—	2,720	16,261	—	—	13,433	—	2018	1974	150 Spring Street	
Owensboro, KY	—	225	13,275	—	—	7,687	—	2005	1964	1205 Leitchfield Rd.	
Owenton, KY	—	100	2,400	—	—	1,282	—	2005	1979	905 Hwy. 127 N.	
Palm Desert, CA	—	6,195	8,922	—	—	14,451	—	2018	1989	74350 Country Club Drive	
Rexburg, ID	—	1,267	3,213	—	—	67	—	2018	1988	660 South 2nd West	
Shelbyville, KY	—	630	3,870	—	—	3,315	—	2005	1965	1871 Midland Trail	
Williamstown, KY	—	70	6,430	—	—	3,666	—	2005	1987	201 Kimberly Lane	
<b>Assets Held For Sale Total</b>	<b>\$ —</b>	<b>\$ 30,940</b>	<b>\$ 156,620</b>	<b>\$ 2,945</b>	<b>\$ —</b>	<b>\$ 134,097</b>	<b>\$ —</b>				

	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period		
	Encumbrances	Land & Land Improvements	Buildings & Improvements		Land & Land Improvements	Buildings & Improvements	Accumulated Depreciation
<b>Summary:</b>							
Seniors Housing Operating	\$ 1,599,522	\$ 1,958,208	\$ 15,959,072	\$ 2,969,135	\$ 2,110,813	\$ 18,775,602	\$ 4,123,782
Triple-net	72,536	911,678	7,485,316	592,881	955,620	8,034,255	1,459,518
Outpatient Medical	530,254	728,837	4,612,615	1,602,519	901,997	6,041,974	1,326,814
Construction in progress	—	—	651,389	—	—	651,389	—
<b>Total continuing operating properties</b>	<b>2,202,312</b>	<b>3,598,723</b>	<b>28,708,392</b>	<b>5,164,535</b>	<b>3,968,430</b>	<b>33,503,220</b>	<b>6,910,114</b>
Assets held for sale	—	30,940	156,620	2,945	—	134,097	—
<b>Total investments in real property owned</b>	<b>\$ 2,202,312</b>	<b>\$ 3,629,663</b>	<b>\$ 28,865,012</b>	<b>\$ 5,167,480</b>	<b>\$ 3,968,430</b>	<b>\$ 33,637,317</b>	<b>\$ 6,910,114</b>

(1) Please see Note 2 to our consolidated financial statements for information regarding lives used for depreciation and amortization.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands)		
Investment in real estate:			
Beginning balance	\$ 33,670,006	\$ 36,027,915	\$ 33,590,388
Acquisitions and development	4,805,086	1,174,148	4,807,418
Improvements	282,834	242,147	328,824
Impairment of assets	(51,107)	(135,608)	(28,074)
Dispositions <sup>(1)</sup>	(1,063,990)	(3,782,120)	(2,673,203)
Foreign currency translation	(37,082)	143,524	187,853
Other <sup>(2)</sup>	—	—	(185,291)
Ending balance <sup>(3)</sup>	<u>\$ 37,605,747</u>	<u>\$ 33,670,006</u>	<u>\$ 36,027,915</u>
Accumulated depreciation:			
Beginning balance	\$ 6,104,297	\$ 5,715,459	\$ 5,499,958
Depreciation and amortization expenses	1,037,566	1,038,437	1,027,073
Amortization of above market leases	4,036	5,217	5,752
Disposition and other <sup>(1)</sup>	(234,397)	(684,395)	(772,273)
Foreign currency translation	(1,388)	29,579	(45,051)
Ending balance	<u>\$ 6,910,114</u>	<u>\$ 6,104,297</u>	<u>\$ 5,715,459</u>

(1) Includes property dispositions and dispositions of leasehold improvements which are generally fully depreciated.

(2) Primarily relates to the adoption of ASC 842.

(3) The unaudited aggregate cost for tax purposes for real property equals \$31,381,486,000 at December 31, 2021.

**Welltower Inc.**  
**Schedule IV - Mortgage Loans on Real Estate**  
**December 31, 2021**

(in thousands)

Location	Segment	Interest Rate	Final Maturity Date	Monthly Payment Terms	Prior Liens	Face Amount of Mortgages	Carrying Amount of Mortgages	Principal Amount of Loans Subject to Delinquent Principal or Interest
<b>First mortgages relating to 1 property located in:</b>								
North Carolina	Triple-net	8.00%	12/18/2023	\$ 220	\$ —	\$ 32,783	\$ 32,171	\$ —
					—	32,783	32,171	—
<b>First mortgages relating to multiple properties located in:</b>								
United Kingdom	Triple-net	12.00%	4/20/2026	3,848	—	769,500	708,242	—
					—	769,500	708,242	—
<b>First mortgages less than three percent of total:</b>								
United Kingdom - 2	Triple-net	9.00%	2022 - 2024	N/A	N/A	N/A	39,862	—
United States - 10	Various	4% - 8%	2020 - 2026	N/A	N/A	N/A	96,827	19,865
					—	—	136,689	19,865
<b>Totals</b>					<b>\$ —</b>	<b>\$ 802,283</b>	<b>\$ 877,102</b>	<b>\$ 19,865</b>

	Year Ended December 31,		
	2021	2020	2019
Reconciliation of mortgage loans:	(in thousands)		
Balance at beginning of year	\$ 293,752	\$ 145,686	\$ 249,071
Additions:			
New mortgage loans	842,912	193,505	—
Draws on existing loans	337	20,844	45,961
Interest added	11,815	—	—
Total additions	855,064	214,349	45,961
Deductions:			
Collections of principal	(214,132)	(17,019)	(87,249)
Loan balance transferred to non-real estate loans receivable	(9,142)	(53,071)	(64,040)
Change in allowance for credit losses and charge-offs	(6,984)	(5,645)	—
Other	(29,619)	(329)	—
Total deductions	(259,877)	(76,064)	(151,289)
Change in balance due to foreign currency translation	(11,837)	9,781	1,944
Balance at end of year	\$ 877,102	\$ 293,752	\$ 145,686

## WELLTOWER INC.

## 2021-2023 LONG-TERM INCENTIVE PROGRAM

1. **Purpose.** This 2021-2023 Long-Term Incentive Program (the “Program”) is adopted pursuant to the Welltower Inc. 2016 Long-Term Incentive Plan (the “Equity Plan”) and any successor equity plan and is intended to provide an incentive for superior work and to motivate executives and employees of Welltower Inc. (the “Company”) toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives and employees. The Program is for the benefit of Participants (as defined below).

2. **Definitions.** Capitalized terms used herein without definitions shall have the meanings given to those terms in the Equity Plan. In addition, as used herein:

“Adjusted Annualized EBITDA” means the Company’s earnings before interest, taxes, depreciation and amortization, excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, and additional other income for the three month period beginning on October 1, 2023 and ending on December 31, 2023, and then expressed on an annualized basis.

“All REIT Index” means the MSCI US REIT Index.

“Annualized TSR Percentage” means  $(1 + \text{TSR})^{(1/3)} - 1$ .

“Award” means a grant to a Participant hereunder. The Company intends that while Awards may be granted under the Program in any form of grant permitted under the Equity Plan not in conflict with the terms of the Program, the two types of Awards that are intended to be granted are (1) Performance Awards and (2) Time-Based Awards in the form of options and/or restricted stock units with vesting based on the completion of specified periods of continuous service with the Company and its subsidiaries.

“Award Notice” means the restricted stock unit award agreement with a Participant that sets forth the terms, conditions and limitations of the Participant’s participation in this Program, including, without limitation and as may be applicable, the Participant’s Target Award, the Participant’s threshold, target, and high payout multiples and the Time Restriction.

“Cause” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Cause” is defined therein, then “Cause” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination or the Participant’s employment agreement does not define “Cause,” then “Cause” shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Company or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Company or any Subsidiary, including but not limited to the provisions of Section 4 herein; (iii) conduct by the Participant against the best interests of the Company or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Company, any Subsidiary or the employees of either the Company or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant’s job responsibilities for the Company; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Company or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability) after a demand for substantial performance is made by the Company; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Company’s policies and procedures, including but not limited to the Company’s Code of Business Conduct & Ethics.

“Change in Corporate Control” shall have the same meaning as set forth in Section 10.1(a) of the Equity Plan and Section 10.1(c) of the Equity Plan. In addition, in order to qualify as a “Change in Corporate Control”, an event must also meet the requirements for a “change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation” with the meaning of Treas. Reg. §1.409A-3(i)(5).

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” or “Shares” means the Company’s common stock, par value \$1.00 per share, either currently existing or authorized hereafter.

“Common Stock Price” means, as of a particular date, the average of the Fair Market Value of one share of Common Stock over the 20 consecutive trading days ending on, and including such date (or if such date is not a trading day, the most recent trading day immediately preceding such date); provided that, if such date is the date upon which a Change in Corporate Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Compensation Committee, of the total consideration paid or payable in the transaction resulting in the Change in Corporate Control for one share of Common Stock.

“Compensation Committee” means the Compensation Committee of the Board of Directors of the Company.

“Disability” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Disability” is defined therein, then “Disability” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company that defines “Disability,” then “Disability” shall have the same meaning as defined in the Equity Plan.

“Dividend Value” means the aggregate amount of dividends and other distributions paid on one Share for which the record date occurred on or after the first day of the Restrictive Determination Period and prior to the final settlement date at which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares).

“Earned Award” means, with respect to a Participant’s Performance Award, the actual number of shares of Common Stock that were earned by such Participant pursuant to this Program at the end of the Performance Period based on the achievement of the performance goals set forth in Section 5.

“Equity Plan” means the Welltower Inc. 2016 Long-Term Incentive Plan, as amended from time to time.

“Fair Market Value” means, as of any given date, the fair market value of a security which shall be the closing sale price reported for such security on the principal national securities exchange on which the security is publicly traded or, if not applicable, any other national securities exchange on which the security is traded or admitted to trading on such date on which a sale was reported. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“Good Reason” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “good reason” is defined therein, then “Good Reason” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination and/or the Participant’s employment agreement does not define “Good Reason”: (i) a substantial adverse change, not consented to by the Participant, in the nature or scope of the Participant’s responsibilities, authorities, powers, functions, or duties; or (ii) a breach by the Company of any of its material obligations under the Program. Unless otherwise provided in an employment agreement to which the Participant is a party immediately prior to such termination, to constitute “good reason termination,” the Participant must: (1) provide written notice to the Company within 90 days of the initial existence of the event constituting “Good Reason;” (2) may not terminate his or her employment unless the Company fails to substantially remedy the event constituting “Good Reason” within 30 days after such notice has been given; and (3) the Participant must terminate employment with the Company no later than 30 days after the end of the 30-day period in which the Company fails to substantially remedy the event constituting “Good Reason.”



“Health Care Facilities” means any senior housing facilities or facilities used or intended primarily for the delivery of health care services, including, without limitation, any active adult communities, independent living facilities, assisted living facilities, skilled nursing facilities, inpatient rehabilitation facilities, ambulatory surgery centers, outpatient medical treatment facilities, medical office buildings, hospitals not excluded below, or any similar types of facilities or enterprises, but in any event excluding acute care hospitals or integrated health care delivery systems that include acute care hospitals.

“Health Care REIT Index” means the FTSE NAREIT Health Care REIT Index (or a successor index including a comparable universe of publicly traded U.S. real estate investment trusts), in each case adjusted and reweighted to exclude the Company from the index. As of the beginning of the Performance Period, the FTSE NAREIT Health Care REIT Index (excluding the Company) was comprised of (1) Ventas, Inc, (2) Healthpeak Properties, Inc., (3) Omega Healthcare Investors, (4) Healthcare Trust of America, Inc., (5) Healthcare Realty Trust, (6) National Health Investors, (7) Medical Properties Trust, (8) Community Healthcare Trust, Inc., (9) Sabra Health Care REIT, (10) LTC Properties, (11) New Senior Investment Group, (12) Physicians Realty Trust, (13) Universal Health Realty Income Trust, (14) Care Trust REIT, (15) Diversified Healthcare Trust, and (16) Global Medical REIT. Any health care REIT organization that is not in existence for the entire Performance Period shall be omitted from this index.

“Index Return” means, with respect to the Performance Period, the return of either the Health Care REIT Index, or the All REIT Index, as applicable, over the Performance Period expressed as a percentage. For the avoidance of doubt, the intent of the Compensation Committee is that Index Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company’s TSR and the Index Return for the purpose of determining Relative Performance. In the case of the Health Care REIT Index, the Index Return shall be computed as the sum of each component company’s weighted TSR with each component company’s weight as the average of its relative market capitalization at the beginning of the Performance Period.

“Net Debt + Preferred” means the sum of (a) the Company’s long-term debt, less cash and cash equivalents, and (b) the total amount of the Company’s preferred stock as of the end of the Performance Period (or other applicable designated period).

“Participant” means an executive or employee of the Company or any Subsidiary selected by the Compensation Committee to participate in the Program.

“Performance Award” means an award, expressed as a number of restricted stock units reflecting achievement of the Target Award. Such number of restricted stock units shall be equal to the sum arrived at by (1) applying the weighting of each applicable performance goal set forth on Exhibit A to the aggregate target value of the award (expressed in dollars) established by the Compensation Committee at the time of grant, (2) dividing the weighted target value for each performance goal by the applicable probability-adjusted fair value per share of Common Stock (as described in further detail in Exhibit A), and (3) rounding to the nearest whole share of Common Stock, that vests upon the achievement of performance goals at the end of a Performance Period.

“Performance Period” means the period commencing on January 1, 2021 and concluding on the earlier of (i) December 31, 2023, or (ii) a Change in Corporate Control.

“Program” means this Welltower Inc. 2021-2023 Long-Term Incentive Program, as amended from time to time.

“Qualified Termination” means termination of a Participant’s employment for Good Reason, by reason of the Participant’s death, Disability, by the Company without Cause, Retirement and in the case of a Participant who is party to a fixed-term employment agreement with the Company, a non-renewal by the Company of the term of such agreement.

“Relative Performance” means the Company’s TSR relative to the applicable Index Return, as expressed as an Annualized TSR Percentage.

“Restricted Period” means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.

“**Restrictive Determination Period**” means (a) the Performance Period in the case of a Performance Award and (b) the period of time during which the applicable Time Restriction has not yet fully lapsed in the case of a Time-Based Award.

“**Retirement**” means the voluntary termination of employment by a Participant after attaining age 55 and completing ten consecutive full years of service; provided, however, that the sum of the Participant’s age and consecutive full years of service to the Company shall be equal to 70 or more; and provided further that the Participant (a) delivers to the Company, so that the Company receives or is deemed to have received in accordance with Section 12(i) at least six months prior to the date of his or her retirement, written notice specifying such retirement date, (b) remains in the continuous service of the Company from the date the written notice is received until his or her retirement date, and (c) enters into a retirement agreement with the Company in such form as shall be determined by the Company from time to time that includes both (i) a customary release of claims covering the Company and its affiliates, and (ii) an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

“**Target Award**” means a Participant’s target award, expressed as a number of restricted stock units, for the Performance Period, as set forth in the Participant’s Award Notice.

“**Time-Based Award**” means an award, expressed as a number of options and/or restricted stock units, that vests upon the lapse of the Time Restriction. (A Time-Based Award is a type of “Other Stock Unit Award” as classified under the Equity Plan.)

“**Time Restriction**” means the period of time set forth in the Award Notice during which a Time-Based Award (or portion thereof) is unvested and forfeitable based on the completion of periods of continued employment with the Company or as otherwise expressly set forth in this Program.

“**Total Shareholder Return**” or “**TSR**” means for the common stock of the applicable company, the total shareholder return (share price appreciation/depreciation during the applicable Performance Period plus the value attributable to reinvested dividends paid on the shares during the applicable Performance Period). The TSR shall be expressed as a percentage. The calculation of TSR will be based on the average closing price of the shares for the twenty trading days immediately preceding the first day of the Performance Period and the average closing price of the shares for the twenty trading days immediately preceding the last day of the applicable Performance Period. The TSR will be calculated assuming that cash dividends (including extraordinary cash dividends) paid on the shares are reinvested in additional shares on the ex-dividend date and that any securities distributed to shareholders in a spinoff transaction are sold and the proceeds reinvested in additional shares on the ex-dividend date.

“**Vested Unit Award**” means a Time-Based Award (or portion thereof) that is fully vested and nonforfeitable due to the lapse of the applicable Time Restriction.

### 3. **Administration**

(a) The Program shall be administered by the Compensation Committee in accordance with the Equity Plan. The Compensation Committee shall have the discretionary authority to make all determinations (including, without limitation, the interpretation and construction of the Program and the determination of relevant facts) regarding the entitlement to any Award hereunder and the amount of any Award to be paid under the Program (including the number of shares of Common Stock issuable to any Participant), provided such determinations are not made in bad faith and are not inconsistent with the terms, purpose and intent of the Program. The Compensation Committee may delegate to one or more officers or employees of the Company some or all of its authority to administer the Program as described in this Section 3, and in the event of such delegation, references to the Compensation Committee in this Section 3 shall apply in the same manner to such delegate or delegates to the extent of such delegated authority. In particular, but without limitation and subject to the foregoing, the Compensation Committee shall have the authority:

- (i) to select Participants under the Program in its sole discretion;
- (ii) with respect to Performance Awards, to determine the Target Award and any formula or criteria for the determination of the Target Award for each Participant and such individual’s Performance Award and to determine the Earned Award;
- (iii) with respect to Time-Based Awards, to determine the applicable Time Restriction;

(iv) to determine the terms and conditions, consistent with the terms of this Program, which shall govern Award Notices and all other written instruments evidencing an Award hereunder, including the waiver or modification of any such conditions;

(v) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Program as it shall from time to time deem advisable; and

(vi) to interpret the terms and provisions of the Program and any Award granted under the Program (and any Award Notices or other agreements relating thereto) and to otherwise supervise the administration of the Program.

(b) Subject to the terms hereof, all decisions made by the Compensation Committee (or any officer or employee of the Company to whom it has delegated some or all of its authority to administer the Program) not made in bad faith pursuant to the Program shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Compensation Committee, and no officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination, or interpretation taken or made not in bad faith with respect to this Program, and all members of the Compensation Committee and each and every officer or employee of the Company acting on their behalf shall, to the fullest extent not prohibited by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

#### 4. **Conditions of Participation**

As a condition of entitlement to participate in the Program, whether or not the Participant receives any payment or other benefit under the Program, each Participant shall comply with the following restrictive covenants.

(a) **Protection of Confidential Information.** Participant, both during employment with the Company and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Company while employed by the Company. Upon Participant's termination of employment, Participant shall return to the Company all Confidential Information and shall not retain any Confidential Information in Participant's possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 4(a) shall not apply to Confidential Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 4 or any other duty owed to the Company by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Program, Confidential Information means, without limitation, any non-public confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Company, in any form, including electronic media. Confidential Information also includes, but is not limited to the Company's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Company.

(b) **Non-Competition.** In the course of the performance of Participant's job responsibilities for the Company, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Company's business (including confidential information relating to the Company and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and development plans and prospects). Accordingly, during employment with the Company and for the applicable Restricted Period following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Company or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities; (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.

Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Company or any of its affiliates in any area described above and other activities that do not compete with the Company or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Company and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 4(b).

(c) **Non-Solicitation.** During employment with the Company and for one year following the end of Participant's employment with the Company, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Company or any subsidiary or affiliate of the Company.

(d) **Non-Disparagement.** At all times during and following Participant's employment with the Company, Participant will not make or direct anyone else to make on Participant's behalf any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(e) **Remedies.** For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Company may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Unit Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein. Notwithstanding any other provision of this Program, by becoming entitled to receive any payments or other benefits under this Program, Participant is deemed to have agreed that damages would be an inadequate remedy for the Company in the event of a breach or threatened breach by Participant of any of Sections 4(a) through 4(d), inclusive. In the event of any such breach or threatened breach, and without relinquishing any other rights or remedies that the Company may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Program, the Company may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 4 and requiring Participant to comply with its provisions. The Company may present this Section 4 to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Company contends violates this Section 4, if the Company has reason to believe Participant has or may have breached a provision of this Section 4.

## 5. **Determination of Awards**

(a) Each Participant's Award Notice shall specify, as applicable, such Participant's Target Award (expressed as a number of restricted stock units) and threshold, target, and high payout multiples or Time Restriction.

(b) With regard to a Performance Award, the percentage of a Participant's Target Award that may be earned for the Performance Period shall be determined as follows: 37.5 percent of the Target Award shall be earned based on the Company's Relative Performance to the Health Care REIT Index; 37.5 percent of the Target Award shall be earned based on the Company's Relative Performance to the All REIT Index; and 25 percent of the Target Award shall be earned based on the Company's (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio; all as further set forth on Exhibit A.

(c) Depending on the score for each of the performance goals of a Performance Award as determined pursuant to Exhibit A, the Earned Award for the Performance Period shall be determined based on the Participant's individual threshold, target and high payout multiples described in the Participant's Award Notice. For performance between two different tiers, the percentage payable shall be calculated using linear interpolation between tiers. The level of achievement for each listed performance goal shall be determined independently.

(d) With regard to a Time-Based Award, the Time Restriction included in the Award Notice shall generally not be less than three years from the Date of Grant; provided, that such an Award Notice may permit pro rata vesting over such time.

(e) Except as otherwise provided herein, the Earned Award and Vested Unit Award shall be settled in shares of Common Stock upon satisfaction of the requirements as set forth in Section 8.

6. **Change in Corporate Control.** In the event that prior to December 31, 2023, a Change in Corporate Control occurs, then the following provisions shall apply:

(a) In the case of a Performance Award, each such outstanding Award will be deemed earned as of the date of such Change in Corporate Control in accordance with the computation described in Section 5(b) as if the Performance Period ended on the day prior to the consummation of the Change in Corporate Control, except that corporate metrics not tied to TSR shall be calculated based on the results through the most recent completed fiscal quarter, but each Award shall further be multiplied by a fraction, the numerator of which shall be the number of full and partial months from the beginning of the Performance Period through the Change in Corporate Control and the denominator of which shall be 36. Notwithstanding Sections 4 and 8(b), any shares of Common Stock issued to satisfy such outstanding Earned Awards shall be fully vested and nonforfeitable.

(b) In the case of a Time-Based Award, the Time Restriction applicable to such Time-Based Award shall lapse in its entirety and such award shall become a Vested Unit Award if either (i) the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace such other awards on proportionate and equitable terms or (ii) the Participant is terminated without Cause upon or within 12 months following the Change in Corporate Control.

7. **Termination of Participant's Employment.**

(a) If a Participant's employment with the Company terminates, the provisions of this Section 7 shall govern the treatment of the Participant's Award exclusively, regardless of the provisions of any employment, change in control or other agreement or arrangement to which the Participant is a party, or any termination or severance policies of the Company then in effect, which shall be superseded by this Program.

(b) In the event of termination of a Participant's employment by reason of a Qualified Termination prior to the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) In the case of a Performance Award, the Compensation Committee shall determine the Participant's Earned Award in accordance with the computation described in Section 5(b) as if the Performance Period ended on the calendar quarter end immediately preceding the date of the Participant's Qualified Termination; provided, however, that the Earned Award of such terminated Participant for the Performance Period shall be multiplied by a fraction, the numerator of which shall be the number of complete months during which the Participant was an employee of the Company during the Performance Period and the denominator of which shall be the total number of months in the Performance Period. The pro-rated Earned Award shall be paid out in shares of Common Stock that are fully vested.

(ii) In the case of a Time-Based Award, the Participant shall retain the portion of the Time-Based Award that is a Vested Unit Award. Unless otherwise determined by the Compensation Committee, the unvested portion of the Time-Based Award shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested portion of the Time-Based Award.

(c) In the event of termination of a Participant's employment by reason of a Qualified Termination after the end of the applicable Restrictive Determination Period, any portion of the Participant's Earned Award or Time-Based Award that has not yet been settled shall become fully vested and shall be paid out in shares of Common Stock.

(d) As a condition of receiving any payments or benefits under this Program on account of Participant's Qualified Termination, the Company may, in its sole discretion, require Participant to deliver an irrevocable, effective release of claims in the form determined by the Company and/or an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

(e) In the event of a termination of a Participant's employment for any reason other than a Qualified Termination prior to the end of the applicable Restrictive Determination Period, except as otherwise set forth in the Participant's Award Notice or as otherwise determined by the Compensation Committee, the Award held by the Participant during the Performance Period or portion of the Award for which the Time Restriction has not lapsed shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Award. In the event of a termination of a Participant's employment for any reason other than a Qualified Termination after the end of the applicable Restrictive Determination Period, any portion of the Earned Award or Time-Based Award that has not yet been settled in shares of Common Stock shall be forfeited.

8. **Payment of Awards.**

(a) As soon as practicable following the end of the applicable Restrictive Determination Period:

(i) The portion of a Time-Based Award for which the Time Restriction has lapsed shall be settled in shares of Common Stock; and

(ii) In the case of a Performance Award, the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period.

The date on which such settlement of the Awards occurs shall be referred to herein as the "Issuance Date". In no event shall the Issuance Date with respect to the end of the Restrictive Determination Period for an Award be later than 74 days after the end of the applicable Restrictive Determination Period or on such later date as provided by the Compensation Committee (or in the case of a Performance Award, as set forth under Section 8(b) below); provided that (i) in the case of the Performance Period (in the case of a Performance Award) or Time Restriction (in the case of a Time-Based Award) that ends upon a Change in Corporate Control, the Issuance Date shall be no later than immediately prior to the consummation of the Change in Corporate Control, and (ii) in the case of a determination required by Section 7(b), the Issuance Date shall generally be no later than 74 days after the date of the Participant's Qualified Termination or on such later date as provided by the Compensation Committee.

(b) Except as otherwise provided in Sections 6 and 7, on the vesting date described below, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Performance Award a number of shares of Common Stock equal to the vested portion of the Earned Award. Subject to a Participant's continued employment with the Company or a subsidiary and continued compliance with the restrictive covenants set forth in Section 4 through such date, the Shares subject to a Participant's Earned Award shall be vested as of the date that the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period. In addition, on the vesting date (or on the Issuance Date with regard to an Earned Award settled in accordance with Section 6 or 7), the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(b) on such date.

(c) Except as otherwise provided in Sections 6 and 7, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Time-Based Award a number of shares of Common Stock equal to the vested portion of the Time-Based Award on the Issuance Date. In addition, on the Issuance Date, the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(c) on such date.

9. **Adjustments.** Without duplication with the provisions of Sections 3 and 11 of the Equity Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of Shares, sale of all or substantially all of the assets or Shares of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Compensation Committee necessitates action by way of adjusting the terms of the Program, then and in that event, the Compensation Committee shall take such action as shall be necessary to maintain the Participants' rights hereunder so that they are substantially the same rights existing under this Program prior to such event.

10. **Restrictions and Conditions; Non-Transferability of Awards.** Subject to the provisions of the Equity Plan and this Program, except as may otherwise be permitted by the Compensation Committee, a Participant shall not be permitted voluntarily or involuntarily to sell, assign, transfer, or otherwise encumber or dispose of the options, restricted stock units or an Award; provided that the foregoing restriction shall not apply to Shares actually issued to a Participant.

11. **Withholding of Tax.** Unless otherwise agreed to between the Company and a Participant, the Company will cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of Shares to be issued to a Participant with an aggregate Fair Market Value that would satisfy the withholding amount due. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on tax withholding obligations being satisfied by such Participant or through the Company's exercise of its authority. The Compensation Committee expressly provides that the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) of an Award granted to a Participant who is an officer within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended, shall be satisfied by withholding a number of whole Shares to be issued to the Participant with an aggregate Fair Market Value that fully satisfies the withholding amount due.

12. **Miscellaneous.**

(a) **Amendment and Termination.** The Company reserves the right to amend or terminate the Program at any time in its discretion without the consent of any Participant, but no such amendment shall adversely affect the rights of the Participants with regard to outstanding Awards in any material respect.

(b) **No Contract for Continuing Services.** This Program shall not be construed as creating any contract for continued services between the Company or any of its Subsidiaries and any Participant, and nothing herein contained shall give any Participant the right to be retained as an employee or consultant of the Company or any of its Subsidiaries or to receive any future awards or benefits under the Equity Plan.

(c) **Governing Law.** The Program and each Award Notice awarded under the Program shall be construed in accordance with and governed the laws of the State of Ohio, without regard to principles of conflict of laws of such state; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

(d) **Arbitration.** Subject to Section 4(e) hereof, all claims, disputes, questions, or controversies arising out of or relating to this Program, will be resolved exclusively in final and binding arbitration held under the auspices of Judicial Arbitration & Mediation Services, Inc. ("JAMS") in accordance with JAMS then current Employment Arbitration Rules and Procedures, or successor rules then in effect. The arbitration will be held in New York, New York, and will be conducted and administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Participant and the Company will select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided by this Program, the Federal Arbitration Act will govern the administration of the arbitration proceedings. The arbitrator will apply the substantive law (and the law of remedies, if applicable) of the State of Ohio, or federal law, if Ohio law is preempted, and the arbitrator is without jurisdiction to apply any different substantive law. Participant and the Company will each be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator consistent with the nature of the claim(s) in dispute. The arbitrator will have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and will apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator will render a written award and supporting opinion that will set forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be entered in any court of competent jurisdiction. The Company will pay the arbitrator's fees, as well as all administrative fees, associated with the arbitration. Each party will be responsible for paying its own attorneys' fees and costs (including expert witness fees and costs, if any), provided, however, that the arbitrator may award attorney's fees and costs to the prevailing party, except as prohibited by law. If the Company is the prevailing party, the arbitration may award some or all of the costs for the arbitrator's fees and/or other administrative fees to the fullest extent not prohibited by law. The existence and subject matter of all arbitration proceedings, including, any settlements or awards thereunder, shall remain confidential.

(e) **Construction.** Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

(f) Headings. The Section headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of this Program, the text shall control.

(g) Effect on Other Plans. Nothing in this Program shall be construed to limit the rights of Participants under the Company's or its Subsidiaries' benefit plans, programs or policies.

(h) Clawback Policy. All Awards granted under this Program shall be subject to forfeiture (as determined by the Compensation Committee) in accordance with the terms of the Company's clawback or recoupment policy (as in effect from time to time). Furthermore, prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Unit Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein.

(i) Notices. Any notice provided for under this Program shall be in writing and may be delivered in person or sent by overnight courier, certified mail, or registered mail (return receipt requested), postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

If to the Company: Welltower Inc., 4500 Dorr Street, Toledo, OH 43615 Attention: Legal Department

If to a Participant, at the address on file with the Company's Human Resources Department.

The actual date of mailing, as shown by a mailing receipt therefor, shall determine the time at which notice was given. Any Participant may change the address at which notice shall be given by notifying the Company in the manner set forth in this Section 12(i). The Company may change the address at which notice shall be given by notifying each Participant in the manner set forth in this Section 12(i).

(j) Section 409A.

(1) This Program is intended to comply with Section 409A of the Code ("Code Section 409A") and will be interpreted in a manner intended to comply with Code Section 409A. Any provision that would cause this Program or any payment hereunder to fail to satisfy Code Section 409A of the Code shall have no force or effect until amended to the minimum extent required to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits that may be considered "deferred compensation" under Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Program, references to a "retirement," "termination," "termination of employment" or like terms shall mean such a "separation from service".

(2) Any payment scheduled to be made under this Program that may be considered made under a "nonqualified deferred compensation plan" subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A), that are otherwise due on or within the six-month period following termination of employment will accrue during such six-month period and will instead become payable in a lump sum payment on the first business day period following such six-month period. Furthermore, notwithstanding any contrary provision herein, if any other payments of money or other benefits due to a Participant under this Agreement could cause the application of an accelerated or additional tax under Code Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax.

(3) Notwithstanding any contrary provision herein, a Participant's right to any payment (including each installment payment) under this Program shall be treated as a "separate payment" within the meaning of Code Section 409A.

END OF PROGRAM DOCUMENT



**Exhibit A**

2021-2023 LTI – Forward Looking	Weighting	Threshold <sup>4</sup>	Target	High <sup>5</sup>
Relative Performance to Health Care REIT Index <sup>1</sup>	37.5%	-400 bps	0 bps	+ 400 bps
Relative Performance to All REIT Index (MSCI) <sup>2</sup>	37.5%	-400 bps	0 bps	+ 400 bps
(Net Debt + Preferred) / Adjusted Annualized EBITDA <sup>3</sup>	25%	6.9x	6.4x	5.9x

1. Matching the index performance is achievement at the “Target” level. Exceeding index performance by 400 basis points results in payout at the “High” level, which is the maximum payout level. Trailing index performance by 400 basis points results in a payout at the “Threshold” level.

2. Same as #1 above.

3. The “Target” payout level is set at the (Net Debt + Preferred)/Adjusted Annualized EBITDA ratio of 6.4x. “Threshold” will be met at a ratio at 6.9x. The “High” payout level will be met at a ratio at or below 5.9x.

4. “Threshold” payout is 50% of the “Target” level for all participants.

5. “High” payout is 150% of the “Target” level for all Participants.

The Monte Carlo fair value of the Common Stock (in other words, the probability-adjusted fair value) as of the grant date will be used to determine the number of restricted stock units granted (assuming “Target” level performance) with respect to each of the relative TSR related measures. The closing stock price on the grant date will be used to determine the number of restricted stock units granted (assuming “Target” level performance) for the (Net Debt + Preferred)/ Adjusted Annualized EBITDA measure.

In the event the Company’s performance shall fall between two levels in the above chart, linear interpolation shall be used to determine the percentage of the Target Award earned.

## LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT

**THIS LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT** (the “**Agreement**”), made this [\_\_\_\_\_] , 2021, between Welltower Inc., a Delaware corporation (the “**Corporation**”), and [\_\_\_\_\_] (the “**Participant**”).

**WHEREAS**, the Participant is an employee of the Corporation; and

**WHEREAS**, the Corporation adopted the Welltower Inc. 2016 Long-Term Incentive Plan (the “**Plan**”) and the 2021-2023 Long-Term Incentive Program (the “**LTIP**”) in order to provide select executives and key employees with incentives to achieve long-term corporate objectives; and

**WHEREAS**, the Compensation Committee of the Corporation’s Board of Directors has determined that the Participant should be granted a restricted stock unit award subject to performance-based vesting conditions and/or time-based vesting conditions on the terms set forth in the LTIP and herein;

**WHEREAS**, the restricted stock unit award granted to the Participant shall be payable in shares of the Corporation’s common stock, \$1.00 par value per share (“**Common Stock**”), upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

**WHEREAS**, any options granted to the Participant hereunder shall be exercised for shares of Common Stock upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

**NOW, THEREFORE**, in consideration of the past and future services provided to the Corporation by the Participant and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**1. GRANT OF AWARD.**

The Corporation hereby grants to the Participant one or both of the following:

- A Performance Award of [\_\_\_\_\_] performance-based restricted stock units (the “**Target Award**”) on February 16, 2021 (the “**Date of Grant**”), payable in shares of Restricted Stock, subject to satisfaction of the restrictions, vesting conditions and other terms set forth in this Agreement.
- An Other Stock Unit Award (the “**Time-Based Award**”) of [\_\_\_\_\_] time-based restricted stock units and/or [\_\_\_\_\_] time-based options on the Date of Grant, which shall vest subject to the Participant’s continued employment, in accordance with the following schedule: one-fourth of such shares will become fully vested and nonforfeitable on January 15, 2022, one-fourth of such shares will become fully vested and nonforfeitable on January 15, 2023, one-fourth of such shares will become fully vested and nonforfeitable on January 15, 2024, and one-fourth of such shares will become fully vested and nonforfeitable on January 15, 2025 (each such date, the “**Vesting Date**”). Upon vesting, the restricted stock units shall become issuable in shares of Common Stock and the options shall become exercisable for shares of Common Stock. The exercise price of any time-based options shall be \$\_\_\_\_\_. Such options shall not have any common stock dividends or dividend equivalents paid and shall have a maximum term of ten years.

The Target Award and the Time-Based Award shall be referred to herein as the “**Award**”. The Participant shall not be required to provide the Corporation with any payment (other than his or her past and future services to the Corporation or payment of the exercise price upon exercise of any exercisable options) in exchange for the Award or in exchange for the issuance of shares of Common Stock (upon (1) the determination of the Earned Award and satisfaction of the applicable periods of continued service with the Corporation in the case of a Performance Award or (2) the lapse of the applicable Time Restriction in the case of a Time-Based Award and the payment of the exercise price in the case of exercisable options).

**2. DELIVERY OF SHARES.**

(a) The Participant shall not be entitled to the issuance of shares of Common Stock or to receive any distributions with respect to the Performance Award or Time-Based Award until the determination of the Earned Award (in the case of the Performance Award) as provided in the LTIP and in Section 3 or 6 below or lapse of the applicable Time Restriction, and in the case of options, the payment of the exercise price (in the case of the Time-Based Award). Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant.

(b) The Participant's Performance Award and Time-Based Award may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under this Agreement may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture. Any attempt to dispose of the Participant's Award or shares issued thereunder in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

**3. ISSUANCE OF SHARES.**

The Corporation shall issue shares of Common Stock to the Participant in accordance with the provisions of Section 8 of the LTIP. Any shares of Common Stock subject to options shall not be issued until exercised in accordance with Section 4.1 of the Plan.

**4. TAX WITHHOLDING.**

The Corporation shall satisfy its tax withholding obligations in accordance with Section 11 of the LTIP.

**5. TERMINATION OF EMPLOYMENT.**

In the event of the end of the Participant's employment with the Corporation prior to the time that all vested shares of Common Stock, if any, are issued under the LTIP, the Award shall be administered in accordance with Section 7 of the LTIP. Any options that are part of a Vested Unit Award shall remain exercisable after the end of the Participant's employment with the Corporation for the following periods (but in no event longer than the ten year maximum term of the options): (1) eighteen (18) months in the event of the Participant's death, (2) twelve (12) months in the event of the Participant's Qualified Termination other than death, (3) three (3) months in the event of the Participant's termination of employment that is neither a Qualifying Termination nor for Cause, and (4) no period of time following the Participant's termination of employment in the event of a termination for Cause.

**6. DEFINITIONS.**

Capitalized terms used herein without definitions shall have the meanings given to those terms in the LTIP.

**7. SECURITIES LAWS.**

The Corporation may from time to time impose such conditions on the vesting of the Award, and/or the issuance of shares of Common Stock upon vesting (and in the case of options, exercise) of the Award, as it deems reasonably necessary to ensure that any grant of the Award and issuance of shares of Common Stock under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur on the earliest date on which it would not violate applicable law.

**8. GRANT NOT TO AFFECT EMPLOYMENT.**

Neither this Agreement nor the Award granted hereunder shall confer upon the Participant any right to continued employment with the Corporation. This Agreement shall not in any way modify or restrict any rights the Corporation may have to terminate such employment.

**9. ADJUSTMENTS TO AWARD.**

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Award granted to the Participant under this Agreement shall be adjusted by the Compensation Committee pursuant to Section 11.2 of the Plan in such manner as the Compensation Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

**10. MISCELLANEOUS.**

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(c) The provisions of the Plan and LTIP are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan or the LTIP, the provisions of the Plan and the LTIP shall control.

(d) The Award granted under this Agreement is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), under the exemption for "short-term deferrals" under Treasury Regulation Section 1.409A-1(b)(4), and shall be interpreted in a manner consistent with the requirements for such exemption. To the extent that changes are necessary to ensure that the Award and any related dividend equivalent rights comply with any additional requirements for such exemption imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend this Agreement so that the Award and any dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

**PARTICIPANT WELLTOWER INC.**

[Signature] \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_

## WELLTOWER INC.

## 2022-2024 LONG-TERM INCENTIVE PROGRAM

1. **Purpose.** This 2022-2024 Long-Term Incentive Program (the “Program”) is adopted pursuant to the Welltower Inc. 2016 Long-Term Incentive Plan (the “Equity Plan”) and any successor equity plan and is intended to provide an incentive for superior work and to motivate executives and employees of Welltower Inc. (the “Company”) toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives and employees. The Program is for the benefit of Participants (as defined below).

2. **Definitions.** Capitalized terms used herein without definitions shall have the meanings given to those terms in the Equity Plan. In addition, as used herein:

“Adjusted Annualized EBITDA” means the Company’s earnings before interest, taxes, depreciation and amortization, excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, and additional other income for the three month period beginning on October 1, 2024 and ending on December 31, 2024, and then expressed on an annualized basis.

“All REIT Index” means the MSCI US REIT Index.

“Annualized TSR Percentage” means  $(1 + \text{TSR})^{(1/3)} - 1$ .

“Award” means a grant to a Participant hereunder. The Company intends that while Awards may be granted under the Program in any form of grant permitted under the Equity Plan not in conflict with the terms of the Program, the two types of Awards that are intended to be granted are (1) Performance Awards and (2) Time-Based Awards in the form of Options and/or restricted stock units with vesting based on the completion of specified periods of continuous service with the Company and its subsidiaries.

“Award Notice” means the restricted stock unit or Option award agreement with a Participant that sets forth the terms, conditions and limitations of the Participant’s participation in this Program, including, without limitation and as may be applicable, the Participant’s Target Award, the Participant’s threshold, target, and high payout multiples and the Time Restriction.

“Cause” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Cause” is defined therein, then “Cause” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination or the Participant’s employment agreement does not define “Cause,” then “Cause” shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Company or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Company or any Subsidiary, including but not limited to the provisions of Section 4 herein; (iii) conduct by the Participant against the best interests of the Company or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Company, any Subsidiary or the employees of either the Company or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant’s job responsibilities for the Company; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Company or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability) after a demand for substantial performance is made by the Company; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Company’s policies and procedures, including but not limited to the Company’s Code of Business Conduct & Ethics.

“Change in Corporate Control” shall have the same meaning as set forth in Section 10.1(a) of the Equity Plan and Section 10.1(c) of the Equity Plan. In addition, in order to qualify as a “Change in Corporate Control”, an event must also meet the requirements for a “change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation” with the meaning of Treas. Reg. §1.409A-3(i)(5).

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” or “Shares” means the Company’s common stock, par value \$1.00 per share, either currently existing or authorized hereafter.

“Common Stock Price” means, as of a particular date, the average of the Fair Market Value of one share of Common Stock over the 20 consecutive trading days ending on, and including such date (or if such date is not a trading day, the most recent trading day immediately preceding such date); provided that, if such date is the date upon which a Change in Corporate Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Compensation Committee, of the total consideration paid or payable in the transaction resulting in the Change in Corporate Control for one share of Common Stock.

“Compensation Committee” means the Compensation Committee of the Board of Directors of the Company.

“Disability” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Disability” is defined therein, then “Disability” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company that defines “Disability,” then “Disability” shall have the same meaning as defined in the Equity Plan.

“Dividend Value” means the aggregate amount of dividends and other distributions paid on one Share for which the record date occurred on or after the first day of the Restrictive Determination Period and prior to the final settlement date on which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares). No dividends or other distributions shall be paid or accrued with respect to Shares subject to an Option.

“Earned Award” means, with respect to a Participant’s Performance Award, the actual number of shares of Common Stock that were earned by such Participant pursuant to this Program at the end of the Performance Period based on the achievement of the performance goals set forth in Section 5.

“Equity Plan” means the Welltower Inc. 2016 Long-Term Incentive Plan, as amended from time to time.

“Fair Market Value” means, as of any given date, the fair market value of a security which shall be the closing sale price reported for such security on the principal national securities exchange on which the security is publicly traded or, if not applicable, any other national securities exchange on which the security is traded or admitted to trading on such date on which a sale was reported. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“Good Reason” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “good reason” is defined therein, then “Good Reason” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination and/or the Participant’s employment agreement does not define “Good Reason”: (i) a substantial adverse change, not consented to by the Participant, in the nature or scope of the Participant’s responsibilities, authorities, powers, functions, or duties; or (ii) a breach by the Company of any of its material obligations under the Program. Unless otherwise provided in an employment agreement to which the Participant is a party immediately prior to such termination, to constitute “good reason termination,” the Participant must: (1) provide written notice to the Company within 90 days of the initial existence of the event constituting “Good Reason;” (2) may not terminate his or her employment unless the Company fails to substantially remedy the event constituting “Good Reason” within 30 days after such notice has been given; and (3) the Participant must terminate employment with the Company no later than 30 days after the end of the 30-day period in which the Company fails to substantially remedy the event constituting “Good Reason.”

“Health Care Facilities” means any senior housing facilities or facilities used or intended primarily for the delivery of health care services, including, without limitation, any active adult communities, independent living

facilities, assisted living facilities, skilled nursing facilities, inpatient rehabilitation facilities, ambulatory surgery centers, outpatient medical treatment facilities, medical office buildings, hospitals not excluded below, or any similar types of facilities or enterprises, but in any event excluding acute care hospitals or integrated health care delivery systems that include acute care hospitals.

“Health Care REIT Index” means the FTSE NAREIT Health Care REIT Index on the Grant Date (or a successor index including a comparable universe of publicly traded U.S. real estate investment trusts), in each case adjusted and reweighted to exclude the Company from the index. Any health care REIT organization that is not in existence for the entire Performance Period shall be omitted from this index.

“Index Return” means, with respect to the Performance Period, the return of either the Health Care REIT Index, or the All REIT Index, as applicable, over the Performance Period expressed as a percentage. For the avoidance of doubt, the intent of the Compensation Committee is that Index Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company’s TSR and the Index Return for the purpose of determining Relative Performance. In the case of the Health Care REIT Index, the Index Return shall be computed as the sum of each component company’s weighted TSR with each component company’s weight as the average of its relative market capitalization at the beginning of the Performance Period.

“Net Debt + Preferred” means the sum of (a) the Company’s long-term debt, less cash and cash equivalents, and (b) the total amount of the Company’s preferred stock as of the end of the Performance Period (or other applicable designated period).

“Options” means the rights to purchase shares of Common Stock granted pursuant to Article IV of the Equity Plan, including both ISOs and Nonstatutory Options.

“Participant” means an executive or employee of the Company or any Subsidiary selected by the Compensation Committee to participate in the Program.

“Performance Award” means an award, expressed as a number of restricted stock units reflecting achievement of the Target Award. Such number of restricted stock units shall be equal to the sum arrived at by (1) applying the weighting of each applicable performance goal set forth on Exhibit A to the aggregate target value of the award (expressed in dollars) established by the Compensation Committee at the time of grant, (2) dividing the weighted target value for each performance goal by the applicable probability-adjusted fair value per share of Common Stock (as described in further detail in Exhibit A), and (3) rounding to the nearest whole share of Common Stock, that vests upon the achievement of performance goals at the end of a Performance Period.

“Performance Period” means the period commencing on January 1, 2022 and concluding on the earlier of (i) December 31, 2024, or (ii) a Change in Corporate Control.

“Program” means this Welltower Inc. 2022-2024 Long-Term Incentive Program, as amended from time to time.

“Qualified Termination” means termination of a Participant’s employment for Good Reason, by reason of the Participant’s death, Disability, by the Company without Cause, Retirement and in the case of a Participant who is party to a fixed-term employment agreement with the Company, a non-renewal by the Company of the term of such agreement.

“Relative Performance” means the Company’s TSR relative to the applicable Index Return, as expressed as an Annualized TSR Percentage.

“Restricted Period” means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.

“Restrictive Determination Period” means (a) the Performance Period in the case of a Performance Award and (b) the period of time during which the applicable Time Restriction has not yet fully lapsed in the case of a Time-Based Award.

“**Retirement**” means the voluntary termination of employment by a Participant after attaining age 55 and completing ten consecutive full years of service; provided, however, that the sum of the Participant’s age and consecutive full years of service to the Company shall be equal to 70 or more; and provided further that the Participant (a) delivers to the Company, so that the Company receives or is deemed to have received in accordance with Section 12(i) at least six months prior to the date of his or her retirement, written notice specifying such retirement date, (b) remains in the continuous service of the Company from the date the written notice is received until his or her retirement date, and (c) enters into a retirement agreement with the Company in such form as shall be determined by the Company from time to time that includes both (i) a customary release of claims covering the Company and its affiliates, and (ii) an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

“**Target Award**” means a Participant’s target award, expressed as a number of restricted stock units, for the Performance Period, as set forth in the Participant’s Award Notice.

“**Time-Based Award**” means an award, expressed as a number of Options and/or restricted stock units, that vests upon the lapse of the Time Restriction. (A Time-Based Award in the form of restricted stock units is a type of “Other Stock Unit Award” as classified under the Equity Plan.)

“**Time Restriction**” means the period of time set forth in the Award Notice during which a Time-Based Award (or portion thereof) is invested and forfeitable based on the completion of periods of continued employment with the Company or as otherwise expressly set forth in this Program.

“**Total Shareholder Return**” or “**TSR**” means for the common stock of the applicable company, the total shareholder return (share price appreciation/depreciation during the applicable Performance Period plus the value attributable to reinvested dividends paid on the shares during the applicable Performance Period). The TSR shall be expressed as a percentage. The calculation of TSR will be based on the average closing price of the shares for the twenty trading days immediately preceding the first day of the Performance Period and the average closing price of the shares for the twenty trading days immediately preceding the last day of the applicable Performance Period. The TSR will be calculated assuming that cash dividends (including extraordinary cash dividends) paid on the shares are reinvested in additional shares on the ex-dividend date and that any securities distributed to shareholders in a spinoff transaction are sold and the proceeds reinvested in additional shares on the ex-dividend date.

“**Vested Award**” means a Time-Based Award (or portion thereof) that is fully vested and nonforfeitable due to the lapse of the applicable Time Restriction.

### 3. **Administration**

(a) The Program shall be administered by the Compensation Committee in accordance with the Equity Plan. The Compensation Committee shall have the discretionary authority to make all determinations (including, without limitation, the interpretation and construction of the Program and the determination of relevant facts) regarding the entitlement to any Award hereunder and the amount of any Award to be paid under the Program (including the number of shares of Common Stock issuable to any Participant), provided such determinations are not made in bad faith and are not inconsistent with the terms, purpose and intent of the Program. The Compensation Committee may delegate to one or more officers or employees of the Company some or all of its authority to administer the Program as described in this Section 3, and in the event of such delegation, references to the Compensation Committee in this Section 3 shall apply in the same manner to such delegate or delegates to the extent of such delegated authority. In particular, but without limitation and subject to the foregoing, the Compensation Committee shall have the authority:

(i) to select Participants under the Program in its sole discretion;

(ii) with respect to Performance Awards, to determine the Target Award and any formula or criteria for the determination of the Target Award for each Participant and such individual’s Performance Award and to determine the Earned Award;

(iii) with respect to Time-Based Awards, to determine the applicable Time Restriction;

(iv) to determine the terms and conditions, consistent with the terms of this Program, which shall govern Award Notices and all other written instruments evidencing an Award hereunder, including the waiver or modification of any such conditions;



(v) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Program as it shall from time to time deem advisable; and

(vi) to interpret the terms and provisions of the Program and any Award granted under the Program (and any Award Notices or other agreements relating thereto) and to otherwise supervise the administration of the Program.

(b) Subject to the terms hereof, all decisions made by the Compensation Committee (or any officer or employee of the Company to whom it has delegated some or all of its authority to administer the Program) not made in bad faith pursuant to the Program shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Compensation Committee, and no officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination, or interpretation taken or made not in bad faith with respect to this Program, and all members of the Compensation Committee and each and every officer or employee of the Company acting on their behalf shall, to the fullest extent not prohibited by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

#### 4. **Conditions of Participation**

As a condition of entitlement to participate in the Program, whether or not the Participant receives any payment or other benefit under the Program, each Participant shall comply with the following restrictive covenants.

(a) **Protection of Confidential Information.** Participant, both during employment with the Company and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Company while employed by the Company. Upon Participant's termination of employment, Participant shall return to the Company all Confidential Information and shall not retain any Confidential Information in Participant's possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 4(a) shall not apply to Confidential Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 4 or any other duty owed to the Company by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Program, Confidential Information means, without limitation, any non-public confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Company, in any form, including electronic media. Confidential Information also includes, but is not limited to the Company's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Company.

(b) **Non-Competition.** In the course of the performance of Participant's job responsibilities for the Company, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Company's business (including confidential information relating to the Company and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and development plans and prospects). Accordingly, during employment with the Company and for the applicable Restricted Period following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Company or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities; (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.

Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Company or any of its

affiliates in any area described above and other activities that do not compete with the Company or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Company and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 4(b).

(c) **Non-Solicitation.** During employment with the Company and for one year following the end of Participant's employment with the Company, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Company or any subsidiary or affiliate of the Company.

(d) **Non-Disparagement.** At all times during and following Participant's employment with the Company, Participant will not make or direct anyone else to make on Participant's behalf any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(e) **Remedies.** For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Company may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein. Notwithstanding any other provision of this Program, by becoming entitled to receive any payments or other benefits under this Program, Participant is deemed to have agreed that damages would be an inadequate remedy for the Company in the event of a breach or threatened breach by Participant of any of Sections 4(a) through 4(d), inclusive. In the event of any such breach or threatened breach, and without relinquishing any other rights or remedies that the Company may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Program, the Company may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 4 and requiring Participant to comply with its provisions. The Company may present this Section 4 to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Company contends violates this Section 4, if the Company has reason to believe Participant has or may have breached a provision of this Section 4.

## 5. **Determination of Awards**

(a) Each Participant's Award Notice shall specify, as applicable, such Participant's Target Award (expressed as a number of restricted stock units) and threshold, target, and high payout multiples or Time Restriction.

(b) With regard to a Performance Award, the percentage of a Participant's Target Award that may be earned for the Performance Period shall be determined as follows: 37.5 percent of the Target Award shall be earned based on the Company's Relative Performance to the Health Care REIT Index; 37.5 percent of the Target Award shall be earned based on the Company's Relative Performance to the All REIT Index; and 25 percent of the Target Award shall be earned based on the Company's (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio; all as further set forth on Exhibit A.

(c) Depending on the score for each of the performance goals of a Performance Award as determined pursuant to Exhibit A, the Earned Award for the Performance Period shall be determined based on the Participant's individual threshold, target and high payout multiples described in the Participant's Award Notice. For performance between two different tiers, the percentage payable shall be calculated using linear interpolation between tiers. The level of achievement for each listed performance goal shall be determined independently.

(d) With regard to a Time-Based Award, the Time Restriction included in the Award Notice shall generally not be less than three years from the Date of Grant; provided, that such an Award Notice may permit pro rata vesting over such time.

(e) Except as otherwise provided herein, the Earned Award and Vested Award shall be paid in shares of Common Stock upon satisfaction of the requirements as set forth in Section 8.

6. **Change in Corporate Control.** In the event that prior to December 31, 2024, a Change in Corporate Control occurs, then the following provisions shall apply:

(a) In the case of a Performance Award, each such outstanding Award will be deemed earned as of the date of such Change in Corporate Control in accordance with the computation described in Section 5(b) as if the Performance Period ended on the day prior to the consummation of the Change in Corporate Control, except that corporate metrics not tied to TSR shall be calculated based on the results through the most recent completed fiscal quarter, but each Award shall further be multiplied by a fraction, the numerator of which shall be the number of full and partial months from the beginning of the Performance Period through the Change in Corporate Control and the denominator of which shall be 36. Notwithstanding Sections 4 and 8(b), any shares of Common Stock issued to satisfy such outstanding Earned Awards shall be fully vested and nonforfeitable.

(b) In the case of a Time-Based Award, the Time Restriction applicable to such Time-Based Award shall lapse in its entirety and such award shall become a Vested Award if either (i) the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace such other awards on proportionate and equitable terms or (ii) the Participant is terminated without Cause upon or within 12 months following the Change in Corporate Control.

7. **Termination of Participant's Employment.**

(a) If a Participant's employment with the Company terminates, the provisions of this Section 7 shall govern the treatment of the Participant's Award exclusively, regardless of the provisions of any employment, change in control or other agreement or arrangement to which the Participant is a party, or any termination or severance policies of the Company then in effect, which shall be superseded by this Program.

(b) In the event of termination of a Participant's employment by reason of a Qualified Termination prior to the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) In the case of a Performance Award, the Compensation Committee shall determine the Participant's Earned Award in accordance with the computation described in Section 5(b) as if the Performance Period ended on the calendar quarter end immediately preceding the date of the Participant's Qualified Termination; provided, however, that the Earned Award of such terminated Participant for the Performance Period shall be multiplied by a fraction, the numerator of which shall be the number of complete months during which the Participant was an employee of the Company during the Performance Period and the denominator of which shall be the total number of months in the Performance Period. The pro-rated Earned Award shall be paid out in shares of Common Stock that are fully vested.

(ii) In the case of a Time-Based Award, the Participant shall retain the portion of the Time-Based Award that is a Vested Award with any Time-Based Award in the form of Options that has not yet been exercised remaining exercisable as set forth in the Award Notice. Unless otherwise determined by the Compensation Committee, the unvested portion of the Time-Based Award shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested portion of the Time-Based Award.

(c) In the event of termination of a Participant's employment by reason of a Qualified Termination after the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) Any portion of the Participant's Earned Award or Time-Based Award in the form of restricted stock units that has not yet been settled shall become fully vested and shall be paid out in shares of Common Stock; and

(ii) Any portion of the Participant's Time-Based Award in the form of Options that has not yet been exercised shall remain exercisable as set forth in the Award Notice.

(d) As a condition of receiving any payments or benefits under this Program on account of Participant's Qualified Termination, the Company may, in its sole discretion, require Participant to deliver an irrevocable, effective release of claims in the form determined by the Company and/or an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

(e) In the event of a termination of a Participant's employment for any reason other than a Qualified Termination prior to the end of the applicable Restrictive Determination Period, except as otherwise set forth in the Participant's Award Notice or as otherwise determined by the Compensation Committee, the Award held by the Participant during the Performance Period or portion of the Award for which the Time Restriction has not lapsed shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Award. In the event of a termination of a Participant's employment for any reason other than a Qualified Termination after the end of the applicable Restrictive Determination Period, any portion of the Earned Award or Time-Based Award that has not yet been settled in shares of Common Stock shall be forfeited.

#### 8. Payment of Awards.

(a) As soon as practicable following the end of the applicable Restrictive Determination Period:

(i) The portion of a Time-Based Award in the form of restricted stock units for which the Time Restriction has lapsed shall be settled in shares of Common Stock; and

(ii) In the case of a Performance Award, the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period.

The date on which such settlement of the Awards occurs shall be referred to herein as the "Issuance Date". In no event shall the Issuance Date with respect to the end of the Restrictive Determination Period for an Award be later than 74 days after the end of the applicable Restrictive Determination Period or on such later date as provided by the Compensation Committee (or in the case of a Performance Award, as set forth under Section 8(b) below); provided that (i) in the case of the Performance Period (in the case of a Performance Award) or Time Restriction (in the case of a Time-Based Award) that ends upon a Change in Corporate Control, the Issuance Date shall be no later than immediately prior to the consummation of the Change in Corporate Control, and (ii) in the case of a determination required by Section 7(b), the Issuance Date shall generally be no later than 74 days after the date of the Participant's Qualified Termination or on such later date as provided by the Compensation Committee.

The portion of a Time-Based Award in the form of Options for which the Time Restriction has lapsed shall be paid in shares of Common Stock following the exercise of such Time-Based Award in accordance with the terms set forth in the Award Notice.

(b) Except as otherwise provided in Sections 6 and 7, on the vesting date described below, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Performance Award a number of shares of Common Stock equal to the vested portion of the Earned Award. Subject to a Participant's continued employment with the Company or a subsidiary and continued compliance with the restrictive covenants set forth in Section 4 through such date, the Shares subject to a Participant's Earned Award shall be vested as of the date that the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period. In addition, on the vesting date (or on the Issuance Date with regard to an Earned Award settled in accordance with Section 6 or 7), the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(b) on such date.

(c) Except as otherwise provided in Sections 6 and 7, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Time-Based Award a number of shares of Common Stock equal to the vested portion of the Time-Based Award on the Issuance Date or, if applicable, the exercise date. In addition, on the Issuance Date, the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(c) on such date.

9. **Adjustments.** Without duplication with the provisions of Sections 3 and 11 of the Equity Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of Shares, sale of all or substantially all of the assets or Shares of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Compensation Committee necessitates action by way of adjusting the terms of the Program, then and in that event, the Compensation Committee shall take such action as shall be necessary to maintain the Participants' rights hereunder so that they are substantially the same rights existing under this Program prior to such event.

10. **Restrictions and Conditions; Non-Transferability of Awards.** Subject to the provisions of the Equity Plan and this Program, except as may otherwise be permitted by the Compensation Committee, a Participant shall not be permitted voluntarily or involuntarily to sell, assign, transfer, or otherwise encumber or dispose of the options, restricted stock units or an Award; provided that the foregoing restriction shall not apply to Shares actually issued to a Participant.

11. **Withholding of Tax.** Unless otherwise agreed to between the Company and a Participant, the Company will cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of Shares to be issued to a Participant with an aggregate Fair Market Value that would satisfy the withholding amount due. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on tax withholding obligations being satisfied by such Participant or through the Company's exercise of its authority. The Compensation Committee expressly provides that the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) of an Award granted to a Participant who is an officer within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended, shall be satisfied by withholding a number of whole Shares to be issued to the Participant with an aggregate Fair Market Value that fully satisfies the withholding amount due.

12. **Miscellaneous.**

(a) **Amendment and Termination.** The Company reserves the right to amend or terminate the Program at any time in its discretion without the consent of any Participant, but no such amendment shall adversely affect the rights of the Participants with regard to outstanding Awards in any material respect.

(b) **No Contract for Continuing Services.** This Program shall not be construed as creating any contract for continued services between the Company or any of its Subsidiaries and any Participant, and nothing herein contained shall give any Participant the right to be retained as an employee or consultant of the Company or any of its Subsidiaries or to receive any future awards or benefits under the Equity Plan.

(c) **Governing Law.** The Program and each Award Notice awarded under the Program shall be construed in accordance with and governed the laws of the State of Ohio, without regard to principles of conflict of laws of such state; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

(d) **Arbitration.** Subject to Section 4(e) hereof, all claims, disputes, questions, or controversies arising out of or relating to this Program, will be resolved exclusively in final and binding arbitration held under the auspices of Judicial Arbitration & Mediation Services, Inc. ("JAMS") in accordance with JAMS then current Employment Arbitration Rules and Procedures, or successor rules then in effect. The arbitration will be held in New York, New York, and will be conducted and administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Participant and the Company will select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided by this Program, the Federal Arbitration Act will govern the administration of the arbitration proceedings. The arbitrator will apply the substantive law (and the law of remedies, if applicable) of the State of Ohio, or federal law, if Ohio law is preempted, and the arbitrator is without jurisdiction to apply any different substantive law. Participant and the Company will each be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator consistent with the nature of the claim(s) in dispute. The arbitrator will have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and will apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator will render a written award and supporting opinion that will set forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be entered in any court of competent jurisdiction. The Company will pay the arbitrator's fees, as well as all administrative fees, associated with the arbitration. Each party will be responsible for paying its own attorneys' fees and costs (including expert witness fees and costs, if any), provided, however, that the arbitrator may award attorney's fees and costs to the prevailing party, except as prohibited by law. If the Company is the prevailing party,

the arbitration may award some or all of the costs for the arbitrator's fees and/or other administrative fees to the fullest extent not prohibited by law. The existence and subject matter of all arbitration proceedings, including, any settlements or awards thereunder, shall remain confidential.

(e) Construction. Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

(f) Headings. The Section headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of this Program, the text shall control.

(g) Effect on Other Plans. Nothing in this Program shall be construed to limit the rights of Participants under the Company's or its Subsidiaries' benefit plans, programs or policies.

(h) Clawback Policy. All Awards granted under this Program shall be subject to forfeiture (as determined by the Compensation Committee) in accordance with the terms of the Company's clawback or recoupment policy (as in effect from time to time). Furthermore, prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein.

(i) Notices. Any notice provided for under this Program shall be in writing and may be delivered in person or sent by overnight courier, certified mail, or registered mail (return receipt requested), postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

If to the Company: Welltower Inc., 4500 Dorr Street, Toledo, OH 43615 Attention: Legal Department

If to a Participant, at the address on file with the Company's Human Resources Department.

The actual date of mailing, as shown by a mailing receipt therefor, shall determine the time at which notice was given. Any Participant may change the address at which notice shall be given by notifying the Company in the manner set forth in this Section 12(i). The Company may change the address at which notice shall be given by notifying each Participant in the manner set forth in this Section 12(i).

(j) Section 409A.

(1) This Program is intended to either be exempt from or comply with Section 409A of the Code ("Code Section 409A") and will be interpreted in a manner consistent with such intent. Any provision that would cause this Program or any payment hereunder to fail to satisfy Code Section 409A of the Code shall have no force or effect until amended to the minimum extent required to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits that may be considered "deferred compensation" under Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Program, references to a "retirement," "termination," "termination of employment" or like terms shall mean such a "separation from service".

(2) Any payment scheduled to be made under this Program that may be considered made under a "nonqualified deferred compensation plan" subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A), that are otherwise due on or within the six-month period following termination of employment will accrue during such six-month period and will instead become payable in a lump sum payment on the first business day period following such six-month period. Furthermore, notwithstanding any contrary provision herein, if any other payments of money or other benefits due to a Participant under this Agreement could cause the application of an accelerated or additional tax under Code Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax.

(3) Notwithstanding any contrary provision herein, a Participant’s right to any payment (including each installment payment) under this Program shall be treated as a “separate payment” within the meaning of Code Section 409A.

END OF PROGRAM DOCUMENT

**Exhibit A**

2022-2024 LTI – Forward Looking	Weighting	Threshold <sup>4</sup>	Target	High <sup>5</sup>
<i>Payout for Relative TSR Performance Measures</i>		25%	100%	300%
<i>Relative Performance to Health Care REIT Index<sup>1</sup></i>	40%	-600 bps	0 bps	+ 600 bps
<i>Relative Performance to All REIT Index (MSCI)<sup>2</sup></i>	40%	-600 bps	0 bps	+ 600 bps
<i>Payout for Financial Performance Measure</i>		50%	100%	200%
<i>(Net Debt + Preferred) / Adjusted Annualized EBITDA<sup>3</sup></i>	20%	7.5x	7.0x	6.5x

1. Matching the index performance is achievement at the “Target” level. Exceeding index performance by 600 basis points results in payout at the “High” level, which is the maximum payout level. Trailing index performance by 600 basis points results in a payout at the “Threshold” level.
2. Same as #1 above.
3. The “Target” payout level is set at the (Net Debt + Preferred)/Adjusted Annualized EBITDA ratio of 7.0x. “Threshold” will be met at a ratio at 7.5x. The “High” payout level will be met at a ratio at or below 6.5x.
4. “Threshold” payout is 25% of the “Target” level for all Participants for the relative TSR performance measures and 50% for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.
5. “High” payout is 300% of the “Target” level for all Participants for the relative TSR performance measures and 200% for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.

The program also has a stock price cap of \$150. In addition, after vesting, the named executive officers have a 2-year holding period requirement while all other participants have a 1-year holding period requirement.

The 20-trading day weighted average of the Common Stock ending with the closing price on the grant date will be used to determine the number of restricted stock units granted (assuming “Target” level performance) with respect to each of the performance measures.

In the event the Company’s performance shall fall between two levels in the above chart, linear interpolation shall be used to determine the percentage of the Target Award earned.

## LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT

**THIS LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT** (the “**Agreement**”), made this [\_\_\_\_\_] , 2022, between Welltower Inc., a Delaware corporation (the “**Corporation**”), and [\_\_\_\_\_] (the “**Participant**”).

**WHEREAS**, the Participant is an employee of the Corporation; and

**WHEREAS**, the Corporation adopted the Welltower Inc. 2016 Long-Term Incentive Plan (the “**Plan**”) and the 2022-2024 Long-Term Incentive Program (the “**LTIP**”) in order to provide select executives and key employees with incentives to achieve long-term corporate objectives; and

**WHEREAS**, the Compensation Committee of the Corporation’s Board of Directors has determined that the Participant should be granted a restricted stock unit award subject to performance-based vesting conditions and/or time-based vesting conditions on the terms set forth in the LTIP and herein;

**WHEREAS**, the restricted stock unit award granted to the Participant shall be payable in shares of the Corporation’s common stock, \$1.00 par value per share (“**Common Stock**”), upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

**WHEREAS**, any Options granted to the Participant hereunder shall be exercised for shares of Common Stock upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

**NOW, THEREFORE**, in consideration of the past and future services provided to the Corporation by the Participant and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**1. GRANT OF AWARD.**

The Corporation hereby grants to the Participant one or both of the following:

- A Performance Award of [\_\_\_\_\_] performance-based restricted stock units (the “**Target Award**”) on January 14, 2022 (the “**Date of Grant**”), payable in shares of Restricted Stock, subject to satisfaction of the restrictions, vesting conditions and other terms set forth in this Agreement.
- An Other Stock Unit Award (the “**Time-Based Award**”) of [\_\_\_\_\_] time-based restricted stock units and/or [\_\_\_\_\_] time-based Options on the Date of Grant, which shall vest subject to the Participant’s continued employment, in accordance with the following schedule: one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2023, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2024, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2025, and one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2026 (each such date, the “**Vesting Date**”). Upon vesting, the restricted stock units shall become issuable in shares of Common Stock and the Options shall become exercisable for shares of Common Stock. The exercise price of any time-based Options shall be \$\_\_\_\_\_. Such Options shall not have any common stock dividends or dividend equivalents paid and shall have a maximum term of ten years.

The Target Award and the Time-Based Award shall be referred to herein as the “**Award**”. The Participant shall not be required to provide the Corporation with any payment (other than his or her past and future services to the Corporation or payment of the exercise price upon exercise of any exercisable Options) in exchange for the Award or in exchange for the issuance of shares of Common Stock (upon (1) the determination of the Earned Award and satisfaction of the applicable periods of continued service with the Corporation in the case of a Performance Award or (2) the lapse of the applicable Time Restriction in the case of a Time-Based Award and the payment of the exercise price in the case of exercisable Options).



**2. DELIVERY OF SHARES.**

(a) The Participant shall not be entitled to the issuance of shares of Common Stock or to receive any distributions with respect to the Performance Award or Time-Based Award until the determination of the Earned Award (in the case of the Performance Award) as provided in the LTIP and in Section 3 or 5 below or lapse of the applicable Time Restriction, and in the case of Options, the payment of the exercise price (in the case of the Time-Based Award). Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant.

(b) The Participant's Performance Award and Time-Based Award may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under this Agreement may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture. Any attempt to dispose of the Participant's Award or shares issued thereunder in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

**3. ISSUANCE OF SHARES.**

The Corporation shall issue shares of Common Stock to the Participant in accordance with the provisions of Section 8 of the LTIP. Any shares of Common Stock subject to Options shall not be issued until exercised in accordance with Section 4.1 of the Plan.

**4. TAX WITHHOLDING.**

The Corporation shall satisfy its tax withholding obligations in accordance with Section 11 of the LTIP.

**5. TERMINATION OF EMPLOYMENT.**

In the event of the end of the Participant's employment with the Corporation prior to the time that all vested shares of Common Stock, if any, are issued under the LTIP, the Award shall be administered in accordance with Section 7 of the LTIP. Any Options that are part of a Vested Award shall remain exercisable after the end of the Participant's employment with the Corporation for the following periods (but in no event longer than the ten year maximum term of the Options): (1) eighteen (18) months in the event of the Participant's death, (2) twelve (12) months in the event of the Participant's Qualified Termination other than death, (3) three (3) months in the event of the Participant's termination of employment that is neither a Qualifying Termination nor for Cause, and (4) no period of time following the Participant's termination of employment in the event of a termination for Cause.

**6. DEFINITIONS.**

Capitalized terms used herein without definitions shall have the meanings given to those terms in the LTIP.

**7. SECURITIES LAWS.**

The Corporation may from time to time impose such conditions on the vesting of the Award, and/or the issuance of shares of Common Stock upon vesting (and in the case of Options, exercise) of the Award, as it deems reasonably necessary to ensure that any grant of the Award and issuance of shares of Common Stock under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur on the earliest date on which it would not violate applicable law.

**8. GRANT NOT TO AFFECT EMPLOYMENT.**

Neither this Agreement nor the Award granted hereunder shall confer upon the Participant any right to continued employment with the Corporation. This Agreement shall not in any way modify or restrict any rights the Corporation may have to terminate such employment.

**9. ADJUSTMENTS TO AWARD.**

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Award granted to the Participant under this Agreement shall be adjusted by the Compensation Committee pursuant to Section 11.2 of the Plan in such manner as the Compensation Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

**10. MISCELLANEOUS.**

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(c) The provisions of the Plan and LTIP are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan or the LTIP, the provisions of the Plan and the LTIP shall control.

(d) The Award granted under this Agreement is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), under the exemption for "short-term deferrals" under Treasury Regulation Section 1.409A-1(b)(4) or options to purchase "service recipient stock" under Treasury Regulation Section 1.409A-1(b)(5), and shall be interpreted in a manner consistent with the requirements for such exemptions. To the extent that changes are necessary to ensure that the Award and any related dividend equivalent rights comply with any additional requirements for such exemptions imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend this Agreement so that the Award and any dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

**PARTICIPANT WELLTOWER INC.**

[Signature] \_\_\_\_\_ By: \_\_\_\_\_  
[Signature] \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_

## WELLTOWER INC.

## 2022 OUTPERFORMANCE PROGRAM

1. **Purpose.** This 2022 Outperformance Program (the “Program”) is adopted under the terms of the Welltower Inc. 2016 Long-Term Incentive Plan (the “Equity Plan”) and is intended to provide an incentive for the achievement of the strategic transformation of Welltower Inc. (the “Company”) and to tie the goals and interests of the Company’s senior executives to those of the Company and its stockholders. The Program is for the benefit of Participants (as defined below).

2. **Definitions.** Capitalized terms used herein without definitions shall have the meanings given to those terms in the Equity Plan. In addition, as used herein:

“Absolute TSR Override Goal” means achievement by the Company of Total Shareholder Return for the Performance Period calculated on an annual compounded basis, which for the entire four-year Performance Period is equal to a compounded annual growth rate of at least 10%.

“Absolute TSR Threshold Goal” means achievement by the Company of Total Shareholder Return for the Performance Period calculated on an annual compounded basis, which for the entire four-year Performance Period is equal to a compounded annual growth rate of at least 5%.

“All REIT Index” means the MSCI US REIT Index.

“Annualized TSR Percentage” means  $(1 + \text{TSR})^{(1/4)} - 1$ .

“Award” means a grant to a Participant of restricted stock units with vesting contingent upon the achievement of the Threshold Goals and then based on the level of achievement of performance goals at the end of the Performance Period as set forth in Exhibit A, subject to the Participant’s continuous employment with the Company throughout the entire Performance Period.

“Award Notice” means the award agreement with a Participant that sets forth the terms, conditions and limitations of the Participant’s participation in the Program, including, without limitation and as may be applicable, the payout levels for a Participant’s Award.

“Cause” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Cause” is defined therein, then “Cause” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination or the Participant’s employment agreement does not define “Cause,” then “Cause” shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Company or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Company or any Subsidiary, including but not limited to the provisions of Section 4 herein; (iii) conduct by the Participant against the best interests of the Company or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Company, any Subsidiary or the employees of either the Company or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant’s job responsibilities for the Company; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Company or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability) after a demand for substantial performance is made by the Company; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Company’s policies and procedures, including but not limited to the Company’s Code of Business Conduct & Ethics.

“Change in Corporate Control” shall have the same meaning as set forth in Section 10.1(a) of the Equity Plan and Section 10.1(c) of the Equity Plan.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” means the Company’s common stock, par value \$1.00 per share, either currently existing or authorized hereafter.

“Common Stock Price” means, as of a particular date, the volume weighted average of the Fair Market Value of one share of Common Stock over the 20 consecutive trading days ending on, and including such date (or if such date is not a trading day, the most recent trading day immediately preceding such date); provided that, if such date is the date upon which a Change in Corporate Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Compensation Committee, of the total consideration paid or payable in the transaction resulting in the Change in Corporate Control for one share of Common Stock.

“Disability” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “Disability” is defined therein, then “Disability” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company that defines “Disability,” then “Disability” shall have the same meaning as defined in the Equity Plan.

“Dividend Value” means the aggregate amount of dividends and other distributions paid on one Share for which the record date occurred on or after the first day of the Performance Period and prior to the Issuance Date (excluding dividends and distributions paid in the form of additional Shares).

“Earned Award” means, with respect to a Participant and such individual’s Award, the actual number of Shares that are earned by such Participant pursuant to the Program at the end of the Performance Period based on the achievement of the Threshold Goals and the performance goals set forth in Exhibit A.

“Equity Plan” means the Welltower Inc. 2016 Long-Term Incentive Plan, as amended from time to time.

“Fair Market Value” means, as of any given date, the fair market value of a security which shall be the closing sale price reported for such security on the principal stock exchange or, if applicable, any other national exchange on which the security is traded or admitted to trading on such date on which a sale was reported. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“FFO Goal” means an increase of the Company’s funds from operations calculated on an annual compounded basis, which for the entire four-year Performance Period is equal to a compounded annual growth rate of at least 9% when compared to the Company’s funds from operations for the Company’s 2021 fiscal year, as adjusted as specifically set forth in the Company’s quarterly earnings releases but excluding any funding received from the US Department of Health and Human Services. The term “funds from operations” means the Company’s net income attributable to common stockholders, computed in accordance with U.S. Generally Accepted Accounting Principles, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

“Good Reason” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “good reason” is defined therein, then “Good Reason” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination and/or the Participant’s employment agreement does not define “Good Reason”: (i) a substantial adverse change, not consented to by the Participant, in the nature or scope of the Participant’s responsibilities, authorities, powers, functions, or duties; or (ii) a breach by the Company of any of its material obligations under the Program. Unless otherwise provided in an employment agreement to which the Participant is a party immediately prior to such termination, to constitute “good reason termination,” the Participant must: (1) provide written notice to the Company within 90 days of the initial existence of the event constituting “Good Reason;” (2) may not terminate his or her employment unless the Company fails to substantially remedy the event constituting “Good Reason” within 30 days after such notice has been given; and (3) the Participant must terminate employment with the Company no later than 30 days after the end of the 30-day period in which the Company fails to substantially remedy the event constituting “Good Reason.”

“Health Care REIT Index” means the FTSE NAREIT Health Care REIT Index as of January 1, 2022 (or a successor index including a comparable universe of publicly traded U.S. real estate investment trusts), in each case adjusted and reweighted to exclude the Company from the index. Any health care REIT organization that is not in existence for the entire Performance Period shall be omitted from this index.

“Index Return” means, with respect to the Performance Period, the return of either the Health Care REIT Index or the All REIT Index, as applicable, over the Performance Period expressed as a percentage. For the avoidance of doubt, the intent of the Compensation Committee is that Index Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company’s TSR and the Index Return for the purpose of determining Relative Performance. In the case of the Health Care REIT Index, the Index Return shall be computed as the sum of each component company’s weighted TSR with each component company’s weight as the average of its relative market capitalization at the beginning of the Performance Period.

“Issuance Date” means the date on which the settlement of the Awards in shares of Common Stock occurs.

“Override Goal” means achievement of (i) the Absolute TSR Override Goal and (ii) Relative Performance of at least 150% against each of the All REIT Index and the Health Care REIT Index.

“Participant” means an executive or employee of the Company or any Subsidiary selected by the Compensation Committee to participate in the Program.

“Performance Period” means the period commencing on January 1, 2022 and concluding on December 31, 2025, or such shorter period as may occur in connection with a Change in Corporate Control as described in Section 6.

“Performance Pool” means the number of Shares payable with respect to all Awards under the Program as determined in accordance with Exhibit A.

“Program” means this Welltower Inc. 2022 Outperformance Program, as amended from time to time.

“Qualified Termination” means termination of a Participant’s employment for Good Reason, by reason of the Participant’s death, Disability, by the Company without Cause, Retirement and in the case of a Participant who is party to a fixed-term employment agreement with the Company, a non-renewal by the Company of the term of such agreement.

“Relative Performance” means the Company’s TSR relative to the applicable Index Return, as expressed as an Annualized TSR Percentage.

“Restricted Period” means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.

“Retirement” means the voluntary termination of employment by a Participant after attaining age 55 and completing ten consecutive full years of service; provided, however, that the sum of the Participant’s age and consecutive full years of service to the Company shall be equal to 70 or more; and provided further that the Participant (a) delivers to the Company, so that the Company receives or is deemed to have received in accordance with Section 12(i) at least six months prior to the date of his or her retirement, written notice specifying such retirement date, (b) remains in the continuous service of the Company from the date the written notice is received until his or her retirement date, and (c) enters into a retirement agreement with the Company in such form as shall be determined by the Company from time to time that includes both (i) a customary release of claims covering the Company and its affiliates, and (ii) an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

“Shares” means shares of Common Stock.

“Threshold Goals” means the Absolute TSR Threshold Goal and the FFO Goal.

“Total Shareholder Return” or “TSR” means for the Common Stock, the total shareholder return (share price appreciation/depreciation during the Performance Period plus the value attributable to reinvested dividends paid on the Shares during the applicable Performance Period). TSR shall be expressed as a percentage. The calculation of TSR will be based on the Common Stock Price as of the first day of the Performance Period and the Common Stock Price as of the last day of the applicable Performance Period. The TSR will be calculated assuming that cash dividends (including extraordinary cash dividends) paid on the Shares are reinvested in additional Shares on the ex-dividend date and that any securities distributed to shareholders in a spinoff transaction are sold and the proceeds reinvested in additional Shares on the ex-dividend date.

### 3. Administration

(a) The Program shall be administered by the Compensation Committee in accordance with the Equity Plan. The Compensation Committee shall have the discretionary authority to make all determinations (including, without limitation, the interpretation and construction of the Program and the determination of relevant facts) regarding the entitlement to any Award hereunder and the amount of any Award to be paid under the Program (including the number of Shares issuable to any Participant), provided such determinations are not made in bad faith and are not inconsistent with the terms, purpose and intent of the Program. The Compensation Committee may delegate to one or more officers or employees of the Company some or all of its authority to administer the Program as described in this Section 3, and in the event of such delegation, references to the Compensation Committee in this Section 3 shall apply in the same manner to such delegate or delegates to the extent of such delegated authority. In particular, but without limitation and subject to the foregoing, the Compensation Committee shall have the authority:

- (i) to select Participants under the Program in its sole discretion;
- (ii) to determine any formula or criteria for the determination of each Participant’s Award and to determine the Earned Award;

(iii) to determine the terms and conditions, consistent with the terms of the Program, which shall govern Award Notices and all other written instruments evidencing an Award hereunder, including the waiver or modification of any such conditions;

(iv) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Program as it shall from time to time deem advisable; and

(v) to interpret the terms and provisions of the Program and any Award granted under the Program (and any Award Notices or other agreements relating thereto) and to otherwise supervise the administration of the Program.

(b) Subject to the terms hereof, all decisions made by the Compensation Committee (or any officer or employee of the Company to whom it has delegated some or all of its authority to administer the Program) not made in bad faith pursuant to the Program shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Compensation Committee, and no officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination, or interpretation taken or made not in bad faith with respect to the Program, and all members of the Compensation Committee and each and every officer or employee of the Company acting on their behalf shall, to the fullest extent not prohibited by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

### 4. Conditions of Participation

As a condition of entitlement to participate in the Program, whether or not the Participant receives any payment or other benefit under the Program, each Participant shall comply with the following restrictive covenants.

(a) Protection of Confidential Information. Participant, both during employment with the Company and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Company while employed by the Company. Upon Participant’s termination of employment, Participant shall return to the Company all Confidential Information and shall not retain any Confidential Information in Participant’s possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 4(a) shall not apply to Confidential

Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 4 or any other duty owed to the Company by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Program, Confidential Information means, without limitation, any non-public confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Company, in any form, including electronic media. Confidential Information also includes, but is not limited to the Company's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Company.

(b) Non-Competition. In the course of the performance of Participant's job responsibilities for the Company, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Company's business (including confidential information relating to the Company and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and development plans and prospects). Accordingly, during employment with the Company and for the applicable Restricted Period following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Company or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities; (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.

Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Company or any of its affiliates in any area described above and other activities that do not compete with the Company or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Company and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 4(b).

(c) Non-Solicitation. During employment with the Company and for one year following the end of Participant's employment with the Company, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Company or any subsidiary or affiliate of the Company.

(d) Non-Disparagement. At all times during and following Participant's employment with the Company, Participant will not make or direct anyone else to make on Participant's behalf any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(e) Remedies. For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Company may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein. Notwithstanding any other provision of this Program, by becoming entitled to receive any payments or other benefits under this Program, Participant is deemed to have agreed that damages would be an inadequate remedy for the Company in the event of a breach or threatened breach by Participant of any of Sections 4(a) through 4(d), inclusive. In the event of any such

breach or threatened breach, and without relinquishing any other rights or remedies that the Company may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Program, the Company may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 4 and requiring Participant to comply with its provisions. The Company may present this Section 4 to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Company contends violates this Section 4, if the Company has reason to believe Participant has or may have breached a provision of this Section 4.

5. **Determination of Awards.** Each Participant's Award Notice shall specify the size of such Participant's Award, which shall be expressed as the maximum number of Shares issuable to the Participant as an Earned Award. The formula or criteria to determine the portion of an Award that becomes issuable, if any, as an Earned Award is set forth in on Exhibit A. For performance between two different tiers, the portion of an Award that becomes issuable, if any, as an Earned Award shall be calculated using linear interpolation between tiers. Except as otherwise provided herein, Awards shall be settled in Shares upon satisfaction of the requirements as set forth in Section 8.

6. **Change in Corporate Control.** In the event that on or prior to December 31, 2025, a Change in Corporate Control occurs, then each outstanding Award held by each Participant remaining employed by the Company through the time of the Change in Corporate Control will be deemed earned as of the date of such Change in Corporate Control in accordance with the computation described in Exhibit A as if the Performance Period ended on the day prior to the consummation of the Change in Corporate Control, except that corporate metrics not tied to TSR (e.g., the FFO Goal) shall be calculated based on the results through the most recent completed fiscal quarter. Notwithstanding any other provision of the Program to the contrary, any Shares issued to satisfy such outstanding Earned Awards as provided in this Section 6 shall be fully vested and nonforfeitable.

7. **Termination of Participant's Employment.**

Except as otherwise determined by the Compensation Committee or as provided in Section 6 in the event of the occurrence of a Change in Corporate Control, all Awards held by a Participant shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and become null and void in the event such Participant's employment with the Company and its Subsidiaries terminates for any reason other than a Qualified Termination prior to the end of the Performance Period, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Awards. Upon a Qualified Termination, a prorated portion of the Award of such terminated Participant shall be eligible to vest following the end of the Performance Period and become an Earned Award. Such prorated portion shall be determined by multiplying (i) the number of Shares issuable as an Earned Award following the end of the Performance Period determined in accordance with Section 8 by (ii) a fraction, the numerator of which shall be the number of complete months during which the Participant was an employee of the Company during the Performance Period and the denominator of which shall be 48. A Participant whose employment has terminated on account of a Qualified Termination must continue to comply with all of the restrictive covenants set forth in Section 4 through and including the Issuance Date as a condition precedent for any portion of such Participant's Award to become an Earned Award, regardless of any time limitations on one or more of such restrictive covenants set forth in Section 4 and notwithstanding the level of achievement of the performance goals set forth in Exhibit A.

8. **Payment of Awards.**

(a) As soon as practicable following the end of the Performance Period, the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period. Subject to (1) a Participant's continued employment with the Company or a Subsidiary through and including the end of the Performance Period and (2) compliance with all of the restrictive covenants set forth in Section 4 through and including the Issuance Date, the Shares payable with respect to the Earned Award shall be paid out and settled in Shares on the Issuance Date. In no event shall the Issuance Date with respect to the end of the Performance Period be later than March 15, 2026; provided, that in the case of the Performance Period that ends upon a Change in Corporate Control, the Issuance Date shall be no later than immediately prior to the consummation of the Change in Corporate Control.

(b) The Company shall issue to each Participant with regard to a Performance Award a number of Shares as determined in accordance with the other provisions of the Program, including Exhibit A. In addition, on the Issuance Date, the Company shall pay to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued at such



time. Such amount equal to the Dividend Value shall be paid in cash, Shares, other property or a combination of foregoing as may be determined by the Company in its sole discretion.

9. **Adjustments.** Without duplication with the provisions of Sections 3 and 11 of the Equity Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of Shares, sale of all or substantially all of the assets or Shares of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Compensation Committee necessitates action by way of adjusting the terms of the Program, then and in that event, the Compensation Committee shall take such action as shall be necessary to maintain the Participants' rights hereunder so that they are substantially the same rights existing under the Program prior to such event.

10. **Restrictions and Conditions; Non-Transferability of Awards.** Subject to the provisions of the Equity Plan and the Program, except as may otherwise be permitted by the Compensation Committee, a Participant shall not be permitted voluntarily or involuntarily to sell, assign, transfer, or otherwise encumber or dispose of all or any portion of an Award; provided that the foregoing restriction shall not apply to Shares actually issued to a Participant.

11. **Withholding of Tax.** Unless otherwise agreed to between the Company and a Participant, the Company will cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of Shares to be issued to a Participant with an aggregate Fair Market Value that would satisfy the withholding amount due. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on tax withholding obligations being satisfied by such Participant or through the Company's exercise of its authority. The Compensation Committee expressly provides that the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) of an Award granted to a Participant who is an officer within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended, shall be satisfied by withholding a number of Shares to be issued to the Participant with an aggregate Fair Market Value that satisfies the withholding amount due.

12. **Miscellaneous.**

(a) **Amendment and Termination.** The Company reserves the right to amend or terminate the Program at any time in its discretion without the consent of any Participant, but no such amendment shall adversely affect the rights of the Participants with regard to outstanding Awards in any material respect.

(b) **No Contract for Continuing Services.** The Program shall not be construed as creating any contract for continued services between the Company or any of its Subsidiaries and any Participant, and nothing herein contained shall give any Participant the right to be retained as an employee or consultant of the Company or any of its Subsidiaries or to receive any future awards or benefits under the Equity Plan.

(c) **Governing Law.** The Program and each Award Notice awarded under the Program shall be construed in accordance with and governed the laws of the State of Ohio, without regard to principles of conflict of laws of such state; provided, however, that matters of corporate law, including the issuance of Shares, shall be governed by the General Corporation Law of the State of Delaware.

(d) **Arbitration.** All claims, disputes, questions, or controversies arising out of or relating to the Program, will be resolved exclusively in final and binding arbitration held under the auspices of Judicial Arbitration & Mediation Services, Inc. ("JAMS") in accordance with JAMS then current Employment Arbitration Rules and Procedures, or successor rules then in effect. The arbitration will be held in New York, New York, and will be conducted and administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Participant and the Company will select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided by the Program, the Federal Arbitration Act will govern the administration of the arbitration proceedings. The arbitrator will apply the substantive law (and the law of remedies, if applicable) of the State of Ohio, or federal law, if Ohio law is preempted, and the arbitrator is without jurisdiction to apply any different substantive law. Participant and the Company will each be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator consistent with the nature of the claim(s) in dispute. The arbitrator will have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and will apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator will render a written award and supporting opinion that will set forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be

entered in any court of competent jurisdiction. The Company will pay the arbitrator's fees, as well as all administrative fees, associated with the arbitration. Each party will be responsible for paying its own attorneys' fees and costs (including expert witness fees and costs, if any), provided, however, that the arbitrator may award attorney's fees and costs to the prevailing party, except as prohibited by law. If the Company is the prevailing party, the arbitration may award some or all of the costs for the arbitrator's fees and/or other administrative fees to the fullest extent not prohibited by law. The existence and subject matter of all arbitration proceedings, including, any settlements or awards thereunder, shall remain confidential.

(e) Construction. Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

(f) Headings. The Section headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of the Program, the text shall control.

(g) Effect on Other Plans. Nothing in the Program shall be construed to limit the rights of Participants under the Company's or its Subsidiaries' benefit plans, programs or policies.

(h) Clawback Policy. All Awards granted under the Program shall be subject to forfeiture (as determined by the Compensation Committee) in accordance with the terms of the Company's clawback or recoupment policy (as in effect from time to time).

(i) Notices. Any notice provided for under the Program shall be in writing and may be delivered in person or sent by overnight courier, certified mail, or registered mail (return receipt requested), postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

If to the Company: Welltower Inc., 4500 Dorr Street, Toledo, OH 43615 Attention: General Counsel

If to a Participant, at the address on file with the Company's Human Resources Department.

The actual date of mailing, as shown by a mailing receipt therefor, shall determine the time at which notice was given. Any Participant may change the address at which notice shall be given by notifying the Company in the manner set forth in this Section 12(i). The Company may change the address at which notice shall be given by notifying each Participant in the manner set forth in this Section 12(i).

(j) Section 409A.

(1) The Program is intended to comply with Section 409A of the Code ("Code Section 409A") and will be interpreted in a manner intended to comply with Code Section 409A. Any provision that would cause the Program or any payment hereunder to fail to satisfy Code Section 409A of the Code shall have no force or effect until amended to the minimum extent required to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits that may be considered to be subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of the Program, references to a "retirement," "termination," "termination of employment" or like terms shall mean such a "separation from service".

(2) Any payment scheduled to be made under the Program that may be considered made under a "nonqualified deferred compensation plan" subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A), that are otherwise due on or within the six-month period following termination of employment will accrue during such six-month period and will instead become payable in a lump sum payment on the first business day period following such six-month period. Furthermore, notwithstanding any contrary provision herein, if any other payments of money or other benefits due to a Participant under this Agreement could cause the application of an accelerated or additional tax under Code Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax.

(3) Notwithstanding any contrary provision herein, a Participant's right to any payment (including each installment payment) under the Program shall be treated as a "separate payment" within the meaning of Code Section 409A.

END OF PROGRAM DOCUMENT

**Exhibit A**

The size of the Performance Pool shall be equal to that number of Shares with an aggregate Common Stock Price equal to \$80 million on January 17, 2022, rounded to the next higher even number of whole Shares, which resulted in a total Performance Pool in the amount of 938,088 Shares. Of that total, 50% (\$40 million) shall be allocated to a sub-pool for Relative Performance to the Health Care REIT Index and 50% (\$40 million) shall be allocated to a sub-pool for Relative Performance to the All REIT Index. The number of Shares placed subject to an individual Award shall be determined by dividing the maximum dollar value of such Award by the Common Stock Price on the date of grant of such Award and rounding to the closest whole Share and 50/50 allocation to each index shall be applied to each Award. In order for any portion of an Award to become an Earned Award under the Program, both of the Threshold Goals must be achieved or exceeded for the Performance Period.

In the event that both of the Threshold Goals are achieved or exceeded for the Performance Period, then the number of shares of Common Stock subject to Awards issuable as Earned Awards shall be determined based on the achievement of Relative Performance in accordance with the table immediately below. Upon the certification by the Compensation Committee of the levels of Relative Performance against the Health Care REIT Index and the All REIT Index, such relative levels shall be applied to each then outstanding Award in the same proportions.

	Threshold Performance Relative Performance of 100%	Midlevel Performance Relative Performance of 150%	Maximum Performance Relative Performance of 200%
<b>Relative Performance to Health Care REIT Index</b>			
<i>Performance Pool Funding</i>	\$0	\$20,000,000	\$40,000,000
<i>Number of Shares Payable as Earned Awards</i>	0	234,522	469,044
<b>Relative Performance to All REIT Index</b>			
<i>Performance Pool Funding</i>	\$0	\$20,000,000	\$40,000,000
<i>Number of Shares Payable as Earned Awards</i>	0	234,522	469,044

1. For performance between two different tiers, the amount of the "Performance Pool Funding" and "Number of Shares payable as Earned Awards" shall be calculated using linear interpolation between tiers.
2. The Performance Pool Funding dollar amounts are determined as of the time of the inception of the Program and then converted into shares of Common Stock based on the Common Stock Price on January 17, 2022.
3. Notwithstanding the foregoing, achievement of the Override Goal shall result in the "Number of Shares Payable as Earned Awards" being determined assuming the maximum size for both sub-pools of the Performance Pool for purposes of "Performance Pool Funding" and a Relative Performance of 200%.
4. Other conditions for an Award to become an Earned Award are set forth in the Program.

2022 OUTPERFORMANCE PROGRAM AWARD AGREEMENT

THIS 2022 OUTPERFORMANCE PROGRAM AWARD AGREEMENT (the “Agreement”), made this [\_\_\_\_\_] day of January, 2022, between Welltower Inc., a Delaware corporation (the “Corporation”), and [\_\_\_\_\_] (the “Participant”).

WHEREAS, the Participant is an employee of the Corporation; and

WHEREAS, the Corporation adopted the Welltower Inc. 2016 Long-Term Incentive Plan (the “Plan”) and the 2022 Outperformance Program (the “OPP”) in order to provide select executives and key employees with incentives to achieve long-term corporate objectives; and

WHEREAS, the Compensation Committee of the Corporation’s Board of Directors has determined that the Participant should be granted a restricted stock unit award subject to performance-based vesting conditions on the terms set forth in the OPP and herein;

WHEREAS, the restricted stock unit award granted to the Participant shall be payable in shares of the Corporation’s common stock, \$1.00 par value per share (“Common Stock”), upon the satisfaction of the conditions set forth below and in accordance with the terms of the OPP.

NOW, THEREFORE, in consideration of the past and future services provided to the Corporation by the Participant and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. GRANT OF AWARD.

(a) The Corporation hereby grants to the Participant an award of [\_\_\_\_\_] restricted stock units (the “Award”) on January [\_\_\_\_], 2022 (the “Date of Grant”), payable in shares of Common Stock. Such number of restricted stock units represents the maximum number of shares of Common Stock that may be issued to the Participant as an Earned Award. The Participant further acknowledges and agrees that the number of shares of Common Stock ultimately issued to the Participant under this Agreement as an Earned Award may be less than such maximum number.

(b) The Participant shall not be required to provide the Corporation with any payment (other than his or her past and future services to the Corporation) in exchange for the Award or in exchange for the issuance of shares of Common Stock (upon the determination of the Earned Award and satisfaction of the applicable periods of continued service with the Corporation).

2. DELIVERY OF SHARES.

(a) The Participant shall not be entitled to the issuance of shares of Common Stock or to receive any distributions with respect to the Award until the determination of the Earned Award as provided in the OPP and in Section 3 or 5 below. Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant. However, dividend equivalents shall accrue on the restricted stock units subject to an award during the period beginning on the Date of Grant of the Award and ending on the Issuance Date, which dividend equivalents will be paid with respect to the Participant’s Earned Award at the same time that shares of Common Stock are paid in accordance with the terms of the OPP. For avoidance of doubt, any dividend equivalents accrued with respect to any portion of an Award that is not the Earned Award shall not be paid and shall be forfeited.

(b) The Participant’s Award, including any rights thereunder, may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under this Agreement may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture. Any attempt to dispose of the Participant’s Award or shares issued thereunder in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

**3. ISSUANCE OF SHARES.**

The Corporation shall issue shares of Common Stock to the Participant in accordance with the provisions of Section 8 of the OPP.

**4. TAX WITHHOLDING.**

The Corporation shall satisfy its tax withholding obligations in accordance with Section 11 of the OPP.

**5. TERMINATION OF EMPLOYMENT.**

In the event of the end of the Participant's employment with the Corporation prior to the time that all vested shares of Common Stock, if any, are issued under the OPP, the Award shall be administered in accordance with Section 7 of the OPP.

**6. DEFINITIONS.**

Capitalized terms used herein without definitions shall have the meanings given to those terms in the OPP.

**7. SECURITIES LAWS.**

The Corporation may from time to time impose such conditions on the vesting of the Award, and/or the issuance of shares of Common Stock upon vesting of the Award, as it deems reasonably necessary to ensure that any grant of the Award and issuance of shares of Common Stock under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur on the earliest date on which it would not violate applicable law.

**8. GRANT NOT TO AFFECT EMPLOYMENT.**

Neither this Agreement nor the Award granted hereunder shall confer upon the Participant any right to continued employment with the Corporation. This Agreement shall not in any way modify or restrict any rights the Corporation may have to terminate such employment.

**9. ADJUSTMENTS TO AWARD.**

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Award granted to the Participant under this Agreement shall be adjusted by the Compensation Committee pursuant to Section 11.2 of the Plan in such manner as the Compensation Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

**10. MISCELLANEOUS.**

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(c) The provisions of the Plan and OPP are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan or the OPP, the provisions of the Plan and the OPP shall control.

(d) The Award granted under this Agreement is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), under the exemption for "short-term deferrals" under Treasury Regulation Section 1.409A-1(b)(4), and shall be interpreted in a manner consistent with the requirements for such exemption. To the extent that changes are

necessary to ensure that the Award and any related dividend equivalent rights comply with any additional requirements for such exemption imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend this Agreement so that the Award and any dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date and year first above written.

**PARTICIPANT WELLTOWER INC.**

\_\_\_\_\_  
[Signature] [Signature] By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_

<b>Subsidiary Name</b>	<b>Jurisdiction of Organization</b>
0722548 B.C. Ltd.	British Columbia
100 Knoedler Road, LLC	Delaware
100 Trich Drive LLC	Delaware
1000 Aston Gardens Drive, LLC	Delaware
101 E 87th Ave LLC	Delaware
101052983 Saskatchewan Ltd.	Saskatchewan
10475 Wilshire Boulevard Borrower, LLC	Delaware
10475 Wilshire Boulevard, LLC	Delaware
10600 East 13th Street North, LLC	Delaware
10700 Charter Drive LLC	Delaware
10710 Charter Drive LLC	Delaware
10800 Potomac Tennis Lane Holdco LLC	Delaware
10800 Potomac Tennis Lane LLC	Delaware
11320 North Council Road, LLC	Delaware
1133 Black Rock Road, LLC	Delaware
1137915 B.C. Ltd.	British Columbia
1220 La Venta Drive Westlake Medical LLC	Delaware
1231356 Ontario Limited	Ontario
1250 La Venta Drive Community Medical LLC	Delaware
12951 W. Linebaugh Avenue, LLC	Delaware
1301489 Ontario Limited	Ontario
13075 Evening Creek Drive South, LLC	Delaware
1311 Aston Gardens Court, LLC	Delaware
1312417 Ontario Limited	Ontario
13200 South May Avenue, LLC	Delaware
139 East 56th Street Landlord LLC	Delaware
1405 Limekiln Pike, LLC	Delaware
1512 12th Avenue LLC	Delaware
1528670 Ontario Limited	Ontario
15401 North Pennsylvania Avenue, LLC	Delaware
1574 Creekside Drive Folsom, LLC	California
1600 Center Road, LLC	Delaware
1640 Newport Blvd. LP	Delaware
1814 Roseland Boulevard LLC	Delaware
1931 Southwest Arvonina Place, LLC	Delaware
200 Pond Road LLC	Delaware
2000 Emerald Court LLC	Delaware
20207 Chasewood Park Drive LLC	Delaware
2035244 Ontario Inc.	Ontario
2050 North Webb Road, LLC	Delaware
2101 New Hope Street, LLC	Delaware
220 North Clark Drive, LLC	Delaware
2200 NW Myhre Road LLC	Delaware
2217 Decatur Highway LLC	Delaware
231 Courtyard Boulevard, LLC	Delaware
2323 N Casaloma Drive LLC	Delaware
2325 Dougherty Rd LLC	Delaware
2340829 Ontario Inc.	Ontario
2340830 Ontario Inc.	Ontario
2356 Meadows Blvd LLC	Delaware
239 Cross Road LLC	Delaware
2419 North Euclid Avenue Upland, LLC	California

2488 N California Street LLC	Delaware
2721 Willow Street LP	Delaware
27783 Center Drive LP	Delaware
2800 60th Avenue West, LLC	Delaware
2929 West Holcombe Boulevard, LLC	Delaware
300 St. Albans Drive, LP	Delaware
303 West Lake Street LLC	Delaware
320 St. Albans Drive, LP	Delaware
3220 Peterson Road, LLC	Delaware
3485 Independence Drive LLC	Delaware
35 Fenton Street, LLC	Delaware
3535 Manchester Avenue Borrower, LLC	Delaware
3535 Manchester Avenue, LLC	Delaware
3535 N. Hall Street, LLC	Delaware
3650 Southeast 18th Avenue, LLC	Delaware
3688 Veterans Memorial Drive LLC	Delaware
4 Forge Hill Road Franklin LLC	Delaware
4 Wallace Bashaw Junior Way LLC	Delaware
4000 San Pablo Parkway, LLC	Kansas
405 Bedford LP	Delaware
415 Bedford LP	Delaware
416 Bedford LP	Delaware
4206 Stammer Place, LLC	Delaware
4310 Bee Cave Road, LLC	Delaware
4315 Johns Creek Parkway, LLC	Delaware
435 Bedford LLC	Delaware
4402 South 129th Avenue West, LLC	Delaware
444 Merrick Road LLC	Delaware
450 South Kitsap Boulevard LLC	Delaware
4500 Dorr Street Holdings, LLC	Delaware
4515 Marsha Sharp Freeway LLC	Delaware
4800 Aston Gardens Way, LLC	Delaware
4865 MacArthur Landlord LLC	Delaware
50 Greenleaf Way LLC	Delaware
50 Town Court, LLC	Delaware
500 Seven Fields Boulevard, LLC	Delaware
504 North River Road, LLC	Delaware
505 North Maize Road, LLC	Delaware
5300 West 29th Street, LLC	Delaware
5301 Creedmoor Road, LP	Delaware
5330 W Michael Drive LLC	Delaware
5455 Glenridge Drive, NE, LLC	Delaware
5521 Village Creek Drive, LLC	Delaware
557140 B.C. Ltd.	British Columbia
5939 Roosevelt Boulevard, LLC	Kansas
5999 N. University Drive, LLC	Delaware
60 Stafford Street LLC	Delaware
601 West Highway 6 LLC	Delaware
6011 Farrington Road LLC	Delaware
6144 Airport Boulevard LLC	Delaware
6605 Quail Hollow Road, LLC	Delaware
700 Smith Street Providence LLC	Delaware
7001 Forest Avenue, LLC	Delaware
701 W. 71st Street South, LLC	Delaware
731 Old Buck Lane, LLC	Delaware



7442 Frank Avenue LLC	Delaware
75 Minnesota Avenue Warwick LLC	Delaware
7900 Creedmoor Road, LP	Delaware
7902 South Mingo Road East, LLC	Delaware
800 Canadian Trails Drive, LLC	Delaware
800 Oregon Street LLC	Delaware
8220 Natures Way, LLC	Delaware
831 Santa Barbara Boulevard, LLC	Delaware
880 Greendale Avenue LLC	Delaware
90 Avenue S.W. Property Inc.	British Columbia
90 West Avenue, LLC	Delaware
9108-9458 Quebec Inc.	Quebec
9128-6757 Quebec Inc.	Quebec
9168-0215 Quebec Inc.	Quebec
9188-4502 Quebec Inc.	Quebec
9189-2042 Quebec Inc.	Quebec
9198-9541 Quebec Inc.	Quebec
9208-0837 Quebec Inc.	Quebec
9307-0985 Quebec Inc.	Quebec
9307-1306 Quebec Inc.	Quebec
9307-1348 Quebec Inc.	Quebec
9314-3410 Quebec Inc.	Quebec
AH-WT Holdings LLC	Delaware
AL Santa Monica Senior Housing, LP	Delaware
Alberta Acres Facility Inc.	Ontario
Allentown PCH, LLC	Pennsylvania
Amherst View (Bath Road) Facility Inc.	Ontario
Arnrior Villa Facility Inc.	Ontario
Aspen Tower Investments Ltd	Jersey
Aspen Tower Partner 1 Inc.	Delaware
Aspen Tower Partner 10 Inc.	Delaware
Aspen Tower Partner 11 Inc.	Delaware
Aspen Tower Partner 2 Inc.	Delaware
Aspen Tower Partner 3 Inc.	Delaware
Aspen Tower Partner 4 Inc.	Delaware
Aspen Tower Partner 5 Inc.	Delaware
Aspen Tower Partner 6 Inc.	Delaware
Aspen Tower Partner 7 Inc.	Delaware
Aspen Tower Partner 8 Inc.	Delaware
Aspen Tower Partner 9 Inc.	Delaware
Aspen Tower Propco 1 Ltd	United Kingdom
Aspen Tower Propco 2 Limited	United Kingdom
Aspen Tower Propco 4 Ltd	United Kingdom
Aspen Tower Propco 5 Ltd	United Kingdom
Aspen Tower Propco 7 Limited	United Kingdom
Aspen Tower Propco 8 Limited	United Kingdom
Aspen Tower Properties (Adderbury) Ltd	Jersey
Aspen Tower Properties (Bath) Ltd	Jersey
Aspen Tower Properties (Bournville) Ltd	Jersey
Aspen Tower Properties (Lane End) Ltd	Jersey
Aspen Tower Properties (Little Bookham) Ltd	Jersey
Aspen Tower Properties (Newbury) Ltd	Jersey
Aspen Tower Properties (Solihull) Ltd	Jersey
Aspen Tower Properties (Sutton Coldfield) Ltd	Jersey
Aspen Tower Properties (Sutton) Ltd	Jersey

Aspen Tower Properties (Woking) Ltd	Jersey
Aspen Tower Properties Holdco Ltd	Jersey
Aurora Guardian Holdco I, LLC	Delaware
Aurora Guardian Holdco IV, LLC	Delaware
Aurora Guardian Holdco V, LLC	Delaware
BAL Holdings II, LLC	Delaware
BAL Holdings VII, LLC	Delaware
BAL Howell LLC	Delaware
BAL Longwood LLC	Pennsylvania
Ballard Healthcare Investors, LLC	Delaware
Bayfield Court Operations Limited	United Kingdom
Bear Creek CTR Realty LLC	Delaware
Bel Air Healthcare Investors, LLC	Delaware
Belmont Village Buckhead Tenant, LLC	Delaware
Belmont Village Buffalo Grove Tenant, LLC	Delaware
Belmont Village Buffalo Grove, L.L.C.	Delaware
Belmont Village Burbank Tenant, LLC	Delaware
Belmont Village Burbank, LLC	Delaware
Belmont Village Cardiff Tenant, LLC	Delaware
Belmont Village Carol Stream, L.L.C.	Delaware
Belmont Village Encino Tenant, LLC	Delaware
Belmont Village Encino, LLC	Delaware
Belmont Village Geneva Road Tenant, LLC	Delaware
Belmont Village Glenview Tenant, LLC	Delaware
Belmont Village Glenview, L.L.C.	Delaware
Belmont Village Green Hills Tenant, LLC	Delaware
Belmont Village Hollywood Tenant, LLC	Delaware
Belmont Village Hollywood, LLC	Delaware
Belmont Village Johns Creek Tenant, LLC	Delaware
Belmont Village Landlord 3, LLC	Delaware
Belmont Village Landlord 4, LP	Delaware
Belmont Village Landlord, LLC	Delaware
Belmont Village Memphis Tenant, LLC	Delaware
Belmont Village Oak Park Tenant, LLC	Delaware
Belmont Village Oak Park, L.L.C.	Delaware
Belmont Village Rancho Palos Verdes Tenant, LLC	Delaware
Belmont Village RPV, LLC	Delaware
Belmont Village Sabre Springs Tenant, LLC	Delaware
Belmont Village San Jose Tenant, LLC	Delaware
Belmont Village San Jose, LLC	Delaware
Belmont Village St. Matthews Tenant, LLC	Delaware
Belmont Village St. Matthews, L.L.C.	Delaware
Belmont Village Sunnyvale Tenant, LLC	Delaware
Belmont Village Sunnyvale, LLC	Delaware
Belmont Village Tenant 2, LLC	Delaware
Belmont Village Tenant 3, LLC	Delaware
Belmont Village Tenant, LLC	Delaware
Belmont Village Turtle Creek Tenant, LLC	Delaware
Belmont Village West Lake Hills Tenant, LLC	Delaware
Belmont Village West University Tenant, LLC	Delaware
Belmont Village Westwood Tenant, LLC	Delaware
Benchmark Investments X LP	Delaware
Benchmark Investments XI LP	Delaware
Benchmark Investments XII LP	Delaware
Benchmark Investments XIV LLC	Delaware

Berkshire Subtenant LP	Delaware
BKD-HCN Landlord, LLC	Delaware
BKD-HCN Tenant, LLC	Delaware
Broadway 85th Tenant LLC	Delaware
Brockport Tenant, LLC	Delaware
Brockville Facility Inc.	Ontario
Brooklyn Healthcare Investors, LLC	Delaware
Broomfield CO Senior Living Owner, LLC	Delaware
BSL Sparti TRS LLC	Delaware
Burbank Subtenant LP	Delaware
Bushey Property Holdings Limited	Jersey
B-X Middletown RI LLC	Delaware
B-X Operations Holding Company LLC	Delaware
B-X Providence LLC	Delaware
B-X Shelburne LLC	Delaware
B-X Warwick LLC	Delaware
B-XI Operations Holding Company LLC	Delaware
B-XII Operations Holding Company LLC	Delaware
B-XIV Operations Holding Company LLC	Delaware
Canvas Fulshear Owner, LLC	Delaware
Canvas McKinney I Owner, LLC	Delaware
Canvas Midlothian I Owner, LLC	Delaware
Canvas PC Owner, LLC	Delaware
Cassils Road West Property Inc.	British Columbia
Castle Rock Healthcare Investors, LLC	Delaware
Cerritos Subtenant LP	Delaware
Chapel Hill II JV Sub, LLC	Delaware
Chapel Hill II JV, LLC	Delaware
Churchill Belleair Towers LLC	Delaware
Churchill Eastdale Estates LLC	Delaware
Churchill Facility Inc.	Ontario
Churchill Hawaii Kai Owner LLC	Delaware
Churchill NEC Owner LLC	Delaware
Churchill Park Plaza LLC	Delaware
Churchill Portfolio Holdings Inc.	Delaware
Churchill Property Member LLC	Delaware
Churchill Property Portfolio Holdco LP	Delaware
Churchill Property Portfolio Owner LP	Delaware
Churchill REIT Holdco LLC	Delaware
Churchill REIT LLC	Delaware
Churchill RIDelawareA Holdco LLC	Delaware
Churchill University Oaks LLC	Delaware
Churchill Windlands East LLC	Delaware
Cincinnati Physicians, LLC	Delaware
Claremont Facility Inc.	Ontario
Clover Communities Beaver creek LLC	Ohio
Clover Communities Bethel Park LLC	Delaware
Clover Communities Brighton LLC	Delaware
Clover Communities Camillus LLC	New York
Clover Communities Fries, LLC	New York
Clover Communities Hamilton LLC	Ohio
Clover Communities Harborcreek, L.P.	Pennsylvania
Clover Communities Independence LLC	Delaware
Clover Communities Johnson City, LLC	New York
Clover Communities Lancaster, LLC	New York

Clover Communities Lorain LLC	Ohio
Clover Communities Miami LLC	Delaware
Clover Communities New Hartford, LLC	New York
Clover Communities North Fayette, LLC	Delaware
Clover Communities Painesville LLC	Delaware
Clover Communities Scranton, LLC	Delaware
Clover Communities Southwestern LLC	New York
Clover Communities Sweethome, LLC	New York
Clover Communities Sylvania LLC	Ohio
Clover Communities Taylor LLC	Delaware
Columbia Boulevard West Property Inc.	British Columbia
Coon Rapids Healthcare Investors, LLC	Delaware
Coopers Corner Inc.	Virginia
Coopers Corner Tenant LLC	Delaware
Coppell ALF, LLC	Kansas
Coventry Subtenant LP	Delaware
CPF Landlord, LLC	Delaware
CSH-HCN Lessee (Alexander) LP	Ontario
CSH-HCN Lessee (Archer) LP	Ontario
CSH-HCN Lessee (Avondale) LP	Ontario
CSH-HCN Lessee (Belcourt) LP	Ontario
CSH-HCN Lessee (Boulogne) LP	Ontario
CSH-HCN Lessee (Chicoutimi) LP	Ontario
CSH-HCN Lessee (Christopher) LP	Ontario
CSH-HCN Lessee (Ecores) LP	Ontario
CSH-HCN Lessee (Fountains) LP	Ontario
CSH-HCN Lessee (Giffard) LP	Ontario
CSH-HCN Lessee (Gordon) LP	Ontario
CSH-HCN Lessee (Harmonie) LP	Ontario
CSH-HCN Lessee (Heritage) LP	Ontario
CSH-HCN Lessee (Imperial) LP	Ontario
CSH-HCN Lessee (Jonquiere) LP	Ontario
CSH-HCN Lessee (Kingsville) LP	Ontario
CSH-HCN Lessee (Lachine) LP	Ontario
CSH-HCN Lessee (Lansing) LP	Ontario
CSH-HCN Lessee (l'Atrium) LP	Ontario
CSH-HCN Lessee (Laviolette) LP	Ontario
CSH-HCN Lessee (Leamington) LP	Ontario
CSH-HCN Lessee (l'Ermitage) LP	Ontario
CSH-HCN Lessee (L'Estrie) LP	Ontario
CSH-HCN Lessee (Livingston) LP	Ontario
CSH-HCN Lessee (Marquis) LP	Ontario
CSH-HCN Lessee (McConnell) LP	Ontario
CSH-HCN Lessee (Notre-Dame) LP	Ontario
CSH-HCN Lessee (Pines) LP	Ontario
CSH-HCN Lessee (Pointe-Aux-Trembles) LP	Ontario
CSH-HCN Lessee (Renaissance) LP	Ontario
CSH-HCN Lessee (Rideau) LP	Ontario
CSH-HCN Lessee (Rive-Sud) LP	Ontario
CSH-HCN Lessee (Royalcliffe) LP	Ontario
CSH-HCN Lessee (Saguenay) LP	Ontario
CSH-HCN Lessee (Saint-Jerome) LP	Ontario
CSH-HCN Lessee (Scarlett) LP	Ontario
CSH-HCN Lessee (Tranquility) LP	Ontario
CSH-HCN Lessee (Trembles) LP	Ontario

CSH-HCN Lessee (Wellesley) LP  
 CW Property Inc.  
 Dawn Opco Limited  
 DelawareLM Nursing, LLC  
 Denton ALF, LLC  
 Denver Tenant, LLC  
 Dresden Village Owner LLC  
 Dresden Village Tag Member LLC  
 DRF Durango LLC  
 DRF Fenton LLC  
 DRF Gig Harbor LLC  
 DRF Monticello Medical Building LLC  
 DRF South Valley LLC  
 DRF Westminster LLC  
 DSG-2010 Loans I, Inc.  
 DSL Landlord II, LLC  
 DSL Landlord, LLC  
 DSL Tenant II, LLC  
 DSL Tenant, LLC  
 Dublin Senior Community WPP, LLC  
 Edgemont Facility Inc.  
 Element Acquisition Sub. 3, LLC  
 EPC Hammes LLC  
 EPC IRA Holdco LLC  
 EPC Sparti LLC  
 EPOCH at Hingham Subtenant, LLC  
 EPOCH at Wellesley Subtenant, LLC  
 EPOCH at Westford Subtenant, LLC  
 EPOCH Landlord, LLC  
 EPOCH Tenant, LLC  
 Erwin NNN Landlord Group LLC  
 Evergreen Place at Brockport Inc.  
 Faribault Assisted Living, LLC  
 FC Trident Investment, LLC  
 FCalifornia Finance B Secured Party, LLC  
 FC-GEN Acquisition, Inc.  
 FC-GEN Real Estate, LLC  
 FHC Mount Vernon LLC  
 Finco TRS Limited  
 First Tower Holdco, LLC  
 First Tower Insurance, LLC  
 First Tower Partners LLC  
 FloridaA-PennsylvaniaLM COURT Limited Partnership  
 Fleetwood Villa Facility Inc.  
 Flower Mound ALF, LLC  
 Frontier Exchange Landlord Group LLC  
 G & L Tustin III, LP  
 G&L 4150 Regents LP  
 G&L 436 Bedford LLC  
 Gemini Las Colinas, L.L.C.  
 Gen Three Lakeshore Place Corporation  
 Genesis Eldercare LLC  
 Genesis Eldercare National Centers, LLC  
 Genesis HC LLC  
 Genesis Healthcare Holding Company I, LLC

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Genesis Meridian 7 Leasing Properties Limited Partnership, L.L.P.	Virginia
Genesis Meridian 7 Partnership Holding Company L.L.C.	Delaware
Genoa Healthcare Investors, LLC	Delaware
Georgetown Mays Street Owner LLC	Delaware
Geriatric and Medical Services, Inc.	New Jersey
GHC Sub LLC	Delaware
GHC Sub New Jersey LLC	New Jersey
GHC TRS LLC	Delaware
Gig Harbor Physicians, LLC	Delaware
Golden Gate Subtenant LP	Delaware
Golden Peaks CTR Realty LLC	Delaware
Grace Lodge Care Limited	Jersey
Grace Lodge Care Operating S.a.r.l.	Luxembourg
Gracewell Healthcare 1 Limited	United Kingdom
Gracewell Healthcare 4 Limited	United Kingdom
Gracewell Investments No. 2 Limited	Jersey
Gracewell Investments No. 3 Limited	Jersey
Gracewell Investments No. 4 Limited	Jersey
Gracewell Operations Holding Limited	United Kingdom
Gracewell Properties (Abercorn) Limited	Jersey
Gracewell Properties (Birmingham) Limited	Jersey
Gracewell Properties (Church Crookham) Limited	Jersey
Gracewell Properties (Fareham) Limited	Jersey
Gracewell Properties (Frome) Limited	Jersey
Gracewell Properties (Hamilton) Limited	Jersey
Gracewell Properties (Horley) Limited	Jersey
Gracewell Properties (Kentford) Limited	Jersey
Gracewell Properties (Salisbury) Limited	Jersey
Gracewell Properties (Shelbourne) Limited	Jersey
Gracewell Properties (Weymouth) Limited	Jersey
Gracewell Properties Holdings Limited	Jersey
Grove City Care 2015, LLC	Michigan
GWC-Broadway 85th Inc.	Virginia
GWC-Crestwood, Inc.	Virginia
GWC-Dix Hills, Inc.	Virginia
GWC-East 56th Street Inc.	Virginia
GWC-East Meadow, Inc.	Virginia
GWC-East Setauket, Inc.	Virginia
GWC-Glen Cove, Inc.	Virginia
GWC-Holbrook, Inc.	Virginia
GWC-Huntington Terrace Inc.	Virginia
GWC-New Dorp Inc.	Virginia
GWC-Plainview, Inc.	Virginia
GWC-Savoy Inc.	Virginia
GWC-West Babylon, Inc.	Virginia
Hammonds Lane Meridian Limited Partnership	Maryland
Hamnett Health Investors, LP	Virginia
HCN (Pembroke) Property Inc.	British Columbia
HCN (ROSEHILL) PROPERTY IndianaC.	Ontario
HCN (Stonehaven) Property Inc.	British Columbia
HCN Canadian Holdings GP-1 Ltd.	Ontario
HCN Canadian Holdings LP-1 Ltd.	Ontario
HCN Canadian Holdings-1 LP	Ontario
HCN Canadian Holdings-1 Subco Ltd.	Ontario
HCN Canadian Investment (Newman) LP	Ontario

HCN Canadian Investment (Regency) LP	Ontario
HCN Canadian Investment (Regent Park) LP	Ontario
HCN Canadian Investment (Teasdale) LP	Ontario
HCN Canadian Investment-4 LP	Ontario
HCN Canadian Investment-5 LP	Ontario
HCN Canadian Leasing (British Columbia) Ltd.	British Columbia
HCN Canadian Leasing Ltd.	Ontario
HCN Canadian Leasing-4 Ltd.	British Columbia
HCN Canadian Management Services Ltd.	Ontario
HCN Development Services Group, Inc.	Indiana
HCN DownREIT Member GP, LLC	Delaware
HCN DownREIT Member JV, LP	Delaware
HCN DownREIT Member, LLC	Delaware
HCN DSL Member GP, LLC	Delaware
HCN DSL Member JV, LP	Delaware
HCN DSL Member TRS, LLC	Delaware
HCN Emerald Holdings, LLC	Delaware
HCN Finco TRS Limited	United Kingdom
HCN G&L DownREIT II GP, LLC	Delaware
HCN G&L DownREIT II, LLC	Delaware
HCN G&L DownREIT LLC	Delaware
HCN G&L Holy Cross Sub, LLC	Delaware
HCN G&L Roxbury Sub, LLC	Delaware
HCN G&L Santa Clarita Sub, LLC	Delaware
HCN G&L Valencia Sub, LLC	Delaware
HCN Interra Lake Travis LTACH, LLC	Delaware
HCN Investment (Newman) GP Ltd.	Ontario
HCN Investment (Regency) GP Ltd.	Ontario
HCN Investment (Regent Park) GP Ltd.	Ontario
HCN Investment (Teasdale) GP Ltd.	Ontario
HCN Investment GP-1 Ltd.	Ontario
HCN Investment GP-4 Ltd.	Ontario
HCN Investment GP-5 Ltd.	Ontario
HCN Kensington Victoria Leasing Ltd.	British Columbia
HCN Lake Travis Holdings, LLC	Delaware
HCN Lake Travis Property Two, LLC	Delaware
HCN Lessee (Pembroke) GP Inc.	British Columbia
HCN Lessee (Pembroke) LP	Ontario
HCN Lessee (Stonehaven) GP Inc.	British Columbia
HCN Lessee (Stonehaven) LP	Ontario
HCN Ross Leasing Ltd.	Ontario
HCN Share Holdings JV GP, LLC	Delaware
HCN Sunwood Leasing Ltd.	British Columbia
HCN UK Holdco Limited	Jersey
HCN UK Investments Limited	Jersey
HCN UK Management Services Limited	United Kingdom
HCN-Cogir Lessee GP Inc.	Ontario
HCN-Cogir Lessee LP	Ontario
HCN-Revera (Annex) Inc.	Ontario
HCN-Revera (Appleby Place) Inc.	Ontario
HCN-Revera (Aspen Ridge) Inc.	Ontario
HCN-Revera (Beechwood) Inc.	Ontario
HCN-Revera (Bough Beeches Place) Inc.	Ontario
HCN-Revera (Centennial Park Place) Inc.	Ontario
HCN-Revera (Churchill Place) Inc.	Ontario

HCN-Revera (Colonel By) Inc.	Ontario
HCN-Revera (Constitution Place) Inc.	Ontario
HCN-Revera (Don Mills/Donway Place) Inc.	Ontario
HCN-Revera (Edinburgh) Inc.	Ontario
HCN-Revera (Evergreen) Inc.	Ontario
HCN-Revera (Fergus Place) Inc.	Ontario
HCN-Revera (Forest Hill Place) Inc.	Ontario
HCN-Revera (Glynnwood) Inc.	Ontario
HCN-Revera (Hollyburn House) Inc.	Ontario
HCN-Revera (Inglewood) Inc.	Ontario
HCN-Revera (Kensington Victoria) Inc.	Ontario
HCN-Revera (Kensington) Inc.	Ontario
HCN-Revera (Leaside) Inc.	Ontario
HCN-Revera (Parkwood Court) Inc.	Ontario
HCN-Revera (Parkwood Manor) Inc.	Ontario
HCN-Revera (Parkwood Place) Inc.	Ontario
HCN-Revera (Rayoak Place) Inc.	Ontario
HCN-Revera (Regal) Limited Partnership	Ontario
HCN-Revera (River Ridge) Inc.	Ontario
HCN-Revera (Valley Stream) Inc.	Ontario
HCN-Revera (Victoria Place) Inc.	Ontario
HCN-Revera (Weber) Inc.	Ontario
HCN-Revera (Wellington) Inc.	Ontario
HCN-Revera (Westwood) Inc.	Ontario
HCN-Revera (Whitecliff) Inc.	Ontario
HCN-Revera (Windermere on the Mount) Inc.	Ontario
HCN-Revera Joint Venture GP Inc.	Ontario
HCN-Revera Joint Venture Limited Partnership	Ontario
HCN-Revera Joint Venture ULC	British Columbia
HCN-Revera Lessee (Alta Vista) GP Inc.	Ontario
HCN-Revera Lessee (Alta Vista) LP	Ontario
HCN-Revera Lessee (Annex) GP Inc.	Ontario
HCN-Revera Lessee (Annex) LP	Ontario
HCN-Revera Lessee (Appleby Place) GP Inc.	Ontario
HCN-Revera Lessee (Appleby Place) LP	Ontario
HCN-Revera Lessee (Arnprior Villa) GP Inc.	Ontario
HCN-Revera Lessee (Arnprior Villa) LP	Ontario
HCN-Revera Lessee (Aspen Ridge) GP Inc.	Ontario
HCN-Revera Lessee (Aspen Ridge) LP	Ontario
HCN-Revera Lessee (Barhaven) GP Inc.	Ontario
HCN-Revera Lessee (Barhaven) LP	Ontario
HCN-Revera Lessee (Beechwood) GP Inc.	Ontario
HCN-Revera Lessee (Beechwood) LP	Ontario
HCN-Revera Lessee (Bentley Moose Jaw) GP Inc.	Ontario
HCN-Revera Lessee (Bentley Moose Jaw) LP	Ontario
HCN-Revera Lessee (Bentley Regina) GP Inc.	Ontario
HCN-Revera Lessee (Bentley Regina) LP	Ontario
HCN-Revera Lessee (Bentley Saskatoon) GP Inc.	Ontario
HCN-Revera Lessee (Bentley Saskatoon) LP	Ontario
HCN-Revera Lessee (Bentley Swift Current) GP Inc.	Ontario
HCN-Revera Lessee (Bentley Swift Current) LP	Ontario
HCN-Revera Lessee (Bentley Yorkton) GP Inc.	Ontario
HCN-Revera Lessee (Bentley Yorkton) LP	Ontario
HCN-Revera Lessee (Birkdale) GP Inc.	Ontario
HCN-Revera Lessee (Birkdale) LP	Ontario



HCN-Revera Lessee (Bough Beeches Place) GP Inc.	Ontario
HCN-Revera Lessee (Bough Beeches Place) LP	Ontario
HCN-Revera Lessee (Bradgate Arms) GP Inc.	Ontario
HCN-Revera Lessee (Bradgate Arms) LP	Ontario
HCN-Revera Lessee (Briargate) GP Inc.	Ontario
HCN-Revera Lessee (Briargate) LP	Ontario
HCN-Revera Lessee (Bridlewood Manor) GP Inc.	Ontario
HCN-Revera Lessee (Bridlewood Manor) LP	Ontario
HCN-Revera Lessee (Cambridge) GP Inc.	Ontario
HCN-Revera Lessee (Cambridge) LP	Ontario
HCN-Revera Lessee (Cedarcroft Place) GP Inc.	Ontario
HCN-Revera Lessee (Cedarcroft Place) LP	Ontario
HCN-Revera Lessee (Centennial Park Place) GP Inc.	Ontario
HCN-Revera Lessee (Centennial Park Place) LP	Ontario
HCN-Revera Lessee (Chateau Renoir) GP Inc.	Ontario
HCN-Revera Lessee (Chateau Renoir) LP	Ontario
HCN-Revera Lessee (Chatham) GP Inc.	Ontario
HCN-Revera Lessee (Chatham) LP	Ontario
HCN-Revera Lessee (Churchill Place) GP Inc.	Ontario
HCN-Revera Lessee (Churchill Place) LP	Ontario
HCN-Revera Lessee (Clair Matin) GP Inc.	Ontario
HCN-Revera Lessee (Clair Matin) LP	Ontario
HCN-Revera Lessee (Claremont) GP Inc.	Ontario
HCN-Revera Lessee (Claremont) LP	Ontario
HCN-Revera Lessee (Colonel By) GP Inc.	Ontario
HCN-Revera Lessee (Colonel By) LP	Ontario
HCN-Revera Lessee (Constitution Place) GP Inc.	Ontario
HCN-Revera Lessee (Constitution Place) LP	Ontario
HCN-Revera Lessee (Crofton Manor) GP Inc.	Ontario
HCN-Revera Lessee (Crofton Manor) LP	Ontario
HCN-Revera Lessee (Don Mills) GP Inc.	Ontario
HCN-Revera Lessee (Don Mills) LP	Ontario
HCN-Revera Lessee (Donway Place) GP Inc.	Ontario
HCN-Revera Lessee (Donway Place) LP	Ontario
HCN-Revera Lessee (Dorchester) GP Inc.	Ontario
HCN-Revera Lessee (Dorchester) LP	Ontario
HCN-Revera Lessee (Edgemont) GP Inc.	Ontario
HCN-Revera Lessee (Edgemont) LP	Ontario
HCN-Revera Lessee (Edinburgh) GP Inc.	Ontario
HCN-Revera Lessee (Edinburgh) LP	Ontario
HCN-Revera Lessee (Emerite de Brossard) GP Inc.	Ontario
HCN-Revera Lessee (Emerite de Brossard) LP	Ontario
HCN-Revera Lessee (Evergreen) GP Inc.	Ontario
HCN-Revera Lessee (Evergreen) LP	Ontario
HCN-Revera Lessee (Fergus Place) GP Inc.	Ontario
HCN-Revera Lessee (Fergus Place) LP	Ontario
HCN-Revera Lessee (Fleetwood Villa) GP Inc.	Ontario
HCN-Revera Lessee (Fleetwood Villa) LP	Ontario
HCN-Revera Lessee (Forest Hill Place) GP Inc.	Ontario
HCN-Revera Lessee (Forest Hill Place) LP	Ontario
HCN-Revera Lessee (Franklin) GP Inc.	Ontario
HCN-Revera Lessee (Franklin) LP	Ontario
HCN-Revera Lessee (Glynnwood) GP Inc.	Ontario
HCN-Revera Lessee (Glynnwood) LP	Ontario
HCN-Revera Lessee (Grand Wood) GP Inc.	Ontario

HCN-Revera Lessee (Grand Wood) LP	Ontario
HCN-Revera Lessee (Greenway) GP Inc.	Ontario
HCN-Revera Lessee (Greenway) LP	Ontario
HCN-Revera Lessee (Heartland) GP Inc.	Ontario
HCN-Revera Lessee (Heartland) LP	Ontario
HCN-Revera Lessee (Heritage Lodge) GP Inc.	Ontario
HCN-Revera Lessee (Heritage Lodge) LP	Ontario
HCN-Revera Lessee (Highland Place) GP Inc.	Ontario
HCN-Revera Lessee (Highland Place) LP	Ontario
HCN-Revera Lessee (Hollyburn House) GP Inc.	Ontario
HCN-Revera Lessee (Hollyburn House) LP	Ontario
HCN-Revera Lessee (Horizon Place) GP Inc.	Ontario
HCN-Revera Lessee (Horizon Place) LP	Ontario
HCN-Revera Lessee (Hunt Club Manor) GP Inc.	Ontario
HCN-Revera Lessee (Hunt Club Manor) LP	Ontario
HCN-Revera Lessee (Inglewood) GP Inc.	Ontario
HCN-Revera Lessee (Inglewood) LP	Ontario
HCN-Revera Lessee (Jardins du Couvent) GP Inc.	Ontario
HCN-Revera Lessee (Jardins du Couvent) LP	Ontario
HCN-Revera Lessee (Jardins Interieurs) GP Inc.	Ontario
HCN-Revera Lessee (Jardins Interieurs) LP	Ontario
HCN-Revera Lessee (Jardins Vaudreuil) GP Inc.	Ontario
HCN-Revera Lessee (Jardins Vaudreuil) LP	Ontario
HCN-Revera Lessee (Kensington Victoria) GP Inc.	Ontario
HCN-Revera Lessee (Kensington Victoria) LP	Ontario
HCN-Revera Lessee (Kensington) GP Inc.	Ontario
HCN-Revera Lessee (Kensington) LP	Ontario
HCN-Revera Lessee (King Gardens) GP Inc.	Ontario
HCN-Revera Lessee (King Gardens) LP	Ontario
HCN-Revera Lessee (Kingsway) GP Inc.	Ontario
HCN-Revera Lessee (Kingsway) LP	Ontario
HCN-Revera Lessee (Landmark Court) GP Inc.	Ontario
HCN-Revera Lessee (Landmark Court) LP	Ontario
HCN-Revera Lessee (Leaside) GP Inc.	Ontario
HCN-Revera Lessee (Leaside) LP	Ontario
HCN-Revera Lessee (Lundy Manor) GP Inc.	Ontario
HCN-Revera Lessee (Lundy Manor) LP	Ontario
HCN-Revera Lessee (Lynwood) GP Inc.	Ontario
HCN-Revera Lessee (Lynwood) LP	Ontario
HCN-Revera Lessee (Manoir Lafontaine) GP Inc.	Ontario
HCN-Revera Lessee (Manoir Lafontaine) LP	Ontario
HCN-Revera Lessee (Maplecrest) GP Inc.	Ontario
HCN-Revera Lessee (Maplecrest) LP	Ontario
HCN-Revera Lessee (Marian Chateau) GP Inc.	Ontario
HCN-Revera Lessee (Marian Chateau) LP	Ontario
HCN-Revera Lessee (McKenzie Towne) GP Inc.	Ontario
HCN-Revera Lessee (McKenzie Towne) LP	Ontario
HCN-Revera Lessee (Meadowlands) GP Inc.	Ontario
HCN-Revera Lessee (Meadowlands) LP	Ontario
HCN-Revera Lessee (Ogilvie Villa) GP Inc.	Ontario
HCN-Revera Lessee (Ogilvie Villa) LP	Ontario
HCN-Revera Lessee (Parkwood Court) GP Inc.	Ontario
HCN-Revera Lessee (Parkwood Court) LP	Ontario
HCN-Revera Lessee (Parkwood Manor) GP Inc.	Ontario
HCN-Revera Lessee (Parkwood Manor) LP	Ontario

HCN-Revera Lessee (Parkwood Place) GP Inc.	Ontario
HCN-Revera Lessee (Parkwood Place) LP	Ontario
HCN-Revera Lessee (Pavillon des Cedres) GP Inc.	Ontario
HCN-Revera Lessee (Pavillon des Cedres) LP	Ontario
HCN-Revera Lessee (Plymouth) GP Inc.	Ontario
HCN-Revera Lessee (Plymouth) LP	Ontario
HCN-Revera Lessee (Port Perry) GP Inc.	Ontario
HCN-Revera Lessee (Port Perry) LP	Ontario
HCN-Revera Lessee (Portobello) GP Inc.	Ontario
HCN-Revera Lessee (Portobello) LP	Ontario
HCN-Revera Lessee (Portsmouth) GP Inc.	Ontario
HCN-Revera Lessee (Portsmouth) LP	Ontario
HCN-Revera Lessee (Prince of Wales) GP Inc.	Ontario
HCN-Revera Lessee (Prince of Wales) LP	Ontario
HCN-Revera Lessee (Queenswood Villa) GP Inc.	Ontario
HCN-Revera Lessee (Queenswood Villa) LP	Ontario
HCN-Revera Lessee (Rayoak Place) GP Inc.	Ontario
HCN-Revera Lessee (Rayoak Place) LP	Ontario
HCN-Revera Lessee (Renaissance) GP Inc.	Ontario
HCN-Revera Lessee (Renaissance) LP	Ontario
HCN-Revera Lessee (River Ridge) GP Inc.	Ontario
HCN-Revera Lessee (River Ridge) LP	Ontario
HCN-Revera Lessee (Riverbend) GP Inc.	Ontario
HCN-Revera Lessee (Riverbend) LP	Ontario
HCN-Revera Lessee (Robertson House) GP Inc.	Ontario
HCN-Revera Lessee (Robertson House) LP	Ontario
HCN-Revera Lessee (Scenic Acres) GP Inc.	Ontario
HCN-Revera Lessee (Scenic Acres) LP	Ontario
HCN-Revera Lessee (St. Lawrence Place) GP Inc.	Ontario
HCN-Revera Lessee (St. Lawrence Place) LP	Ontario
HCN-Revera Lessee (Stittsville Villa) GP Inc.	Ontario
HCN-Revera Lessee (Stittsville Villa) LP	Ontario
HCN-Revera Lessee (Stone Lodge) GP Inc.	Ontario
HCN-Revera Lessee (Stone Lodge) LP	Ontario
HCN-Revera Lessee (Sunwood) GP Inc.	Ontario
HCN-Revera Lessee (Sunwood) LP	Ontario
HCN-Revera Lessee (Terrace Gardens) GP Inc.	Ontario
HCN-Revera Lessee (Terrace Gardens) LP	Ontario
HCN-Revera Lessee (The Churchill) GP Inc.	Ontario
HCN-Revera Lessee (The Churchill) LP	Ontario
HCN-Revera Lessee (Trafalgar Lodge) GP Inc.	Ontario
HCN-Revera Lessee (Trafalgar Lodge) LP	Ontario
HCN-Revera Lessee (Valley Stream) GP Inc.	Ontario
HCN-Revera Lessee (Valley Stream) LP	Ontario
HCN-Revera Lessee (Victoria Place) GP Inc.	Ontario
HCN-Revera Lessee (Victoria Place) LP	Ontario
HCN-Revera Lessee (Waverley/Rosewood) GP Inc.	Ontario
HCN-Revera Lessee (Waverley/Rosewood) LP	Ontario
HCN-Revera Lessee (Weber) GP Inc.	Ontario
HCN-Revera Lessee (Weber) LP	Ontario
HCN-Revera Lessee (Wellington) GP Inc.	Ontario
HCN-Revera Lessee (Wellington) LP	Ontario
HCN-Revera Lessee (Westwood) GP Inc.	Ontario
HCN-Revera Lessee (Westwood) LP	Ontario
HCN-Revera Lessee (Whitecliff) GP Inc.	Ontario

HCN-Revera Lessee (Whitecliff) LP	Ontario
HCN-Revera Lessee (Windermere on the Mount) GP Inc.	Ontario
HCN-Revera Lessee (Windermere on the Mount) LP	Ontario
HCN-Revera Lessee (Windsor) GP Inc.	Ontario
HCN-Revera Lessee (Windsor) LP	Ontario
HCP Maryland Properties, LLC	Delaware
HCRI 1950 Sunny Crest Drive, LLC	Delaware
HCRI Allen Medical Facility, LLC	Delaware
HCRI Ancillary TRS, Inc.	Delaware
HCRI Connecticut Avenue Subtenant, LLC	Delaware
HCRI Draper Place Properties Trust	Massachusetts
HCRI Emerald Holdings III, LLC	Delaware
HCRI Emerald Holdings, LLC	Delaware
HCRI Fairmont Properties, LLC	Delaware
HCRI Financial Services, LLC	Delaware
HCRI Fore River Medical Facility, LLC	Delaware
HCRI Holdings Trust	Massachusetts
HCRI Illinois Properties, LLC	Delaware
HCRI Indiana Properties, Inc.	Delaware
HCRI Indiana Properties, LLC	Indiana
HCRI Investments, Inc.	Delaware
HCRI Kansas Properties, LLC	Delaware
HCRI Kentucky Properties, LLC	Kentucky
HCRI Logistics, Inc.	Delaware
HCRI Louisiana Properties, L.P.	Delaware
HCRI Marina Place Properties Trust	Massachusetts
HCRI Massachusetts Properties Trust	Massachusetts
HCRI Massachusetts Properties Trust II	Massachusetts
HCRI Massachusetts Properties, Inc.	Delaware
HCRI North Carolina Properties I, Inc.	North Carolina
HCRI North Carolina Properties II, Inc.	North Carolina
HCRI North Carolina Properties III, Limited Partnership	North Carolina
HCRI North Carolina Properties, LLC	Delaware
HCRI New York-New Jersey Properties, LLC	Delaware
HCRI of Folsom Tenant, LLC	California
HCRI of Upland Tenant, LLC	California
HCRI Pennsylvania Properties Holding Company	Delaware
HCRI Pennsylvania Properties, Inc.	Pennsylvania
HCRI Plano Medical Facility, LLC	Delaware
HCRI Purchasing, LLC	Delaware
HCRI Red Fox ManCo, LLC	Delaware
HCRI Roswell I Medical Facility, LLC	Delaware
HCRI Southern Investments I, Inc.	Delaware
HCRI Sun III Minnetonka Senior Living, LLC	Delaware
HCRI Sun III Tenant GP, LLC	Delaware
HCRI Sun III Tenant, LP	Delaware
HCRI Sun Three Lombard IL Senior Living, LLC	Delaware
HCRI Sun Two Baton Rouge LA Senior Living, LLC	Delaware
HCRI Sun Two Gilbert AZ Senior Living, LLC	Delaware
HCRI Sun Two Metairie LA Senior Living, LLC	Delaware
HCRI Tennessee Properties, LLC	Delaware
HCRI Texas Properties, Inc.	Delaware
HCRI Texas Properties, Ltd.	Texas
HCRI TRS Acquirer II, LLC	Delaware
HCRI TRS Acquirer, LLC	Delaware

HCRI TRS Trident Investment, LLC	Delaware
HCRI Tucson Properties, Inc.	Delaware
HCRI Wilburn Gardens Properties, LLC	Delaware
HCRI Wisconsin Properties, LLC	Wisconsin
Health Care REIT, LLC	Delaware
Healthcare Property Consultants LLC	Delaware
Healthcare Property Managers Of America, LLC	Florida
HealthLease U.S., Inc.	Delaware
Heat OP TRS, Inc.	Delaware
Highland Healthcare Investors, LLC	Delaware
Hilltop Health Care Center, LLC	Delaware
Hingham Terry Drive I LLC	Delaware
HL GP, LLC	Indiana
Hunt Club Manor Facility Inc.	Ontario
HUT ALF, LLC	Kansas
I.L.S. Care Communities Inc.	Manitoba
Jupiter Landlord, LLC	Delaware
Kaiser Gemini Burgundy, LLC	Oklahoma
Kaiser Gemini Woodland, LLC	Oklahoma
KB HC Real Estate Fund LLC	Delaware
Kensington Subtenant LP	Delaware
Keystone Communities of Eagan, LLC	Minnesota
Keystone Communities of Highland Park, LLC	Delaware
Keystone Communities of Mankato, LLC	Minnesota
Keystone Communities of Prior Lake, LLC	Minnesota
Keystone Communities of Roseville, LLC	Delaware
King Street Facility Inc.	Ontario
Kingston Facility Inc.	Ontario
KansasL Landlord, LLC	Delaware
Lafayette Center Realty, LLC	Delaware
Laguna Hills Subtenant LP	Delaware
Lakewood Manor Owner LLC	Delaware
Lancaster PCH, LLC	Pennsylvania
Landmark Facility Inc.	Ontario
Las Palmas Subtenant LP	Delaware
Lenexa Investors II, LLC	Delaware
Lenexa Investors, LLC	Delaware
Lenox Hill Owner LLC	Delaware
Leon Dorchester Facility Inc.	Ontario
Lillington AL Health Investors, LP	Virginia
Lititz PCH, LLC	Pennsylvania
LW Broomfield PropCo LLC	Delaware
LW Fort Worth PropCo LLC	Delaware
LW Jupiter PropCo LLC	Delaware
LW Mansfield PropCo LLC	Delaware
LW McKinney PropCo LLC	Delaware
Maid's Moreton Operations Limited	United Kingdom
Marietta Physicians LLC	Delaware
Markglan, LLC	West Virginia
Maverick Tenant, LLC	Kansas
McKenzie Towne Facility Inc.	Ontario
Meadowcroft London Facility Inc.	Ontario
Meadowlands Facility Inc.	Ontario
Meadowood ALF, LLC	Kansas
Medical Real Estate Property Managers Of America, LLC	Florida

Meerkat TRS LLC	Delaware
Meridian Healthcare, LLC	Pennsylvania
MG Landlord II, LLC	Delaware
MG Landlord, LLC	Delaware
MG Tenant, LLC	Delaware
MGP 42, LLC	Delaware
MGP 44, LLC	Delaware
MGP 45, LLC	Delaware
MGP 46, LLC	Delaware
MGP 47, LLC	Delaware
MGP 50, LLC	Delaware
MGP 51, LLC	Delaware
MGP 52, LLC	Delaware
MGP X, LLC	Delaware
Middletown (RI) Associates of Rhode Island, L.P.	Delaware
Midpark Way S.E. Property Inc.	British Columbia
Mill Creek Real Estate Partners, LLC	Delaware
Mill Hill Retirement Facility Inc.	Ontario
Mission Viejo Subtenant LP	Delaware
Missionwood Holdings Ltd.	British Columbia
ML Marion, L.P.	Indiana
Monarch Coopers Corner PropCo LLC	Delaware
Montgomery Nursing Homes, LLC	Pennsylvania
Monticello Healthcare Properties, LLC	Delaware
Moorestown Physicians, LLC	Delaware
Mount Vernon Physicians, LLC	Delaware
Mountain View Tenant, LLC	Delaware
MPG Crawfordsville, L.P.	Indiana
MPG Healthcare L.P.	Indiana
MS Arlington, L.P.	Indiana
MS Avon, L.P.	Indiana
MS Bradner, L.P.	Indiana
MS Brecksville, L.P.	Indiana
MS Castleton, L.P.	Indiana
MS Chatham, L.P.	Indiana
MS Chesterfield, L.P.	Indiana
MS Danville, L.P.	Indiana
MS Kokomo, L.P.	Indiana
MS Mishawaka, L.P.	Indiana
MS Springfield, L.P.	Indiana
MS Stafford, L.P.	Indiana
MS Wabash, L.P.	Indiana
MS Westfield, L.P.	Indiana
Murrieta Healthcare Investors, LLC	Delaware
Murrieta Healthcare Properties, LLC	Delaware
Narrows Glen Subtenant LP	Delaware
North Carolina Sparti LLC	Delaware
Northbridge Burlington Subtenant LLC	Delaware
Northbridge Dartmouth Subtenant LLC	Delaware
Northbridge Needham Subtenant LLC	Delaware
Northbridge Newburyport Subtenant LLC	Delaware
Northbridge Plymouth Subtenant LLC	Delaware
Northbridge Tewksbury Subtenant LLC	Delaware
Northwood Retirement Resort Holding Corporation	British Columbia
Ogilvie Facility Inc.	Ontario

Oshawa Facility Inc.	Ontario
Otay Landlord LLC	Delaware
Otay Tenant LLC	Delaware
Ottershaw Property Holdings Limited	Jersey
Overland Park Tenant, LLC	Delaware
Owensboro Kentucky Propco LLC	Delaware
Owenton Kentucky Propco LLC	Delaware
Palmer Healthcare Investors LLC	Delaware
Paramount Real Estate Services, Inc.	Delaware
Parkland Commons Subtenant, LLC	Delaware
Parkwood Retirement Resort Holding Corporation	British Columbia
Pelican Marsh Subtenant, LLC	Delaware
Pelican Point Subtenant, LLC	Delaware
Pflugerville Loop Owner LLC	Delaware
Pleasant View I Realty, LLC	Delaware
Pleasant View II Realty, LLC	Delaware
Portage Care 2015, LLC	Michigan
Portsmouth Facility Inc.	Ontario
Potomac Acquisition LLC	Delaware
Poughkeepsie Hopewell Junction LLC	Delaware
PVL Landlord - BC, LLC	Delaware
PVL Landlord - STL Hills, LLC	Delaware
Queensbury Tenant, LLC	Delaware
Queenswood Facility Inc.	Ontario
RC 101 E 87th Ave LLC	Delaware
Redmond Partners, LLC	Delaware
Redwood Tower Investments GP Limited	Jersey
Redwood Tower Investments Limited	Jersey
Redwood Tower Investments Limited Partnership	Jersey
Redwood Tower Propco 1 Limited	United Kingdom
Redwood Tower Propco 2 Limited	United Kingdom
Redwood Tower Propco 3 Limited	United Kingdom
Regal Lifestyle (Birkdale) Inc.	Ontario
Regal Lifestyle (Chatham) Inc.	Ontario
Regal Lifestyle (Grand Wood) Inc.	Ontario
Regal Lifestyle (Lynwood) Inc.	Ontario
Regal Lifestyle (Port Perry) Inc.	Ontario
Regency Retirement Resorts Ltd.	British Columbia
Regency Subtenant LP	Delaware
Renoir Facility Inc.	Ontario
Riverbend Facility Inc.	Ontario
Rockwall ALF, LLC	Kansas
RRR SAS Facilities Inc.	Ontario
RSF REIT V GP, L.L.C.	Texas
RSF REIT V SP GP, L.L.C.	Texas
RSF REIT V SP, L.L.C.	Delaware
RSF REIT V, LLC	Maryland
RSF SP Franklin V L.P.	Texas
RSF SP Hamett V, L.P.	Texas
RSF SP Liberty Ridge V L.P.	Texas
RSF SP Lillington AL V, L.P.	Texas
RSF SP Meadowview V L.P.	Texas
RSF SP Oakwood V, L.P.	Texas
RSF SP Scranton AL V, L.P.	Texas
RSF SP Scranton V, L.P.	Texas

RSF SP Smithfield V L.P.	Texas
RSF SP Stroudsburg V, L.P.	Texas
RSF SP Wrightsville V L.P.	Texas
Sachse Station Boulevard Owner LLC	Delaware
Sandalwood Yates Land Corporation	British Columbia
Santa Monica GP, LLC	Delaware
Sarasota Floridian TRS LLC	Delaware
Sarasota Floridian, LLC	Florida
Scranton AL Investors, LLC	Virginia
Scranton Health Investors, LLC	Virginia
Senior Living Ankeny, LLC	Delaware
Senior Living Chesterton 2 LLC	Delaware
Senior Living Fairfield, LLC	Michigan
Senior Living Fort Wayne 2 LLC	Delaware
Senior Living Grove City, LLC	Michigan
Senior Living Pella, LLC	Delaware
Senior Living Portage, LLC	Michigan
Senior Living Waterville, LLC	Michigan
Senior Living Waukeke, LLC	Delaware
Senior Star Investments Weber, LLC	Delaware
Senior Star Tenant Weber, LLC	Delaware
Seniors Housing Investment III REIT Inc.	Maryland
Shelbourne Senior Living Limited	United Kingdom
Shelbyville Kentucky Propco LLC	Delaware
Sierra Pointe Subtenant LP	Delaware
Signature Devco 2 Property Holdings Limited	Jersey
Signature Devco 3 Property Holdings Limited	Jersey
Signature Devco 4 Property Holdings Limited	Jersey
Signature Devco 5 Property Holdings Limited	Jersey
Signature Devco 6 Property Holdings Limited	Jersey
Signature Holdco 1 Ltd.	Jersey
Signature Holdco 2 Ltd	Jersey
Signature Holdco Limited	Jersey
Signature Midco Limited	Jersey
Signature Senior Landlord, LLC	Delaware
Silverado Senior Living Calabasas, Inc.	California
Simi Hills Subtenant LP	Delaware
SIPL Finco S.a.r.l	Luxembourg
SIPL Finco TRS S.a.r.l.	Luxembourg
SIPL Investments S.a.r.l	Luxembourg
SIPL Partner 1 S.a.r.l	Luxembourg
SIPL Partner 10 S.a.r.l	Luxembourg
SIPL Partner 11 S.a.r.l	Luxembourg
SIPL Partner 2 S.a.r.l	Luxembourg
SIPL Partner 3 S.a.r.l	Luxembourg
SIPL Partner 4 S.a.r.l	Luxembourg
SIPL Partner 5 S.a.r.l	Luxembourg
SIPL Partner 6 S.a.r.l	Luxembourg
SIPL Partner 7 S.a.r.l	Luxembourg
SIPL Partner 8 S.a.r.l	Luxembourg
SIPL Partner 9 S.a.r.l	Luxembourg
SIPL Propco NV Ltd	Jersey
SIPL Quantum Propco Ltd	Jersey
SIPL Saints Bristol Propco Limited	United Kingdom
SIPL Saints Leicester Propco Limited	United Kingdom



SIPL Saints Propco Ltd	Jersey
Sixers Pennsylvania, LLC	Delaware
Sixers Pennsylvania, LLC	Delaware
South Valley Medical Building L.L.C.	Minnesota
Southwood Property Corporation	British Columbia
SP Green Ridge, LLC	Virginia
SP Harnett, LLC	Virginia
SP Lillington, LLC	Virginia
SP Virginia Beach, LLC	Virginia
SP Whitestone, LLC	Virginia
SSL Tenant, LLC	Delaware
SSP TP Tag LLC	Georgia
St. Anthony Physicians, LLC	Delaware
St. Clare Physicians, LLC	Delaware
Stamford Physicians, LLC	Delaware
Sterling Investment Partners Ltd	Jersey
Sterling Midco Limited	United Kingdom
Stittsville Facility Inc.	Ontario
Stroudsburg Health Investors, LLC	Virginia
Subtenant 1118 N. Stoneman Avenue, LLC	Delaware
Subtenant 1301 Ralston Avenue, LLC	Delaware
Subtenant 1936 Brookdale Road, LLC	Delaware
Subtenant 25100 Calabasas Road, LLC	Delaware
Subtenant 330 North Hayworth Avenue, LLC	Delaware
Subtenant 350 W. Bay Street, LLC	Delaware
Subtenant 5521 Village Creek Drive, LLC	Delaware
Subtenant 7001 Bryant Irvin Road, LLC	Delaware
Subtenant 8855 West Valley Ranch Parkway, LLC	Delaware
Summerwood Retirement Resort Holding Corporation	British Columbia
Sun City Center Subtenant, LLC	Delaware
Sunrise at Gardner Park Limited Partnership	Massachusetts
Sunrise Connecticut Avenue Assisted Living Owner, L.L.C.	Virginia
Sunrise Gardner Park GP, Inc.	Massachusetts
Sunrise Louisville Kentucky Senior Living, LLC	Kentucky
Sunrise of Beaconsfield G.P. Inc.	New Brunswick
Sunrise of Beaconsfield, LP	Ontario
Sunrise of Blainville G.P. Inc.	New Brunswick
Sunrise of Blainville, LP	Ontario
Sunrise of Dollard des Ormeaux G.P. Inc.	New Brunswick
Sunrise of Dollard des Ormeaux, LP	Ontario
Sunrise of Vienna Propco, LLC	Delaware
Sunrise Operations Bramhall II Limited	United Kingdom
Sunrise Operations Esher Limited	United Kingdom
Sunrise Operations Weybridge Limited	United Kingdom
Sutton Place Owner LLC	Delaware
SZR Beaconsfield Inc.	New Brunswick
SZR Blainville Inc.	New Brunswick
SZR Dollard des Ormeaux, Inc.	New Brunswick
Tampa Bay Subtenant, LLC	Delaware
The Blake at Bossier City Landlord LLC	Delaware
The Blake at Charlottesville Landlord LLC	Delaware
The Blake at Colonial Club Landlord LLC	Delaware
The Blake at Kingsport Landlord LLC	Delaware
The Courtyards Subtenant, LLC	Delaware
The Landing at Queensbury Inc.	Virginia

Thousand Oaks Property Owner LLC	Delaware
Trafalgar Facility Inc.	Ontario
Urban Senior Living Holdco LLC	Delaware
Urban Senior Living JV LLC	Delaware
Valleyview Drive S.W. Property Inc.	British Columbia
Vankleek Facility Inc.	Ontario
Ventana Canyon Tenant, LLC	Delaware
Virginia Beach Health Investors, LLC	Virginia
Voorhees Healthcare Properties, LLC	Delaware
Voorhees Physicians, LLC	Delaware
W TCG Burlison AL, LLC	Delaware
Warwick Associates Of Rhode Island, L.P.	Delaware
Waterleaf 20 Medical Office Condominiums, Inc.	Texas
WBWT Rayzor Ranch LLC	Delaware
WELL 1031 Holdco 1 LLC	Delaware
WELL 1031 TRS LLC	Delaware
WELL 2010 LLC	Delaware
WELL 2010 REIT LLC	Delaware
WELL 4865 MacArthur Blvd LLC	Delaware
WELL Acquisition Holdco LLC	Delaware
WELL AMP TRS LLC	Delaware
WELL Balfour Brookline Landlord LLC	Delaware
WELL Balfour Brookline Tenant LLC	Delaware
WELL Balfour Landlord LLC	Delaware
WELL Balfour Stapleton Landlord LLC	Delaware
WELL Balfour Tenant LLC	Delaware
WELL BL OpCo LLC	Delaware
WELL BL Portfolio 1 OpCo LLC	Delaware
WELL BL Portfolio 1 PropCo LLC	Delaware
WELL BL Potomac Operator LLC	Delaware
WELL Brandywine Howell LLC	Delaware
WELL BT Portfolio Member LLC	Delaware
WELL BT Project Group 1 LLC	Delaware
WELL California Landlord LLC	Delaware
WELL California WA Landlord LLC	Delaware
WELL California WA Tenant LLC	Delaware
WELL Cardiff Opco Limited	United Kingdom
WELL Churchill Leasehold Owner LLC	Delaware
WELL Churchill Tenant LLC	Delaware
WELL Churchill TRS LLC	Delaware
WELL Columbus JV Member LLC	Delaware
WELL Cottonwood Beaumont MOB LLC	Delaware
WELL Cottonwood Tyler MOB LLC	Delaware
WELL Frontier Landlord LLC	Delaware
WELL Frontier Tenant LLC	Delaware
WELL I-A Properties LLC	Delaware
WELL Ibis Portfolio Member LLC	Delaware
WELL Ivy 6 Tenant LLC	Delaware
WELL KISCO DelawareV RIDelawareA MassachusettsSTER LANDLORD, LLC	Delaware
WELL KISCO DelawareV RIDelawareA MassachusettsSTER TENANT, LLC	Delaware
WELL KISCO THE CaliforniaRNEGIE LANDLORD, LLC	Delaware
WELL KISCO THE CaliforniaRNEGIE TENANT, LLC	Delaware
WELL LC Portfolio LLC	Delaware
WELL LCB Landlord LLC	Delaware
WELL LCB Needham Landlord LLC	Delaware

WELL LCB Portfolio 1 Landlord LLC	Delaware
WELL LCB Portfolio 1 Tenant LLC	Delaware
WELL LCB Tenant LLC	Delaware
WELL Los Gatos LLC	Delaware
WELL M&O Haymarket JV LLC	Delaware
WELL Mezzanine Lender LLC	Delaware
WELL MF & AA Portfolio Holdco LLC	Delaware
WELL Monarch Landlord LLC	Delaware
WELL Monarch Tenant JV Member LLC	Delaware
WELL Monarch Tenant LLC	Delaware
WELL NPSL Landlord, LLC	Delaware
WELL NPSL Tenant, LLC	Delaware
WELL OSL Carmichael LLC	Delaware
WELL OSL DownREIT Holdco LLC	Delaware
WELL OSL DownREIT JV Landlord LLC	Delaware
WELL OSL DownREIT Member LLC	Delaware
WELL OSL EL Dorado LLC	Delaware
WELL OSL North Fresno LLC	Delaware
WELL OSL Orange LLC	Delaware
WELL OSL Pacific Beach LLC	Delaware
WELL OSL Redding LLC	Delaware
WELL Pappas Berkeley Owner LLC	Delaware
WELL Path Landlord LLC	Delaware
WELL Path Tenant LLC	Delaware
WELL PM Properties II LLC	Delaware
WELL PM Properties LLC	Delaware
WELL PM Virginia Beach Owner LLC	Delaware
WELL Properties Intermediate Holdco LLC	Delaware
WELL SCP Portfolio Member LLC	Delaware
WELL Sea Bluffs Condos LLC	Delaware
WELL Silver Waters Owner LLC	Delaware
WELL SP Grove City Landlord LLC	Delaware
WELL SP Landlord 2 LLC	Delaware
WELL SP Landlord LLC	Delaware
WELL SP Lender LLC	Delaware
WELL SP Tenant 2 LLC	Delaware
WELL SP Tenant LLC	Delaware
WELL Sparrow Project Group 1 LLC	Delaware
WELL TBC Columbus JV Holdco LLC	Delaware
WELL TBC Columbus JV LLC	Delaware
WELL TC Portfolio Member LLC	Delaware
WELL TP Crabtree Owner LP	Delaware
WELL TP Dresden Member LLC	Delaware
WELL TP Dresden Village JV LLC	Delaware
WELL Trevi Albemarle SNF LLC	Delaware
WELL Trevi Bronson SNF LLC	Delaware
WELL Trevi Carlotta SNF LLC	Delaware
WELL Trevi CCRC Tenant, LLC	Delaware
WELL Trevi Tenant, LLC	Delaware
WELL Trevi WH SNF LLC	Delaware
WELL UK Investments Ltd	Jersey
WELL Unitranche Member LLC	Delaware
WELL US SubREIT LLC	Delaware
WELL WB Portfolio Member LLC	Delaware
WELL WM Portfolio Member LLC	Delaware

WellClover Holdings LLC	Delaware
WellClover TRS II LLC	Delaware
WellClover TRS LLC	Delaware
WellClover Venture II LLC	Delaware
WellClover Venture LLC	Delaware
Wellesley Washington Street Housing I LLC	Delaware
wellFloridaEX LLC	Delaware
Welltower 1915 North 34th Street, LLC	Wisconsin
Welltower 1950 Sunny Crest Drive GP, LLC	Delaware
Welltower 1950 Sunny Crest Drive, LP	Delaware
Welltower 2130 Continental Drive, LLC	Wisconsin
Welltower 5017 South 110th Street, LLC	Wisconsin
Welltower Arlington TRS LLC	Delaware
Welltower Ballard LLC	Minnesota
Welltower BV Westwood PropCo GP LLC	Delaware
Welltower Canadian Services TRS GP LTD.	Ontario
Welltower Canadian Services TRS LP	Ontario
Welltower Carmichael Tenant LLC	Delaware
Welltower CCRC OpCo LLC	Delaware
Welltower Charitable Foundation	Delaware
Welltower Cogir Landlord, LP	Delaware
Welltower Cogir Tenant, LLC	Delaware
Welltower Colorado Properties LLC	Delaware
Welltower Eclipse Issaquah PropCo LLC	Delaware
Welltower Eclipse Issaquah TRS LLC	Delaware
Welltower GP LLC	Delaware
Welltower HealthCare Properties II LLC	Delaware
Welltower HealthCare Properties LLC	Delaware
Welltower HealthCare Venture Properties LLC	Delaware
Welltower Iowa Holdco LLC	Delaware
Welltower Kisco RIDelawareA Holdco GP LLC	Delaware
Welltower Kisco RIDelawareA Holdco LP	Delaware
Welltower Kisco RIDelawareA Landlord, LLC	Delaware
Welltower Kisco RIDelawareA Tenant, LLC	Delaware
Welltower KansasL Owner LLC	Delaware
Welltower Landlord Group LLC	Delaware
Welltower Limited Partnership	Delaware
Welltower Management Company Holdco LLC	Delaware
Welltower NNN Group LLC	Delaware
Welltower North Fresno Tenant LLC	Delaware
Welltower Northbridge Tenant LLC	Delaware
Welltower OM Group LLC	Delaware
Welltower OM Member JV GP LLC	Delaware
Welltower OM Member JV LP	Delaware
Welltower OM Member REIT LLC	Delaware
Welltower OM PropCo GP LLC	Delaware
Welltower OpCo Group LLC	Delaware
Welltower Orange Tenant LLC	Delaware
Welltower Pacific Beach Tenant LLC	Delaware
Welltower Pappas MOB 1, LLC	Delaware
Welltower Pappas MOB 2, LLC	Delaware
Welltower Pegasus Landlord, LLC	Delaware
Welltower Pegasus Tenant, LLC	Delaware
Welltower Pegasus TRS LLC	Delaware
Welltower Portfolio Tenant LLC	Delaware

Welltower PropCo Group Borrower LLC	Delaware
Welltower PropCo Group LLC	Delaware
Welltower Redding Tenant LLC	Delaware
Welltower REIT Holdings LLC	Delaware
Welltower TCG NNN Landlord, LLC	Delaware
Welltower TCG RIDelawareA Landlord, LLC	Delaware
Welltower TCG RIDelawareA Tenant, LLC	Delaware
Welltower Tenant Group LLC	Delaware
Welltower TRS Holdco LLC	Delaware
Welltower Victory II GP LLC	Delaware
Welltower Victory II JV LP	Delaware
Welltower Victory II Landlord LP	Delaware
Welltower Victory II OpCo LLC	Delaware
Welltower Victory II PropCo LLC	Delaware
Welltower Victory II REIT LLC	Delaware
Welltower Victory II Tenant LP	Delaware
Welltower Victory II TRS LLC	Delaware
Welltower Victory III Landlord LLC	Delaware
Welltower Victory III OpCo LLC	Delaware
Welltower Victory III Tenant LP	Delaware
Welltower Victory III TRS LLC	Delaware
Westford Littleton Road I LLC	Delaware
White Plains Associates LLC	Delaware
Williamstown Kentucky Propco LLC	Delaware
Willow Tower Investments GP Limited	United Kingdom
Willow Tower Investments GP LLP	Jersey
Willow Tower Investments LP	Jersey
Willow Tower Nominee 1 Limited	United Kingdom
Willow Tower Nominee 2 Limited	United Kingdom
Willow Tower Opco 1 Limited	United Kingdom
Wimbledon Opco Limited	United Kingdom
Windrose 310 Properties, L.L.C.	Tennessee
Windrose Congress I Properties, L.P.	Delaware
Windrose Mount Vernon Properties, L.L.C.	Virginia
Windrose Palm Court Properties, L.L.C.	Virginia
Windrose SPE Mount Vernon Properties, Inc.	Georgia
Windrose St. Louis I Properties, LLC	Delaware
Windrose Tulsa Properties, L.L.C.	Delaware
Windrose West Boca Properties, Ltd.	Florida
Windrose West Seneca Properties, LLC	Delaware
WMP West Seneca Management, LLC	Delaware
WMPT Congress I Management, L.L.C.	Delaware
WMPT Congress II Management, L.L.C.	Delaware
WMPT Princeton Management, L.L.C.	Delaware
WMPT Sacramento Properties, L.L.C.	Virginia
WMPT Sacramento, L.P.	Virginia
WMPT St. Louis I Management, LLC	Delaware
WMPT Stone Oak Properties, L.L.C.	Virginia
WMPT Stone Oak, L.P.	Virginia
WMPT Tulsa Management, L.L.C.	Delaware
WMPT West Boca Management, L.L.C.	Delaware
Woodmere Park Owner LLC	Delaware
WR Brentwood Propco Limited	Jersey
WR Coombe Propco Limited	Jersey
WR Epsom Propco Limited	Jersey

WR GP Limited	Jersey
WR Hindhead Propco Limited	Jersey
WR Holdco Limited	Jersey
WR Investment Partners Limited	Jersey
WR Limited Partnership	Jersey
WR Midco Limited	United Kingdom
WR Operations 1 Limited	United Kingdom
WR Operations 2 Limited	United Kingdom
WR Operations 3 Limited	United Kingdom
WR Operations 4 Limited	United Kingdom
WR Operations 5 Limited	United Kingdom
WR Operations 6 Limited	United Kingdom
WR Operations 7 Limited	United Kingdom
WR Signature DP2 Limited	Jersey
WR Signature Operations Limited	United Kingdom
WT 9 Pack Property Owner LLC	Delaware
WT Hampshire Property Owner LLC	Delaware
WT Lessee LLC	Delaware
WT Lessor LLC	Delaware
WT Propco Member Holdco, Inc.	California
WT Stony Hill Tenant LLC	Delaware
WT Tenant Opco LLC	Delaware
WT UK OpCo 1 Limited	United Kingdom
WT UK OpCo 2 Limited	United Kingdom
WT UK OpCo 3 Limited	United Kingdom
WT UK Opco 4 Limited	United Kingdom

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following registration statements:

- Registration Statement (Form S-8 No. 333-126195) dated June 28, 2005 pertaining to the Health Care REIT, Inc. 2005 Long-Term Incentive Plan;
- Registration Statement (Form S-8 No. 333-161131) dated August 6, 2009 pertaining to the Health Care REIT, Inc. Amended and Restated 2005 Long-Term Incentive Plan;
- Registration Statement (Form S-8 No. 333-211832) dated June 3, 2016 pertaining to the Welltower Inc. 2016 Long-Term Incentive Plan;
- Registration Statement (Form S-8 No. 333-225006) dated May 17, 2018 pertaining to the Welltower Inc. Employee Stock Purchase Plan
- Registration Statement (Form S-3 No. 333-225004) dated May 4, 2021 pertaining to an indeterminate amount of debt securities, common stock, preferred stock, depositary shares, warrants and units of Welltower Inc.; and
- Registration Statement (Form S-3 No. 333-225005) dated May 4, 2021 pertaining to the Welltower Inc. Sixth Amended and Restated Dividend Reinvestment and Stock Purchase Plan.

of our reports dated February 16, 2022, with respect to the consolidated financial statements and schedules of Welltower Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Welltower Inc. and subsidiaries included in this Annual Report (Form 10-K) of Welltower Inc., for the year ended December 31, 2021.

/s/ ERNST & YOUNG LLP

Toledo, Ohio  
February 16, 2022

## POWER OF ATTORNEY

**KNOW ALL MEN BY THESE PRESENTS**, that each of the undersigned, a director or officer of Welltower Inc. (the "Company"), a Delaware corporation, hereby constitutes and appoints Shankh Mitra and Timothy G. McHugh, and each of them, his or her true and lawful attorneys-in-fact and agents, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for the year ended December 31, 2021 to be filed by the Company with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of this 16th day of February 2022.

/s/ Kenneth J. Bacon

Kenneth J. Bacon, Chairman and Director

/s/ Karen B. DeSalvo

Karen B. DeSalvo, Director

/s/ Jeffrey H. Donahue

Jeffrey H. Donahue, Director

/s/ Philip L. Hawkins

Philip L. Hawkins, Director

/s/ Dennis G. Lopez

Dennis G. Lopez, Director

/s/ Ade J. Patton

Ade J. Patton, Director

/s/ Diana W. Reid

Diana W. Reid, Director

/s/ Sergio D. Rivera

Sergio D. Rivera, Director

/s/ Johnese M. Spisso

Johnese M. Spisso, Director

/s/ Kathryn M. Sullivan

Kathryn M. Sullivan, Director

/s/ Shankh Mitra

Shankh Mitra, Chief Executive Officer, Chief Investment Officer and Director  
(Principal Executive Officer)

/s/ Timothy G. McHugh

Timothy G. McHugh, Executive Vice President -  
Chief Financial Officer (Principal Financial Officer)

/s/ Joshua T. Fieweger

Joshua T. Fieweger, Chief Accounting Officer  
(Principal Accounting Officer)



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **Shankh Mitra**, certify that:

1. I have reviewed this annual report on Form 10-K of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2022

/s/ SHANKH MITRA

Shankh Mitra,

Chief Executive Officer, Chief Investment Officer and Director

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Timothy G. McHugh**, certify that:

1. I have reviewed this annual report on Form 10-K of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2022

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,  
Executive Vice President - Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

I, Shankh Mitra, the Chief Executive Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Annual Report on Form 10-K for the Company for the year ended December 31, 2021 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHANKH MITRA

Shankh Mitra

Chief Executive Officer, Chief Investment Officer and Director

Date: February 16, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

I, Timothy G. McHugh, the Chief Financial Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Annual Report on Form 10-K for the Company for the year ended December 31, 2021 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,

Executive Vice President - Chief Financial Officer

Date: February 16, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.