Risk Factors Comparison 2025-02-28 to 2024-03-22 Form: 10-K

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Investing in our common stock involves risks. Our stockholders should carefully consider the risk factors below, together with all of the other information included in this Annual Report on Form 10- K, including our Consolidated Financial Statements and the notes thereto included herein. If any of these risks were to occur, our business, financial condition, liquidity, results of operations and prospects and our ability to service our debt and make distributions to our stockholders at a particular rate, or at all, could be materially and adversely affected (which we refer to collectively as " materially and adversely affecting us " or having " a material adverse effect on us " and comparable phrases). Risk Factor Summary Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary should be read in conjunction with the full risk factors contained below. Risks Related to Our Business and Financial Results • **The financial deterioration, insolvency or bankruptcy of one or more of our major tenants, operators, borrowers or other obligors could have a material adverse effect on us. •** We are dependent on tenants for our revenue, and lease **defaults or** terminations could reduce our ability to make distributions to our stockholders ~~. • The financial deterioration, insolvency or bankruptcy of one or more of our major tenants, operators, borrowers or other obligors could have a material adverse effect on us~~ . • We have experienced net losses in the past and we may experience additional losses in the future. • Our prior performance may not be an accurate predictor of our ability to achieve our business objectives or of our future results. • Our success is dependent on the performance and continued contributions of certain of our key personnel, and, in the event they are no longer employed by us, we could be materially and adversely affected. • All of our integrated senior health campuses are managed by Trilogy Management Services, LLC, or the Trilogy Manager, and account for a significant portion of our revenues and operating income. Adverse developments in the Trilogy Manager' s business or financial strength could have a material adverse effect on us. Risks Related to Investments in Real Estate • ~~Uncertain~~ **Changing** market conditions could lead our real estate investments to decrease in value or may cause us to sell our properties at a loss in the future. • Most of our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs, are subject to inflation and may not be recoverable. • Our high concentrations of properties in particular geographic areas magnify the effects of negative conditions affecting those geographic areas. • Our real estate investments may be concentrated in **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ or other healthcare- related facilities, making us more vulnerable to negative factors affecting these classes than if our investments were diversified beyond the healthcare industry. • Our business, tenants, residents and operators may face litigation and experience rising liability and insurance costs, which may materially and adversely affect us. Risks Related to Real Estate- Related Investments • Unfavorable real estate market conditions and delays in liquidating defaulted mortgage loan investments may negatively impact mortgage loans in which we have invested and may invest, which could result in losses to us. • We expect a portion of our real estate- related investments to be illiquid, and we may not be able to adjust our portfolio in a timely manner in response to changes in economic and other conditions. Risks Related to the Healthcare Industry • The healthcare industry is heavily regulated, and new laws or regulations, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could result in the inability of our tenants to make rent payments to us or adversely affect our operators' ability to operate facilities held in RIDEA structures. • Reimbursement rates from third- party payors, including Medicare and Medicaid, that do not rise as quickly, or at all, compared to the rate of inflation, could adversely affect our tenants' operations and ability to make rental payments to us or our profitability from operating facilities held in RIDEA structures. • If seniors delay moving to senior housing facilities until they require greater care or forgo moving to senior housing facilities altogether, such action could have a material adverse effect on us. • We, our tenants and our operators for our senior housing facilities and SNFs may be subject to various government reviews, audits and investigations that could materially and adversely affect us, including an obligation to refund amounts previously paid to us, potential criminal charges, the imposition of fines and / or the loss of the right to participate in Medicare and Medicaid programs. Risks Related to Joint Ventures • ~~Property ownership through~~ **When we serve as a managing member, general partner or controlling party with respect to investments or** joint ventures **, we may be subject to risks and liabilities that we** ~~could~~ **would not otherwise face** ~~limit our control of those investments or our decisions with respect to other investments, restrict our ability to operate and finance properties on our terms, and reduce their expected return~~ . Risks Related to Debt Financing • We ~~have substantial indebtedness and~~ may incur additional indebtedness in the future, which could materially and adversely affect us ~~. • To the extent we borrow funds at floating interest rates, we will be adversely affected by rising interest rates unless fully hedged. Rising interest rates will also increase our interest expense on future fixed- rate debt~~ . • Lenders may require us to enter into restrictive covenants that could adversely affect our business. Risks Related to Our Corporate Structure and Organization • Our charter imposes a limit on the percentage of shares of our common stock or capital stock that any person may own, and such limit may discourage a takeover or business combination that may have benefited our stockholders. Risks Related to Taxes and Our REIT Status • Failure to maintain our qualification as a REIT for U. S. federal income tax purposes would subject us to U. S. federal income tax on our REIT taxable income at the regular corporate rate, which would substantially increase our income tax expenses and reduce our distributions to our stockholders. • We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability or reduce our operating flexibility. Risks Related to Our Common Stock • ~~An active trading market for our common stock may not be maintained. •~~ The market price and trading volume of shares of our common stock may be volatile. • **Our ability to pay dividends in** ~~Because we have a large number of stockholders and shares of our common stock have not been listed on a national securities exchange until recently, there~~ -- **the future** may be **limited by agreements relating** ~~significant pent- up~~

~~demand~~ to ~~sell shares of our common stock (including our Class T common stock and Class I common stock). Significant sales of shares of our common stock, or~~ **our indebtedness and** ~~the~~ **other factors** ~~perception that significant sales of such shares could occur, may cause the price of shares of our common stock to decline significantly~~ . • Future offerings of debt securities, which would be senior to our common stock, or equity securities, which would dilute our existing stockholders and may be senior to our common stock, may adversely affect our stockholders. • We may be unable to raise additional capital on favorable terms, or at all, needed to grow our business . • Prior to our recent NYSE..... to sell the property at a loss . A downturn in any of our tenants', operators', borrowers' or other obligors' businesses could ultimately lead to voluntary or involuntary bankruptcy or similar insolvency proceedings, including but not limited to assignment for the benefit of creditors, reorganization, liquidation or winding- up. Bankruptcy and insolvency laws afford certain rights to a defaulting tenant, operator or borrower that has filed for bankruptcy or reorganization that may render certain of our remedies unenforceable or, at the least, delay our ability to pursue such remedies and realize any related recoveries. A debtor has the right to assume, or to assume and assign to a third party, or to reject its executory contracts and unexpired leases in a bankruptcy proceeding. If a debtor were to reject its leases with us, obligations under such rejected leases would cease. The claim against the rejecting debtor would be an unsecured claim, which would be limited by the statutory cap set forth in the U. S. Bankruptcy Code, and there may be insufficient assets to satisfy all unsecured claims, even ones limited by the statutory cap. This statutory cap may be substantially less than the remaining rent actually owed under the lease. In addition, a debtor may also assert in bankruptcy proceedings that leases should be re- characterized as financing agreements, which could result in our being deemed a lender instead of a landlord. A lender' s rights and remedies, as compared to a landlord' s, generally are materially less favorable, and our rights as a lender may be subordinated to other creditors' rights. Furthermore, the automatic stay provisions of the U. S. Bankruptcy Code would preclude us from enforcing our remedies unless we first obtain relief from the court having jurisdiction over the bankruptcy case. This would effectively limit or delay our ability to collect unpaid rent or interest payments, and we may ultimately not receive any payment at all. In addition, we would likely be required to fund certain expenses and obligations to preserve the value of our properties, avoid the imposition of liens on our properties or transition our properties to a new tenant or operator. Additionally, we lease many of our properties to healthcare providers who provide long- term custodial care to the elderly. Evicting operators for failure to pay rent while the property is occupied typically involves specific procedural or regulatory requirements and may not be successful. Even if eviction is possible, we may determine not to do so due to reputational or other risks. Bankruptcy or insolvency proceedings typically also result in increased costs to the operator, significant management distraction and performance declines. If we are unable to transition affected properties, they would likely experience prolonged operational disruption, leading to lower occupancy rates and further depressed revenues. Publicity about the operator' s financial troubles and bankruptcy or insolvency proceedings may also negatively impact their and our reputations, decreasing customer demand and revenues. Any or all of these risks could have a material adverse effect on us. ~~traded company.~~ The successful performance of our real estate investments is materially dependent on the financial stability of our tenants.Lease payment defaults by tenants would cause us to lose the revenue associated with such leases and could reduce our ability to make distributions to our stockholders.If a property is subject to a mortgage,a default by a significant tenant on its lease payments to us may result in a foreclosure on the property if we are unable to find an alternative source of revenue to meet our mortgage payments.In the event of a tenant default,we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re- leasing our property.Further,we cannot assure our stockholders that we will be able to re- lease the property for the rent previously received,if at all,or that lease terminations will not cause us to sell the property at **a loss.** Historically, we have experienced net losses (calculated in accordance with GAAP), and we may not be profitable or realize growth in the value of our investments. Many of our losses can be attributed to **depreciation and amortization, interest expense,** general and administrative expenses ~~, depreciation and amortization~~ , as well as acquisition expenses incurred in connection with purchasing properties or making other investments. For a further discussion of our operational history and the factors affecting our net losses, see Part II, Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and the notes thereto that are a part of this Annual Report on Form 10- K. Our stockholders should not rely on our past performance to predict our future results. Our stockholders should review our prospects in light of the risks, uncertainties and difficulties frequently encountered by companies that have a limited operating history, many of which may be beyond our control. For example, due to challenging economic conditions in the past, distributions to stockholders were reduced. Therefore, to be successful in this market, we must, among other things: • successfully manage our assets; • attract, integrate, motivate and retain qualified personnel to manage our day- to- day operations; and • respond to competition both for investment opportunities and potential investors' investment in us. We cannot guarantee that we will succeed in achieving these goals, and our failure to do so could materially and adversely affect us and the market price of our common stock could be highly volatile and decline significantly and our stockholders could lose all or a portion of their investment. Our success depends, to a significant degree, upon the continued contributions of our executives and key officers. In particular, Danny Prosky would be difficult to replace. Mr. Prosky currently serves as our Chief Executive Officer and one of our directors. In the event that Mr. Prosky or one of our other executives or key executive officers are no longer employed by us, for any reason, it could have a material adverse effect on us, and we may not be able to attract and hire equally capable individuals to replace them. If we were to lose the benefit of the experience, efforts and abilities of one or more of our executives or other key officers, we could be materially and adversely affected. Our financial results and our ability to make distributions to our stockholders are subject to international, national and local market conditions we cannot control or predict. We are subject to the risks of an international or national economic slowdown or downturn and other changes in international, national and local market conditions. The following factors may have affected, and may continue to affect, income from our properties, our ability to acquire and develop properties, and our overall financial results and ability to make distributions to our stockholders: • poor economic times may result in defaults by tenants of our properties due to bankruptcy, lack of liquidity or

operational failures. We may provide rent concessions, tenant improvement expenditures or reduced rental rates to maintain or increase occupancy levels; • fluctuations as a result of supply and demand imbalances and reduced occupancies and rental rates may cause the properties that we own to decrease in value. Consequently, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment charge or record a loss on sale in our financial results; • reduced values of our properties may limit our ability to obtain or maintain debt financing secured by our properties and may reduce the availability of unsecured loans; • constricted access to credit may result in tenant defaults or non- renewals under leases; • layoffs may lead to a lower demand for medical services and cause vacancies to increase and a lack of future population and job growth may make it difficult to maintain or increase occupancy levels; • disruptions in the financial markets, deterioration in economic conditions or a public health crisis, such as the COVID- 19 pandemic, have resulted in the past, and may result in the future, in lower occupancy in our facilities, increased vacancy rates for commercial real estate due to generally lower demand for rentable space, as well as an oversupply of rentable space; • governmental actions and initiatives, including risks associated with the impact of a prolonged government shutdown or budgetary reductions or impasses; **• regulatory and legal uncertainty arising from governmental actions and associated legal challenges, laws that may differ or conflict with those in other jurisdictions, and lack of clarity or shifting governmental priorities regarding the enforcement of rules and regulations;** and • increased insurance premiums, **deductibles and other fees,** real estate taxes or utilities or other expenses, such as inflation **of** costs **or supplies** , will decrease our financial results and may reduce funds available for distribution to our stockholders or, to the extent such increases are passed through to tenants, may lead to tenant defaults. Also, any such increased expenses may not coincide with our ability to increase rents to tenants on turnover, which would adversely impact our financial results. The length and severity of any economic slowdown or downturn cannot be predicted with confidence at this time. We have been, and we expect may continue to be, negatively impacted to the extent an economic slowdown or downturn is prolonged or becomes more severe. We face significant competition for the acquisition ~~and~~ **or** disposition of **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities, which may impede our ability to take, and increase the cost of, such actions, which may materially and adversely affect us. We face significant competition from other entities engaged in real estate investment activities for acquisitions ~~and~~ **or** dispositions of **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities, some of whom may have greater resources, lower costs of capital and higher risk tolerances than we do. Increased competition makes it more challenging for us to identify and successfully capitalize on opportunities that meet our business objectives and could improve the bargaining power of our counterparties, thereby impeding our investment, acquisition and disposition activities. If we pay higher prices per property or receive lower prices for dispositions of our **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ or other healthcare- related facilities as a result of such competition, we may be materially and adversely affected. Our investments in, and acquisitions of, **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities 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. Such expenditures may negatively affect our results of operations. Investments in and acquisitions of **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities 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 or operator will fail to meet performance expectations. In addition, we may not be able to identify off- market or other investment opportunities or investment opportunities that are strategically marketed to a limited number of investors at the rate that we anticipate or at all. We may be unable to obtain or assume financing for acquisitions on favorable terms or at all. Healthcare properties are often highly customizable and the development or redevelopment of such properties may require costly tenant- specific improvements. We may experience delays and disruptions to property redevelopment as a result of supply chain issues and construction material and labor shortages. 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 a material adverse effect on us. 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 our stockholders that we will achieve the economic benefit we expect from acquisitions, investment, development and redevelopment opportunities and may lead to impairment of such assets. ~~We are uncertain of all of our sources of debt or equity for funding our capital needs.~~ If we cannot obtain **debt or equity** funding on favorable terms, our ability to acquire, and make necessary capital improvements to, properties may be impaired or delayed, which could have a material adverse effect on us. **Our** ~~We have not~~ identified ~~all of our~~ sources of debt or equity ~~for funding, and such sources of~~ funding may not be available to us on favorable terms or at all. If we do not have access to sufficient funding on favorable terms in the future, we may not be able to acquire new properties, make necessary capital improvements to our existing properties, pay other expenses ~~, exercise our option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings (the purchase price of which must include at least a minimum cash consideration as defined in Note 13, Equity — Noncontrolling Interests in Total Equity — Membership Interest in Trilogy REIT Holdings, or the Minimum Cash Consideration)~~ or expand our business when desired, or at all, which would have a material adverse effect on us. All of our integrated senior health campuses are managed by the Trilogy Manager and account for a significant portion of our revenues and operating income. Adverse developments in the Trilogy Manager' s business or financial strength could have a material adverse effect on us. The Trilogy Manager manages all of the day- to- day operations for all of our integrated senior health campuses pursuant to a long- term management agreement. These integrated senior health campuses accounted for approximately ~~43~~ **44** . 6 % of our portfolio (based on aggregate contract purchase price) as of December 31, ~~2023~~

2024 and contributed approximately ~~51~~ **54** . ~~0~~ **1** % of our annualized base rent / annualized net operating income, or NOI, as of such date. **We** ~~Although we have various rights as the joint venture owner of these integrated senior health campuses under our management agreement, we~~ rely on the Trilogy Manager' s personnel, expertise, technical resources and information systems, proprietary information, good faith and judgment to manage our integrated senior health campuses operations efficiently and effectively, and to identify and manage development opportunities for new integrated senior health campuses. We also rely on the Trilogy Manager to provide accurate campus- level financial results for our integrated senior health campuses in a timely manner and to otherwise operate our integrated senior health campuses in compliance with the terms of our management agreement and all applicable laws and regulations. We depend on the Trilogy Manager' s ability to attract and retain skilled personnel to provide these services. A shortage of nurses or other trained personnel or general inflationary pressures may force the Trilogy Manager to enhance its pay and benefits package to compete effectively for such personnel, the cost of which we would bear ~~in proportion to our joint venture interest~~ , but it may not be able to offset these added costs by increasing the rates charged to residents. As such, any adverse developments in the Trilogy Manager' s business or financial strength, including its ability to retain key personnel, could impair its ability to manage our integrated senior health campuses efficiently and effectively and could have a material adverse effect on us. In addition, if the Trilogy Manager experiences any significant financial, legal, accounting or regulatory difficulties due to a weak economy, industry downturn or otherwise, such difficulties could result in, among other adverse events, acceleration of its indebtedness, impairment of its continued access to capital, the enforcement of default remedies by its counterparties or the commencement of insolvency proceedings by or against it under the U. S. Bankruptcy Code. Any one or a combination of these risks could have a material adverse effect on us ~~. If we exercise our option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings, our indirect ownership of the assets managed by the Trilogy Manager would increase from 74. 1 % to 97. 5 % (in all cases assuming that there are no changes in the equity capitalization of Trilogy prior to consummation of the purchase)~~ . In the event that our management agreement with the Trilogy Manager is terminated or not renewed, we may be unable to replace the Trilogy Manager with another suitable operator, or, if we were successful in locating such an operator, we cannot guarantee that it would manage the integrated senior health campuses efficiently and effectively or that any such transition would be completed timely, which may have a material adverse effect on us. In the event we were to contemplate pursuing any existing or future contractual rights or remedies under our management agreement with the Trilogy Manager, including termination rights, we would consider numerous factors, including legal, contractual, regulatory, business and other relevant considerations. In the event that we exercise our rights to terminate the management agreement with the Trilogy Manager for any reason or such agreements are not renewed upon expiration of their terms, we would attempt to reposition the affected integrated senior health campuses with another operator. Although we believe that other qualified national and regional operators would be interested in managing our integrated senior health campuses, we cannot provide any assurance that we would be able to locate another suitable operator or, if we were successful in locating such an operator, that it would manage the integrated senior health campuses efficiently and effectively or that any such transition would be completed timely or would not require substantial capital expenditures. Any such transition would likely result in disruption of the operation of such facilities, including matters relating to staffing and reporting. Moreover, the transition to a replacement operator may require approval by the applicable regulatory authorities and, in most cases, one or more of our lenders, including the mortgage lenders for certain of the integrated senior health campuses, and we cannot provide any assurance that such approvals would be granted on a timely basis, if at all. Any inability to replace or delay in replacing the Trilogy Manager as the operator of our integrated senior health campuses with a highly qualified successor on favorable terms could have a material adverse effect on us. We may incur additional costs in re-leasing properties with specialized uses, which could materially and adversely affect us. Some of the properties we have acquired and will seek to acquire are healthcare properties designed or built primarily for a particular tenant of a specific type of use known as a single- user facility. If we or our tenants terminate the leases for these properties or our tenants default on their lease obligations or lose their regulatory authority to operate such properties, we may not be able to locate suitable replacement tenants to lease the properties for their specialized uses. Alternatively, we may be required to spend substantial amounts to adapt the properties to other uses or incur other significant re- leasing costs. Any loss of revenues or additional capital expenditures required as a result may have a material adverse effect on us. We may be unable to secure funds for future tenant or other capital improvements, which could limit our ability to attract, replace or retain tenants, pay our expenses and make distributions to our stockholders. When tenants do not renew their leases or otherwise vacate their space, in order to attract replacement tenants, we have expended, and may be required to expend in the future, substantial funds for tenant improvements and leasing commissions related to the vacated space. Such tenant improvements have required, and may continue to require, us to incur substantial capital expenditures. If we have not established capital reserves for such tenant or other capital improvements, we will have to obtain financing from other sources. We may also have future financing needs for other capital improvements to refurbish or renovate our properties. If we need to secure financing sources for tenant or other capital improvements in the future, but are unable to secure such financing or are unable to secure financing on terms we feel are acceptable, we may be unable to make tenant and other capital improvements, or we may be required to defer such improvements. If this happens, it may cause one or more of our properties to suffer from a greater risk of obsolescence or a decline in value or a greater risk of decreased cash flows as a result of fewer potential tenants being attracted to the property or our existing tenants not renewing their leases. If we do not have access to sufficient funding in the future, we may also not be able to pay our expenses or make distributions to our stockholders. A breach of **, or failure in,** information technology systems on which we rely could materially and adversely impact us. We and our tenants and operators rely on information technology systems, including the internet and networks and systems maintained and controlled by third- party vendors and other third parties, to process, transmit and store information and to manage or support our business processes. Third- party vendors collect and hold personally identifiable information and other confidential information of our tenants, operators, patients, stockholders and employees. We also maintain confidential financial

and business information regarding us and persons and entities with which we do business on our information technology systems. While we have enhanced our information technology systems in response to the general cybersecurity threat environment in recent years, we are not aware of any specific cybersecurity threat, including as a result of any previous cybersecurity or information security incident or breach, that has had a material effect on us, including our business strategy, results of ~~operation~~ **operations** or financial condition. However, there can be no assurances that a cybersecurity threat or incident that could have a material impact on us has not occurred or will not occur in the future. While we and our tenants and operators take steps to protect the security of the information maintained in our information technology systems, including the use of commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing of the information, it is possible that such security measures will not be able to prevent human error or the systems' improper functioning, or the loss, misappropriation, disclosure or corruption of personally identifiable information or other confidential or sensitive information, including information about our tenants and employees. Cybersecurity breaches, including physical or electronic break- ins, computer viruses, phishing scams, attacks by hackers, breaches due to employee error or misconduct and similar breaches can create and, in some instances in the past, have resulted in, system disruptions, shutdowns or unauthorized access to information maintained on our information technology systems or the information technology systems of our third- party vendors or other third parties or otherwise cause disruption or negative impacts to occur to our business and materially and adversely affect us. **In addition, the cybersecurity threat landscape is rapidly evolving, and threat actors may leverage new and evolving technologies, such as artificial intelligence, previously unknown vulnerabilities to perpetrate attacks, as well as sophisticated anti- forensics techniques to evade detection.** While we and, we believe, most of our tenants and operators maintain cyber risk insurance to provide some coverage for certain risks arising out of cybersecurity breaches, there is no assurance that such insurance would cover all or a significant portion of the costs or consequences associated with a cybersecurity breach. As our reliance on technology increases, **including through the adoption or increased use of artificial intelligence or other emerging technologies by us and our partners,** so will the risks posed to our information systems, both internal and those we outsource. In addition, as the techniques used to obtain unauthorized access to information technology systems become more varied and sophisticated and the occurrence of such breaches becomes more frequent, we and our third- party vendors and other third parties may be unable to adequately anticipate these techniques or breaches and implement appropriate preventative measures. There is no guarantee that any processes, procedures and internal controls we have implemented or will implement will prevent cyber intrusions. Any failure to prevent cybersecurity breaches and maintain the proper function, security and availability of our or our third- party vendors' and other third parties' information technology systems could interrupt our operations, damage our reputation and brand, damage our competitive position, make it difficult for us to attract and retain tenants and subject us to liability claims or regulatory penalties, which could materially and adversely affect us. Additionally, as increased regulatory compliance for cybersecurity protocols and disclosures, including rules requiring prompt disclosure of any material cybersecurity breaches or incidents, are required by state or federal authorities, the increased amount of resources, both time and expense, could also materially and adversely affect us, and we may be subject to regulatory action and lawsuits, should we fail to comply with such ~~obligations~~ **requirements** . Our management, subject to the oversight of our board, may exercise its discretion as to whether and when to sell a property, and we have no obligation to sell properties at any particular time or at all. We cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. As such, we may be purchasing our properties at a time when capitalization rates are at historically low levels and purchase prices are high. In addition, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We may not have adequate funds available to correct such defects or to make such improvements. Moreover, in acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. The value of our properties may not increase over time, which may restrict our ability to sell our properties, or in the event we are able to sell such properties, may lead to sale prices less than the prices that we paid to purchase the properties or the price at which we value the property. Additionally, we may incur prepayment penalties in the event we sell a property subject to a mortgage earlier than we otherwise had planned. Accordingly, our ability to realize potential appreciation on our real estate investments and make distributions to our stockholders will, among other things, be dependent upon uncertain market conditions. A significant portion of our operating expenses is sensitive to inflation. These include expenses for property- related costs such as insurance, utilities and repairs and maintenance. We also have ground lease expenses in certain of our properties. Ground lease costs are contractual, but in some cases, lease payments reset every few years based on changes on consumer price indexes. Operating expenses on our non- RIDEA properties, with the exception of ground lease rental expenses, are typically recoverable through our lease arrangements, which allow us to pass through substantially all expenses associated with property taxes, insurance, utilities, repairs and maintenance and other operating expenses (including increases thereto) to our tenants. As of December 31, ~~2023~~ **2024** , the majority of our existing leases were either triple- net leases or leases that allow us to recover certain operating expenses and certain capital expenditures. Our remaining leases are generally modified gross, or base year, leases, which only provide for recoveries of operating expenses above the operating expenses from the initial year within each lease. During inflationary periods such as those prevailing in recent years, we have historically been able to and expect to recover increases in operating expenses from our triple- net leases and our gross leases. For our RIDEA properties, increases in operating expenses, including labor, that are caused by inflationary pressures will generally be passed through to us and may materially and adversely affect us. Our general and administrative expenses consist primarily of compensation costs, as well as professional and legal fees. Annually, our employee compensation is adjusted to reflect merit increases; however, in order for us to maintain our ability to successfully compete for the best talent, rising inflation rates in recent years have required, and may continue to require, us to provide compensation increases beyond historical annual merit increases, which may significantly

increase our compensation costs. Similarly, professional and legal fees are also subject to the impact of inflation and expected to increase proportionately with increasing market prices for such services. Consequently, inflation is expected to increase our general and administrative expenses over time and may materially and adversely affect us. Also, during inflationary periods, interest rates have historically increased, which in recent years have increased the interest expense of our borrowings and could do so again. Our exposure to increases in interest rates is limited to our variable- rate borrowings, which consist of borrowings under our credit facilities and variable- rate mortgage loans payable. ~~During~~ **As of December 31,** ~~2023~~ **2024** , we **have** entered into interest rate swap contracts to hedge **an aggregate** $ ~~750~~ **550** , 000, 000 of our variable- rate credit facilities. As of December 31, ~~2023~~ **2024** , our outstanding debt aggregated to $ **1. 7 billion, of which 8.** 2 ~~, 551, 036, 000, of which 31. 8~~ % was unhedged variable- rate debt. The rise in interest rates has also increased our interest expense on future fixed- rate borrowings. Therefore, a significant increase in inflation or interest rates would have a material adverse impact on our financing costs and interest expense. We have long- term lease agreements with our tenants that contain effective annual rent escalations that were either fixed or indexed based on a consumer price index or other index. We believe our annual lease expirations allow us to reset these leases to market rents upon renewal or re- leasing and that annual rent escalations within our long- term leases are generally sufficient to offset the effect of inflation on non- recoverable costs, such as general and administrative expenses and interest expense. In addition, our leases often obligate the tenants to pay a pro rata share of any increase in operating expenses. However, it is possible that during higher inflationary periods, the impact of inflation will not be adequately offset by the resetting of rents from our renewal and re- leasing activities, our annual rent escalations or the tenants' pro rata payment of the increase in operating expenses. As a result, during periods when the impact of inflation exceeds the annual rent escalation percentages in our current leases and the percentage increase in rents in new leases, our financial results may be impaired. Additionally, inflationary pricing may have a negative effect on the acquisition and construction costs necessary to complete our development and redevelopment projects, including, but not limited to, costs of construction materials, labor and services from third- party contractors and suppliers. Higher acquisition and construction costs could adversely impact our net investments in real estate and expected yields in our development and redevelopment projects, which may make otherwise lucrative investment opportunities less profitable to us. Any of these matters may materially and adversely affect us over time. We have a concentration of properties in particular geographic areas; therefore, any adverse situation that disproportionately effects one of those areas would have a magnified adverse effect on our portfolio. As of December 31, ~~2023~~ **2024** , properties located in Indiana and ~~Michigan~~ **Ohio** accounted for approximately 35. ~~3~~ **6** % and ~~10~~ **11** . ~~4~~ **8** %, respectively, of our total property portfolio' s annualized base rent or annualized NOI. Accordingly, there is a geographic concentration of risk subject to fluctuations in each such state' s economy, real estate and other market conditions **, as well as natural disasters or other localized events impacting those regions** . As a REIT, we invest primarily in real estate. Within the real estate industry, we have acquired, developed and owned, and may continue to acquire, or selectively develop and own, **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities. As of December 31, ~~2023~~ **2024** , our three major asset class concentrations (based on aggregate contract purchase price) were senior housing ~~37~~ **41** . ~~6~~ **0** %, SNFs ~~29~~ **28** . ~~9~~ **0** % and OM buildings ~~27~~ **26** . ~~5~~ **1** %. We are subject to risks inherent in concentrating investments in real estate. These risks resulting from a lack of diversification become even greater as a result of our business objectives and growth strategies, which involve investing substantially all of our assets in clinical healthcare real estate. A downturn in the commercial real estate industry generally could significantly adversely affect the value of our properties. A downturn in the healthcare industry could negatively affect our lessees' ability to make lease payments to us and our operators' ability to manage our properties efficiently and effectively. These matters could materially and adversely affect us and could be more pronounced than if we diversified our investments outside of real estate or if our portfolio did not include a substantial concentration in **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ or healthcare- related facilities. Our buildings that are subject to ground leases could restrict our use of such facilities. Our buildings that are subject to ground leases could restrict our use of such facilities. As of December 31, ~~2023~~ **2024** , we own fee simple interests in all of our land, buildings and campuses, except for the following properties that are located on land that is subject to ground leases: (a) ~~19~~ **18** OM buildings; (b) five integrated senior health campuses; and (c) one SNF, in each case, for which we own fee simple interests in the building and other improvements on such properties. Additionally, we **own and** operate ~~20~~ **17** integrated senior health campuses that were leased to Trilogy by third parties. These ground leases contain certain restrictions. These restrictions include limits on our use of the facilities and ability to lease, sell or obtain mortgage financing secured by the facilities. There can be no assurance that the ground leases can be extended beyond the stated terms. These restrictions and term limitations could affect our returns on these facilities, which, in turn, could materially and adversely affect us. As a ground lessee, we are also exposed to the risk of reversion of the property upon expiration of the ground lease term or an earlier breach of the ground lease, which could materially and adversely affect us. Our use of property- level rent coverages to measure our tenant' s ability to make rent payments may not be accurate. We evaluate a lease' s property- level rent coverage ratio. Our calculations of rent coverage ratios are unaudited and are based on financial information provided to us by our tenants without independent verification on our part, and we must assume the appropriateness of estimates and judgments that were made by the party preparing the financial information. Our review of rent coverages may not adequately assess the risk of an investment, and, if our calculations are not accurate, we may be unaware that we have tenants that may be unable to make payments under their leases. If our assessment is inaccurate, our revenues could be materially and adversely affected. Terrorist attacks, acts of violence or war, political protests and unrest or public health crises have affected and may affect the markets in which we operate and have a material adverse effect on us. Terrorist attacks, acts of violence or war, political protests and unrest or public health crises (including the COVID- 19 pandemic) have negatively affected, and may ~~continue to negatively~~ **in the future** affect, our operations and our stockholders' investments. We have acquired, and may continue to acquire, real estate assets located in areas that are susceptible to terrorist attacks, acts of violence or war, political protests or public health crises. These events may directly impact the value of our assets through damage,

destruction, loss or increased security costs. Although we may obtain insurance to mitigate such risks, we may not be able to obtain sufficient coverage to fund any losses we may incur. Further, certain losses resulting from these types of events are uninsurable or not insurable at reasonable costs. In addition, other than any reserves we may establish, we have no source of funding to repair or reconstruct any uninsured damaged property, and we cannot assure our stockholders that any such sources of funding will be available to us for such purposes in the future. Also, to the extent we must pay unexpectedly large amounts for uninsured losses, our cash flows could be impaired in a manner that would result in little or no cash being distributed to our stockholders. More generally, any terrorist attack, other act of violence or war, political protest and unrest or public health crisis could result in increased volatility in, or damage to, the United States and worldwide financial markets and economy, all of which could adversely affect our tenants' ability to pay rent on their leases with us, our operators' ability to manage our properties efficiently and effectively and our ability to borrow money or issue capital stock on favorable terms, which could have a material adverse effect on us. With respect to our SHOP and integrated senior health campuses, we are ultimately responsible for operational risks and other liabilities of the facility, other than those arising out of certain actions by our operator, such as gross negligence or willful misconduct. As such, operational risks include, and our resulting revenues therefore depend on, the availability and cost of general and professional liability insurance coverage or increases in insurance policy deductibles. Inaccuracies in our underwriting assumptions and / or delays in the selection, acquisition, expansion or development of real properties may materially and adversely affect us. Inaccuracies in our underwriting assumptions and / or delays we encounter in the selection, acquisition, expansion and development of real properties could materially and adversely affect us. In deciding whether to acquire, expand 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 development / expansion 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 development, expansion 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. One of our growth strategies is to develop new and expand existing clinical healthcare real estate; we may do this directly or indirectly through joint ventures ~~, including through Trilogy~~ . Expanding and, in particular, developing properties exposes us to increased risks beyond those associated with investing in stabilized, cash flowing real estate. For example, actual costs could significantly exceed estimates (particularly during periods of rapid inflation), construction and stabilization (i. e., substantial lease- up) could take longer than expected, and occupancy and / or rental rates could prove to be lower than expected or property operating expenses could be higher. Any of these events could materially reduce any returns we achieve, or result in losses, on expansion or development projects. For the developments we have completed to date, the time to stabilization has varied, in some cases significantly, and certain developments have not yet stabilized. There can be no assurance that our current or any future development or expansion projects will be completed in accordance with our budgeted expectations, that they will achieve our underwritten returns or result in yields on cost similar to those achieved on past investments, that they will be stabilized in accordance with our expectations or at all or that, if stabilization is achieved, such stabilization will be maintained. In addition, development and expansion projects undertaken indirectly through Trilogy are primarily overseen by the Trilogy Manager, and we do not have the same level of day- to- day involvement or control over such projects that we do in a project we undertake directly. Accordingly, with respect to projects undertaken through Trilogy, we rely on the development expertise of the Trilogy Manager. Where properties are acquired prior to the start of construction or during the early stages of construction or when an existing property is expanded, it will typically take several months to complete construction and lease available space. Development and other construction projects, subject us to uncertainties associated with re- zoning for development, environmental concerns of governmental entities and / or community groups and our builder' s ability to build in conformity with plans, specifications, budgeted costs and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder' s performance may also be affected or delayed by conditions beyond the builder' s control. Delays in completion of construction could give tenants the right to terminate preconstruction leases for space at a newly developed project. We may incur additional risks if we make periodic progress payments or other advances to builders prior to completion of construction. These and other such factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease- up risks relating to newly constructed projects. We also must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer or result in a loss. If we contract with a development company for newly developed property, our earnest money deposit made to the development company may not be fully refunded. We may acquire one or more properties under development. We anticipate that, if we do acquire properties that

are under development, we will be obligated to pay a substantial earnest money deposit at the time of contracting to acquire such properties, and that we will be required to close the purchase of the property upon completion of the development of the property. We may enter into such a contract with the development company even if, at the time we enter into the contract, we have not yet secured sufficient financing to enable us to close the purchase of such property. However, we may not be required to close a purchase from the development company, and may be entitled to a refund of our earnest money, generally in any of the following circumstances depending on the contract: • the development company fails to complete the development of the property according to contractual requirements; • all or a specified portion of the pre- leased tenants fail to take possession under their leases for any reason; or • we are unable to secure sufficient financing to pay the purchase price at closing. The obligation of the development company to refund our earnest money deposit will be unsecured, and we may not be able to obtain a refund of such earnest money deposit from it under these circumstances since the development company may be an entity without substantial assets or operations. We may not retain any profits resulting from the sale of our properties or receive such profits in a timely manner, because we may provide financing to the purchaser of such property. When we decide to sell one of our properties, we may provide financing to the purchasers. When we provide financing to purchasers, we will bear the risk that the purchaser may default on its obligations under the financing, which could negatively impact cash flows from operations. Even in the absence of a purchaser default, the distribution of sale proceeds or their reinvestment in other assets will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price, and subsequent payments will be spread over a number of years. Additionally, if any purchaser defaults under a financing arrangement with us, it could negatively impact our ability to make distributions to our stockholders. Representations and warranties made by us in connection with sales of our properties may subject us to liability that could materially and adversely affect us. When we sell a property, we have been required, and may continue to be required, to make representations and warranties regarding the property and other customary items. In the event of a breach of such representations or warranties, the purchaser of the property may have claims for damages against us, rights to indemnification from us or otherwise have remedies against us. In any such case, we may incur liabilities that could materially and adversely affect us. We face possible liability for environmental cleanup costs and damages for contamination related to properties we acquire, which could materially and adversely affect us. Because we own and operate real estate, we are subject to various international, U. S. federal, state and local environmental laws, ordinances and regulations. Under these laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such property. The costs of removal or remediation could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Under such laws, a current owner or operator of property can be held liable for contamination on the property caused by the former owner or operator. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including the release of asbestos- containing materials into the air, and third parties may seek recovery from owners or operators of real estate for personal injury or property damage associated with exposure to released hazardous substances. In addition, new or more stringent laws or stricter interpretations of existing laws could change the cost of compliance or liabilities and restrictions arising out of such laws. The cost of defending against these claims, complying with environmental regulatory requirements, conducting remediation of any contaminated property, or of paying personal injury claims could be substantial and could materially and adversely affect us. In addition, the presence of hazardous substances on a property or the failure to meet environmental regulatory requirements may materially impair our ability to use, lease or sell a property, or to use the property as collateral for borrowing. Our current and future properties and our tenants may be unable to compete successfully, which could result in lower rent payments and could materially and adversely affect us. Our current and future properties often will face competition from nearby properties that provide comparable services. Some of those competing properties are owned by governmental agencies and supported by tax revenues, and others are owned by nonprofit corporations and may be supported to a large extent by endowments and charitable contributions. These types of support are not available to our properties. Operators of competing properties may provide superior services than those provided by our operators, which could reduce the competitiveness of our properties, which could have a material adverse effect on us. Similarly, our OM building and senior housing — leased tenants face competition from other medical practices in nearby hospitals and other medical facilities, and their failure to compete successfully with these other practices could adversely affect their ability to make rental payments to us, which could materially and adversely affect us. Further, from time to time and for reasons beyond our control, referral sources, including physicians and managed care organizations, may change their lists of hospitals or physicians to which they refer patients or that are permitted to participate in the payor program. This could also adversely affect our tenants' ability to make rental payments to us, which could materially and adversely affect us. Ownership of property outside the United States may subject us to different or greater risks than those associated with our domestic operations. International development, ownership and operating activities involve risks that are different from those we face with respect to our domestic development, ownership and operating activities. For example, we have limited investing experience in international markets. As of December 31, ~~2023~~ **2024** , we have investments in the United Kingdom, or the UK, and the Isle of Man that represent 1. ~~4~~ **3** % of our portfolio, based on our aggregate purchase price of real estate investments. If we are unable to successfully manage the risks associated with international expansion and operations, we may be adversely affected. Additionally, our ownership of properties in the UK and the Isle of Man currently subjects us to fluctuations in the exchange rates between U. S. dollars and the UK Pound Sterling, which may, from time to time, impact our financial condition, cash flows and results of operations. Revenues generated from

any properties or other real estate- related investments we acquire or ventures we enter into relating to transactions involving assets located in markets outside the United States likely will be denominated in the local currency. Therefore, any investments we make outside the United States will subject us to foreign currency risk due to potential fluctuations in exchange rates between foreign currencies and the U. S. dollar, and there can be no assurance that any attempt to mitigate foreign currency risk through hedging transactions or otherwise will be successful. As a result, changes in exchange rates of any such foreign currency to U. S. dollars may materially and adversely affect us and the book value of our assets. In addition, changes in foreign currency exchange rates used to value a REIT' s foreign assets may be considered changes in the value of the REIT' s assets. These changes may adversely affect our status as a REIT. Further, bank accounts in a foreign currency which are not considered cash or cash equivalents may adversely affect our status as a REIT **. In addition, international operations subject us to regulatory requirements that are different from, and in some cases may conflict with, domestic regulatory requirements, as well as increasing the cost of our compliance** . 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. Severe weather events, natural disasters and the effects of climate change and regulatory and societal responses thereto could materially and adversely affect us. Natural disasters and severe weather events, including earthquakes, ~~fires~~ **wildfires** , storms, tornados, floods, hurricanes, snow and freezing temperatures could cause significant damage to our properties and the surrounding environment or area. Climate change is causing such events to become more frequent and increasingly severe in their effects, which could increase the costs to and impact on us **, our tenants** and our operators over time **, including physical damage to or a decrease in demand for properties located in these areas or affected by these conditions** . ~~The effects of such~~ **Such natural disasters and severe weather** events **could cause** ~~on our properties may include~~ increased operational costs, ~~including energy costs~~ **as well as substantial damages or losses to our properties that could exceed our** , ~~delays~~ **our tenants' or operators' property insurance coverage. If we incur a loss greater than insured limits, or if for any reason insurance coverage is unavailable, we could lose our capital invested in the affected property, as well as anticipated future revenue from that property. Climate change** and **natural disasters may also have indirect effects on our business by increasing the** cost ~~increases in~~ **of (** ~~our~~ **or making unavailable) property insurance on terms we find acceptable** ~~construction projects, damage to our facilities and periods when impacted facilities may be partially or wholly unoccupied, power outages and reputational damage~~ . Additionally, we are subject to transition risk from international, governmental and societal responses to climate change that may materially and adversely affect us **, our tenants** or our operators, including through shifts in fuel sources leading to short- or long- term increases in energy costs and new and more stringent building codes pertaining to energy efficiency, reduced emissions or weather resistance that may be more costly to comply with, any of which could increase our building costs and our and our operators' capital expenditures, maintenance and operating costs. Also, we are or may become subject to **regulatory uncertainty, as well as** new laws and market expectations with respect to disclosure requirements, and this may result in additional investments and implementation of new practices and reporting processes, all entailing additional compliance costs and risk. For example, the EU recently adopted the Corporate Sustainability Reporting Directive that will impose disclosure of the risks and opportunities arising from social and environmental issues and of the impact of companies' activities on people and the environment. Similarly, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate- Related Financial Risk Act that will impose broad climate- related disclosure obligations on companies doing business in California. The SEC **also adopted rules mandating certain** ~~has included in its regulatory agenda potential rulemaking on~~ climate change disclosures ~~that~~ **in 2024** , **but** ~~if adopted, could significantly increase compliance burdens and associated regulatory costs and complexity. These and other~~ -- **the rules have been subject to litigation and were stayed indefinitely by the SEC in April 2024. Additional** changes in international, federal, state ~~,~~ or local regulation ~~or in~~ **, regulatory uncertainty and** societal expectations could materially and adversely affect us directly or indirectly through the impact on our operators. The investment in mortgage loans or mortgage- backed securities we have made, and may continue to make, involve special risks relating to the particular borrower or issuer of the mortgage- backed securities and we will be at risk of loss on those investments, including losses as a result of defaults on our mortgage loan investments. These losses may be caused by many conditions beyond our control, including economic conditions affecting real estate values, tenant defaults and lease expirations, interest rate levels, and the other economic and liability risks associated with real estate. If we acquire property by foreclosure following defaults under our mortgage loan investments, we will have the economic and liability risks as the owner described above. We do not know whether the values of the property securing any of our mortgage loan investments will remain at the levels existing on the dates we initially make the related investment. If the values of the underlying properties drop, our risk will increase and the values of our interests may decrease. Furthermore, if there are defaults under our mortgage loan investments, we may not be able to foreclose on or obtain a suitable remedy with respect to such investments. Specifically, we may not be able to repossess and sell the underlying properties quickly, which could reduce the value of our investment. For example, an action to foreclose on a property securing a mortgage loan is regulated by state statutes and rules and is subject to many of the delays and expenses of lawsuits if the defendant raises defenses or counterclaims. Additionally, in the event of default by a mortgagor, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to us on the mortgage loan ~~. The commercial mortgage- backed securities in which we have invested, and may continue to invest, are subject to several types of risks. Commercial mortgage- backed~~

~~securities are securities which evidence interests in, or are secured by, a single commercial mortgage loan or a pool of commercial mortgage loans. Accordingly, the commercial mortgage- backed securities in which we have invested, and may continue to invest, are subject to all the risks of the underlying mortgage loans. In a rising interest rate environment like the one that has prevailed in recent years, the value of commercial mortgage- backed securities may be adversely affected when payments on underlying mortgages loan (s) do not occur as anticipated, resulting in the extension of the security' s effective maturity and the related increase in interest rate sensitivity of a longer- term instrument. The value of commercial mortgage- backed securities may also change due to shifts in the market' s perception of securitization sponsors and borrower sponsors and regulatory or tax changes adversely affecting the mortgage securities markets as a whole. In addition, commercial mortgage- backed securities are subject to the credit risk associated with the performance of the underlying mortgage properties. Commercial mortgage- backed securities are also subject to several risks created through the securitization structuring process. Subordinate commercial mortgage- backed securities are paid to the extent that there are funds available to make payments. To the extent the collateral pool includes a large percentage of delinquent loans, there is a risk that payments on subordinate commercial mortgage- backed securities will not be fully paid. In addition, commercial mortgage- backed securities are also subject to greater credit risk than those commercial mortgage- backed securities of the same series that are more highly rated~~ . The mezzanine loans in which we have invested in the past, and may continue to invest, involve greater risks of loss than senior loans secured by income- producing real estate. We have in the past, and may in the future, invest in mezzanine loans that take the form of subordinated loans secured by second mortgages on the underlying real estate or loans secured by a pledge of the ownership interests of either the entity owning the real estate or the entity that owns the interest in the entity owning the real estate. These types of investments involve a higher degree of risk than long- term senior mortgage lending secured by income- producing real estate because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or debt senior to our loan or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some or all of our investment. In addition, mezzanine loans may have higher loan- to- value ratios than conventional mortgage loans, resulting in less equity in the real estate and increasing the risk of loss of principal. We may acquire real estate- related investments in connection with privately negotiated transactions which are not registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise not subject to, those laws. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited. The mezzanine and bridge loans we may purchase will be particularly illiquid investments due to their short life, their unsuitability for securitization and the greater difficulty of recoupment in the event of a borrower' s default. Bridge loans involve a greater risk of loss than traditional investment- grade mortgage loans with fully insured borrowers. We have in the past, and may in the future, acquire bridge loans secured by first lien mortgages on a property to borrowers who are typically seeking short- term capital to be used in an acquisition, construction or rehabilitation of a property, or other short- term liquidity needs. The typical borrower under a bridge loan has usually identified an undervalued asset that has been under- managed and / or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower' s projections, or if the borrower fails to improve the quality of the asset' s management and / or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the bridge loan, and we bear the risk that we may not recover some or all of our initial expenditure. In addition, borrowers usually use the proceeds of a conventional mortgage to repay a bridge loan. A bridge loan therefore is subject to the risk of a borrower' s inability to obtain permanent financing to repay the bridge loan. Bridge loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under bridge loans held by us, we bear the risk of loss of principal and non- payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the bridge loan. To the extent we suffer such losses with respect to our bridge loans, we may be materially and adversely affected. If we sell real estate- related investments prior to their maturity, we may be forced to sell those investments on unfavorable terms or at a loss. Our board may choose to sell certain of our assets from time to time, including our real estate- related investments. If we plan to sell those investments prior to their maturity, we may be forced to do so at undesirable times and on unfavorable terms, which may result in losses. For instance, if we sell mortgage loans at a time when prevailing interest rates are higher than the interest rates of such mortgage loans, we would likely sell such loans at a discount to their stated principal values. The healthcare industry is heavily regulated and new laws or regulations, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could result in the inability of our tenants to make rent payments to us or adversely affect our operators' ability to operate facilities held in RIDEA structures. The healthcare industry is heavily regulated by federal, state and local governmental bodies. The tenants and operators of our healthcare facilities generally will be subject to laws and regulations covering, among other things, licensure, certification for participation in government programs and relationships with physicians and other referral sources. Changes in these laws and regulations, or a tenant' s or operator' s failure to comply with these laws and regulations, could adversely affect us. For example, such non- compliance could materially and adversely affect a tenant' s ability to make rent payments to us. Similarly, were an operator of a facility held in a RIDEA structure (where we benefit from positive operating performance, if any, at such facilities) to fail to comply with a regulatory obligation, it could adversely affect the operating performance of the facility and our participation therein. Many of our healthcare facilities and their tenants and operators require a license or **certificate of need, or** CON **, in order to operate in certain states** . Failure to obtain a license or CON, or the loss of a required license or CON, would prevent a facility from operating in the manner intended by the tenant or operator. These events could materially and adversely affect a tenant' s ability to make rent payments to us or for an operator to operate a facility held in a RIDEA structure efficiently, either

of which could have a material adverse effect on us. Similarly, state and local laws also may regulate expansion, including the addition of new beds / units or services or the acquisition of medical equipment at a facility, and the construction of healthcare-related facilities, by requiring a CON or other similar approval. State CON laws and other similar laws are not uniform throughout the United States and are subject to change. Restrictions on the expansion of our facilities could materially and adversely affect a tenant' s ability to make rent payments to us or for an operator to operate a facility held in a RIDEA structure efficiently, either of which could have a material adverse effect on us. We cannot predict the impact of state CON laws or similar laws on our development or expansion of facilities or the operations of our tenants or operators. In addition, in certain areas, state CON laws materially limit the ability of competitors to enter into the markets served by our facilities, thereby limiting competition. The repeal of **such** CON laws could allow competitors to freely operate in previously closed markets. Any such increased competition could materially and adversely affect a tenant' s ability to make rent payments to us or for an operator to operate a facility held in a RIDEA structure efficiently, either of which could have a material adverse effect on us. These CON laws could also restrict our **own** ability to expand in new markets. In certain circumstances, loss of state licensure or certification or closure of a facility could ultimately result in loss of authority to operate the facility or provide services at the facility and require new CON authorization **,** licensure and / or authorization or potential authorization from CMS to re- institute operations. As a result, the value of the facility may be reduced, which could materially and adversely affect us **.**

Reimbursement rates from third- party payors, including Medicare and Medicaid, that do not rise as quickly, or at all, compared to the rate of inflation, and which may become unavailable or reduced, could adversely affect our tenants' operations and ability to make rental payments to us or our profitability from operating facilities held in RIDEA structures . Sources of revenue for our tenants and operators may include the federal Medicare program, state Medicaid programs, private insurance carriers and health maintenance organizations, among others. Efforts by such payors to reduce healthcare costs will likely continue, which may result in the slower growth in reimbursement rates for certain services provided by some of our tenants and operators, which could have a material adverse effect on us. In addition, the healthcare billing rules and regulations are complex, and the failure of any of our tenants or operators to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid, and other government sponsored payment programs. Moreover, the state and federal governmental healthcare payment programs are subject to state and federal legislative **and administrative** actions, and changes in reimbursement models may reduce our tenants' and operators' revenues and adversely affect our tenants' ability to make rent payments to us or our operators' ability to operate facilities held in RIDEA structures efficiently, either of which could have a material adverse effect on us **. Recently, federal policymakers have announced proposals that may result in significant changes to the healthcare system in the United States, including with respect to government funding of or from Medicaid, which could impact us and certain of our tenants** . The healthcare industry continues to face various challenges, including increased government and private payor pressure on healthcare providers to control or reduce costs. It is possible that our tenants and operators will continue to experience a shift in payor mix away from fee- for- service payors, resulting in an increase in the percentage of revenues attributable to reimbursement based upon value-based principles and quality driven managed care programs, and general industry trends that include pressures to control healthcare costs. ~~Pressures to control healthcare costs~~ **The combination of these general industry trends** and a shift away from traditional health insurance reimbursement based upon a fee for service payment ~~to~~ **towards** payment based upon quality outcomes have increased the uncertainty of payments. In addition, the Patient Protection and Affordable Care Act of 2010, or the Healthcare Reform Act, was passed with an intent to reduce the number of individuals in the United States without health insurance and effect significant other changes to the ways in which healthcare is organized, delivered and reimbursed. Included within the legislation is a limitation on physician- owned hospitals from expanding facility capacity, unless the facility satisfies very narrow federal exceptions to this limitation. Therefore, if our tenants are physicians that own and refer to a hospital, the hospital may be limited in its operations and expansion potential, which may limit the hospital' s services and resulting revenues and may impact the owner' s ability to make rental payments. Furthermore, the Healthcare Reform Act included new payment models with new shared savings programs and demonstration programs that include bundled payment models and payments contingent upon reporting on satisfaction of quality benchmarks. The new payment models will likely change how physicians are paid for services. These changes could negatively affect some of our tenants and operators, which could have a material adverse effect on us. On December 22, 2017, the Tax Cuts and Jobs Act of 2017 ~~,~~ was signed into law and repealed the individual mandate financial penalty portion of the Healthcare Reform Act beginning in 2019. With the elimination of the individual mandate enforcement mechanism, several states brought suit seeking to invalidate the entire Healthcare Reform Act. On June 17, 2021, the U. S. Supreme Court dismissed this lawsuit without specifically ruling on the constitutionality of the law. ~~In addition, President Biden issued an executive order initiating a special enrollment period as a result of the pandemic from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed federal agencies to review and reconsider their existing policies and rules that limit access to healthcare.~~ However, challenges to the Healthcare Reform Act may continue. If **any** ~~all or a~~ portion of the Healthcare Reform Act ~~, including the individual mandate,~~ is eventually ruled unconstitutional, our tenants and operators may have more patients and residents who do not have insurance coverage, which may adversely impact the tenants' and operators' collections and revenues. ~~Additionally, in October 2022, the Biden Administration announced new actions by~~ CMS **has also taken steps** to strengthen accountability for nursing homes participating in the Special Focus Facilities, or SFF, an oversight program designed to monitor poor- performing nursing homes. These ~~reforms~~ **measures** include ~~strengthened~~ **increased** penalties for SFF nursing homes that fail to improve, **additional** ~~increases in~~ safety standards that SFF nursing homes must implement ~~and~~ **,** increased communication between CMS and SFF nursing homes **and monthly public updates** ~~. The announcement further noted that the administration will continue~~ to ~~take administrative action to improve oversight~~ **CMS' s SFF List, which highlights facilities with a history** of ~~nursing homes moving forward~~ **serious quality of care issues** . The financial impact **of these and any future**

administrative actions on our tenants and operators could adversely affect a tenant' s ability to make rent payments to us or an operator' s ability to operate facilities held in RIDEA structures efficiently, either of which could have a material adverse effect on us. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of 2 % per fiscal year, which went into effect on April 1, 2013, and, due to subsequent legislative amendments to the statute, some of which have changed the 2 % amount for specific years or suspended the 2 % for specific years, will remain in effect through 2032, unless additional Congressional action is taken. **Future governmental actions, including changes to the ACA or a reduction in support for Medicare, Medicaid and other government sponsored payment programs, are difficult to predict and could have a material adverse effect on our financial condition and results of operations, while increased regulatory uncertainty could raise our compliance costs.** The financial impact on our tenants and operators could adversely affect a tenant' s ability to make rent payments to us or an operator' s ability to operate facilities efficiently, either of which could have a material adverse effect on us **. In addition, because we and our tenants may rely on government programs or agencies as a source of funding, we and our tenants may be adversely affected by changes in government spending and funding priorities. Funding from government agencies and reimbursement programs such as Medicare and Medicaid, including the overall availability and reimbursement rates under these programs, often fluctuates and is subject to the political process, which is often unpredictable. For example, federal policymakers have announced proposals to reduce overall healthcare spending, including with respect to Medicaid funding, which could impact our healthcare provider tenants and borrowers. Any reduction in the availability or rate of funding or reimbursement, or delays surrounding the approval of such funding or reimbursement, may adversely impact our tenants' operations or may cause our tenants to cease making rent payment payments to us or delay or forgo leasing space in our properties, which in turn may negatively impact our business, financial condition, or results of operations. In addition, such developments could adversely impact the overall demand for space in our properties** . We cannot predict the ultimate content, timing or effect of any further healthcare reform legislation or the impact of potential legislation on us. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare services, which may adversely impact our tenants' ability to make rental payments to us or our operators' ability to operate facilities held in RIDEA structures efficiently, either of, which could have a material adverse effect on us. Some seniors have been delaying their moves to senior housing facilities, including to our triple- net leased properties and SHOP, until they require greater care and are increasingly forgoing moving to senior housing facilities altogether. Further, rehabilitation therapy and other services that have become available to seniors as alternative options on an outpatient basis or in seniors' personal residences in response to market demand and government regulation may increase the trend for seniors to delay moving to senior housing facilities. Such delays may cause decreases in occupancy rates and increases in resident turnover rates at our senior housing facilities. Moreover, seniors may have greater care needs and require higher acuity services, which may increase our tenants' and operators' cost of business, expose our tenants and operators to additional liability, or result in lost business and shorter stays at our leased and managed senior housing facilities if our tenants and operators are not able to provide the requisite care services or fail to adequately provide those services. These trends may negatively impact the occupancy rates and revenues at our leased and managed senior housing, which could have a material adverse effect on us. Further, if any of our tenants or operators are unable to offset lost revenues from these trends by providing and growing other revenue sources, such as new or increased service offerings to seniors, our senior housing facilities may be unprofitable, we may receive lower returns and rent, and the value of our senior housing facilities may decline. Events that adversely affect the ability of seniors and their families to afford resident fees at our senior housing facilities could cause our occupancy rates and revenues to decline, which could have a material adverse effect on us. Costs to seniors associated with independent and assisted living services are generally not reimbursable under Medicare, and the scope of services that may be covered by Medicaid varies by state. In many cases, only seniors with income or assets meeting or exceeding the comparable median in the regions where our facilities are located typically will be able to afford to pay the entrance fees and monthly resident fees, and a weak economy, depressed housing market or changes in demographics could adversely affect their continued ability to do so. If our tenants and operators are unable to retain and attract seniors with sufficient income, assets or other resources required to pay the fees associated with independent and assisted living services and other services provided by our tenants and operators at our healthcare facilities, our occupancy rates and revenues could decline, which could, in turn, materially and adversely affect us. Some tenants and operators of our facilities will be subject to fraud and abuse laws, the violation of which could materially and adversely affect a tenant' s ability to make rent payments to us or an operator' s ability to operate a facility held in a RIDEA structure efficiently, either of which could have a material adverse effect on us. There are various federal, foreign and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from, or are in a position to make referrals in connection with government- sponsored healthcare programs, including Medicare and Medicaid. Our contractual arrangements with tenants and operators may also be subject to these fraud and abuse laws, including federal laws such as the Anti- Kickback Statute and the Stark Law. Moreover, our agreements with tenants and operators may be required to satisfy individual state law requirements that vary from state to state, which impacts the terms and conditions that may be negotiated in such agreements. These federal and foreign laws include: • the Federal Anti- Kickback Statute, a criminal law which prohibits, among other things, the offer, payment, solicitation or receipt of any form of remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for, or to induce, the referral of an individual for, or the purchase, order or recommendation of, any item or service for which payment may be made under a federal healthcare program such as Medicare and Medicaid; • the Federal Physician Self- Referral Prohibition, which, subject to specific exceptions, restricts physicians from making referrals for ~~specifically~~ **certain** designated health services for which payment may be made under **Medicare** ~~federal healthcare programs~~ to an entity with which the physician, or an immediate family member, has a financial relationship; • the False Claims

Act, which prohibits any person from knowingly presenting, or causing to be presented, false or fraudulent claims for payment or approval that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government, including claims paid by the Medicare and Medicaid programs; • the Civil Monetary Penalties Law, which authorizes the U. S. Department of Health & Human Services to impose monetary penalties or exclusion from participating in state or federal healthcare programs for certain fraudulent acts; • the Health Insurance Portability and Accountability Act of 1996, as amended, which makes it a federal crime to defraud any health benefit plan, including private payors; • the Exclusions Law, which authorizes the U. S. Department of Health & Human Services to exclude persons or entities from participating in state or federal healthcare programs for certain fraudulent acts; and • the UK Bribery Act 2010, a criminal law which relates to any function of a public nature, connected with a business, performed in the course of a person' s employment or performed on behalf of a company or another body of persons, covering bribery both in the public and private sectors. Each of these laws includes criminal and / or civil penalties for violations that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments and / or exclusion from the Medicare and Medicaid programs. Monetary penalties associated with violations of these laws have been increased in recent years. Certain laws, such as the False Claims Act, allow for individuals to bring whistleblower actions on behalf of the government for violations thereof. Additionally, states in which the facilities are located may have similar fraud and abuse laws. Investigation by a federal or state governmental body for violation of fraud and abuse laws or imposition of any of these penalties upon one of our tenants or operators or a settlement relating to such matters could materially and adversely affect a tenant' s ability to make rent payments to us or an operator' s ability to operate a facility held in a RIDEA structure efficiently, either of which could have a material adverse effect on us. Efforts to ensure compliance with applicable healthcare laws and regulations may cause our tenants and operators to incur substantial costs that could materially and adversely affect a tenant' s ability to make rent payments to us or an operator' s ability to operate a facility held in a RIDEA structure efficiently, either of which could have a material adverse effect on us. Adverse trends in healthcare provider operations may materially and adversely affect us. The healthcare industry is currently experiencing: • changes in the demand for and methods of delivering healthcare services; • changes in third- party reimbursement policies; • significant unused capacity in certain areas, which has created substantial competition for patients among healthcare providers in those areas; • increased expenses for uninsured patients; • increased competition among healthcare providers; • increased liability insurance expenses; • continued pressure by private and governmental payors to reduce payments to providers of services; • increased scrutiny of billing, referral and other practices by federal and state authorities; • changes in federal and state healthcare program payment models; • increased emphasis on compliance with privacy and security requirements related to personal health information; and • increased instability in the Health Insurance Exchange market and lack of access to insurance plans participating in the exchange. Additionally, in connection with the COVID- 19 pandemic, many governmental entities relaxed certain licensure and other regulatory requirements relating to telemedicine, allowing more patients to virtually access care without having to visit a healthcare facility. Despite the end of the COVID- 19 public health emergency, if governmental and regulatory authorities continue to allow for increased virtual healthcare, this may affect the demand for some of our properties, such as OM buildings. These factors may negatively affect the economic performance of some or all of our tenants and operators, which could have a material adverse effect on us. Our tenants and operators may be affected by the financial deterioration, insolvency and / or bankruptcy of other companies in the healthcare industry. Certain companies in the healthcare industry, including some key senior housing operators, are experiencing considerable financial, legal and / or regulatory difficulties which have resulted or may result in financial deterioration and, in some cases, insolvency and / or bankruptcy. The adverse effects on these companies could have a significant impact on the industry as a whole, including but not limited to negative public perception by investors, lenders, patients and residents. As a result, our tenants and properties managed by our operators could experience the damaging financial effects of a weakened industry sector driven by negative headlines, and we could be materially and adversely affected. Our tenants and operators may be subject to significant legal and regulatory actions that could subject them to increased operating costs and substantial uninsured liabilities, which could have a material adverse effect on us. Our tenants and operators may become subject to claims that their services have resulted in patient injury or other adverse effects. Healthcare providers have experienced an increasing trend in the frequency and severity of professional liability and general liability insurance claims and litigation asserted against them. The insurance coverage maintained by our tenants and operators may not cover all claims made against them nor continue to be available at a reasonable cost, if at all. In some states, insurance coverage for the risk of punitive damages arising from professional liability and general liability claims and / or litigation may not, in certain cases, be available to our tenants and operators due to state law prohibitions or limitations of availability. As a result, tenants and operators of our **senior housing, SNFs,** OM buildings ~~, senior housing, SNFs~~ and other healthcare- related facilities operating in these states may be liable for punitive damage awards that are either not covered or are in excess of their insurance policy limits. We also believe that there has been, and will continue to be, an increase in regulatory or other governmental investigations of certain healthcare providers, particularly in the area of Medicare / Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Insurance may not always be available to cover such losses. Any adverse determination or settlement in a legal proceeding or regulatory or other governmental investigation, whether currently asserted or arising in the future, could negatively affect a tenant' s or operator' s business and financial strength. If a tenant or operator is unable to obtain or maintain insurance coverage, if judgments are obtained in excess of the insurance coverage, if uninsured punitive damages are required to be paid, or if an uninsurable government enforcement action is brought, the tenant or operator could be exposed to substantial additional liabilities, which may affect the tenant' s ability to pay rent to us or the operator' s ability to manage our properties efficiently and effectively, which could have a material adverse effect on us. We, our tenants and our operators for our senior housing facilities and SNFs are subject to various governmental reviews, audits and investigations to verify compliance with the Medicaid and Medicare programs and applicable laws and regulations. We, our tenants and our operators for our senior

housing facilities and SNFs are also subject to audits under various government programs, including Recovery Audit Contractors, Unified Program Integrity Contractors, and other third party audit programs, in which third- party firms engaged by CMS conduct extensive reviews of claims data and medical and other records to identify potential improper payments under the Medicare and Medicaid programs. Private pay sources also reserve the right to conduct audits. An adverse review, audit or investigation could result in: • an obligation to refund amounts previously paid to us, our tenants or our operators pursuant to the Medicare or Medicaid programs or from private payors, in amounts that could be material to us; • state or federal agencies imposing fines, penalties and other sanctions on us, our tenants or our operators; • loss of our right, our tenants' right or our operators' right to participate in the Medicare or Medicaid programs or one or more private payor networks; • an increase in private litigation against us, our tenants or our operators; and • damage to our reputation in various markets. While we, our tenants and our operators for our senior housing facilities and SNFs have always been subject to post- payment audits and reviews, more intensive " probe reviews " appear to be a permanent procedure with our fiscal intermediaries. If the government or a court were to conclude that such errors, deficiencies or disagreements constituted criminal violations or were to conclude that such errors, deficiencies or disagreements resulted in the submission of false claims to federal healthcare programs, or if the government were to discover other problems in addition to the ones identified by the probe reviews that rose to actionable levels, we, our officers and our tenants and operators and their officers might face potential criminal charges and / or civil claims, administrative sanctions and penalties for amounts that could be material to us. In addition, we, our officers and other key personnel and our tenants and operators and their officers and other key personnel could be temporarily or permanently excluded from future participation in state and federal healthcare reimbursement programs such as Medicaid and Medicare. In any event, it is likely that a governmental investigation alone, regardless of its outcome, would divert material time, resources and attention from our management team and our staff or those of our tenants and our operators and could materially and adversely affect us during and after any such investigation or proceedings. In cases where claim and documentation review by any CMS contractor results in repeated poor performance, a facility can be subjected to protracted oversight. This oversight may include repeat education and re- probe, extended pre- payment review, referral to recovery audit or integrity contractors, or extrapolation of an error rate to other reimbursement outside of specifically reviewed claims. Sustained failure to demonstrate improvement towards meeting all claim filing and documentation requirements could ultimately lead to Medicare and Medicaid decertification, which materially and adversely affects us. Adverse actions by CMS may also cause third- party payor or licensure authorities to audit our tenants or operators. These additional audits could result in termination of third- party payor agreements or licensure of the facility, which could have a material adverse effect on us. ~~In addition, our tenants and operators that accepted relief funds distributed to combat the adverse effects of COVID- 19 and reimburse providers for unreimbursed expenses and lost revenues may be subject to certain reporting and auditing obligations associated with the receipt of such relief funds. If these tenants or operators fail to comply with the terms and conditions associated with relief funds, they may be subject to government recovery and enforcement actions. Furthermore, regulatory guidance relating to use of the relief funds, recordkeeping requirements and other terms and conditions continues to evolve and there is a high degree of uncertainty surrounding many aspects of the relief funds. This uncertainty may create compliance challenges for tenants and operators who accepted relief funds.~~ The Healthcare Reform Act and similar foreign laws impose additional requirements regarding compliance and disclosure. The Healthcare Reform Act requires SNFs to have a compliance and ethics program that is effective in preventing and detecting criminal, civil and administrative violations and in promoting quality of care as a condition of participation in Medicare and Medicaid **. Additionally, in November 2024, the U. S. Department of Health & Human Services, Office of the Inspector General published industry segment- specific compliance program guidance for SNFs and nursing facilities that identifies key risk areas for the industry and provides recommendations for minimizing conflicts of interest in nursing facility pharmaceutical decisions. CMS also continues to require the disclosure of certain ownership and managerial information regarding Medicare SNFs and Medicaid SNFs, including updates to identify REIT ownership of SNFs** . If our operators fall short in their compliance and ethics programs and quality assurance and performance improvement programs, if and when required, their reputations and ability to attract patients and residents could be adversely affected, which could have a material adverse effect on us. Similar requirements also apply to healthcare properties in the UK under national law and guidance. The Health & Care Professions Council, the regulator of health, psychological and care professionals in the UK, requires a qualification to demonstrate standards of proficiency and also set standards, hold a register, quality assure education and investigate complaints. They have set out an ethical framework with standards of conduct, performance and ethics including restrictions on confidentiality and the use of social media. If any of our operators in the UK fall short in their obligations, their reputations and ability to attract patients and residents may be adversely affect which might have a material adverse effect on their business and by extension us. ~~Property ownership through joint ventures could limit our control of those investments or our decisions with respect to other investments, restrict our ability to operate and finance properties on our terms and reduce their expected return. In connection with the purchase of real estate, we have entered, and may continue to enter, into joint ventures with third parties. We may also purchase or develop properties in co- ownership arrangements with the property sellers, developers or other parties. We may own properties through both consolidated and unconsolidated joint ventures. These structures involve participation in the investment by other parties whose interests and rights may not be the same as ours. Our joint ventures, and joint ventures we may enter into in the future, may involve risks not present with respect to our wholly- owned properties, including the following: • we may share with, or even delegate decision- making authority to, our joint venture partners regarding certain major decisions affecting the ownership or operation of the joint venture and the joint venture property, such as, but not limited to, (i) additional capital contribution requirements, (ii) obtaining, refinancing or paying off debt and (iii) obtaining consent prior to the sale or transfer of our interest in the joint venture to a third party, which may prevent us from taking actions that are opposed by our joint venture partners; • our joint venture partners might become bankrupt and such proceedings could have an adverse impact on the operations of the joint venture; • our joint~~

~~venture partners may have business interests or goals with respect to the joint venture property that conflict with our business interests and goals, which could increase the likelihood of disputes regarding the ownership, management or disposition of the property; • in some instances, we may enter into arrangements with our joint venture partners that may (i) require an acquisition opportunity to be allocated to the joint venture when we otherwise may have acquired the asset ourselves or (ii) cause the joint venture to sell an asset at a time when we otherwise may not have initiated such a transaction; • disputes may develop with our joint venture partners over decisions affecting the joint venture property or the joint venture, which may result in litigation or arbitration that would increase our expenses and distract our officers from focusing their time and effort on our business, disrupt the day- to- day operations of the property, such as by delaying the implementation of important decisions until the conflict is resolved, have an adverse impact on the operations and profitability of the joint venture and possibly force a sale of the property if the dispute cannot be resolved; • our joint venture partners may be unable to or refuse to make capital contributions when due, or otherwise fail to meet their obligations, which could require us to fund the shortfall or forego our equity in the joint venture; and • the activities of a joint venture could adversely affect our ability to maintain our qualification as a REIT. As of December 31, 2023, we indirectly own a 74. 1 % interest in Trilogy, a consolidated joint venture representing approximately 43. 6 % of our portfolio (based on aggregate contract purchase price) and contributing approximately 51. 0 % of our annualized base rent / annualized NOI as of such date. Approximately 23. 4 % of Trilogy is indirectly owned by NHI, with the remaining 2. 5 % primarily owned by affiliates of the Trilogy Manager, an eligible independent contractor, or EIK, that manages the day- to- day operations of the joint venture. In addition to relying on the Trilogy Manager to manage the joint venture effectively, our investment in Trilogy exposes us to many of the risks described above with respect to joint venture investments generally. For example, other parties with interests in Trilogy have certain rights that could affect our investment in Trilogy. There are certain decisions that are deemed " major decisions " with respect to Trilogy' s business (such as terminating the management agreement with the Trilogy Manager, taking certain actions under the management agreement, making certain sales of the Trilogy properties, and taking certain other actions with respect to the Trilogy portfolio) that require the approval of NorthStar. It is possible that NorthStar will have interests that differ from ours, and our ability to pursue our interests may be limited by their rights under the joint venture arrangements. Additionally, if we seek to transfer our indirect ownership interests in Trilogy, we are required to first offer such interests to NorthStar, which could delay our ability to sell such interests or adversely affect the price we receive in connection with a sale. In addition, in certain circumstances, we and NorthStar have the right to force the sale of all of Trilogy' s assets, provided that, if this right is triggered by a party, the non- triggering party has a right to elect to purchase the Trilogy assets. This could cause us to increase our investment in Trilogy or result in the sale of Trilogy at a time when we would not to choose to effect a sale. We have the option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings. Many factors, such as the historical and projected performance of the assets held by Trilogy REIT Holdings, our expectations for the future performance of the assets held by Trilogy REIT Holdings, our financial condition, results of operations and cash flows, and our access to attractive capital, among other factors, will influence whether or not we elect to exercise this option, the consideration mix we would select in connection with any such exercise and how we would finance the cash portion of the purchase price for any such exercise. Accordingly, no assurance can be given as to when, or if, we will exercise this option, or, if we do exercise this option, that we will consummate the purchase on the terms we expect or at all or that we will achieve the anticipated benefit from acquiring the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings. We may structure our joint venture relationships in a manner which limits the amount we participate in the cash flows or appreciation of an investment. We have entered, and may continue to enter, into joint venture agreements, the economic terms of which may provide for the distribution of income to us otherwise than in direct proportion to our ownership interest in the joint venture. For example, while we and another joint venture party may invest an equal amount of capital in an investment, the investment may be structured such that one joint venture partner has a right to priority distributions of cash flows up to a certain target return while another joint venture partner may receive a disproportionately greater share of cash flows once such target return has been achieved. This type of investment structure may result in our joint venture partner receiving more of the cash flows, including any from appreciation, of an investment than we receive. If we do not accurately judge the appreciation prospects of a particular investment or structure the venture appropriately, we may incur losses on joint venture investments or have limited participation in the profits of a joint venture investment, either of which could reduce our ability to make distributions to our stockholders. If we serve as a managing member, general partner or controlling party with respect to investments or joint ventures, we may be subject to risks and liabilities that we would not otherwise face.~~ In certain circumstances, we may serve as **a** managing member, general partner or controlling party with respect to investments and joint ventures. In such instances, we may face additional risks including, among others, the following: • we may have increased duties to the other investors or partners in the investment or venture; • in the event of certain events or conflicts, our partners may have recourse against us, including the right to monetary penalties, the ability to force a sale or exit the investment or venture; • our partners may have the right to remove us as the general partner or managing member in certain cases involving cause; and • our subsidiaries that would be the general partner or managing member of the investment or venture could be generally liable, under applicable law or the governing agreement of a venture, for the debts and obligations of the investment or venture, subject to certain exculpation and indemnification rights pursuant to the terms of the governing agreement. ~~We have substantial indebtedness and may incur additional indebtedness in the future, which could materially and adversely affect us.~~ As of December 31, ~~2023~~ **2024** , we had indebtedness of $ ~~2~~ **1. 7 billion** , ~~551, 036~~ **which is comprised of $ 689** , 000 ~~, which comprises $ 914, 900~~ , 000 in unsecured debt under our ~~2022~~ **2024** Credit Agreement and $ 1 **. 0 billion** ~~, 636, 136, 000~~ in secured mortgage loans payable ~~and under the secured 2019 Trilogy Credit Agreement~~ . ~~As~~ **Although our overall leverage was lower than 30. 0 % of our combined market capitalization and outstanding indebtedness as** of December 31, ~~2023~~ **2024** ~~, we had $ 268, 722, 000 of total liquidity, comprised of $ 225, 277, 000 of undrawn capacity under our lines of credit and $ 43, 445, 000 of cash and cash equivalents. This represented~~

~~approximately 5. 7 % of the combined fair market value of all of our properties and other real estate- related investments as of December 31, 2023. Though we anticipate that our overall leverage will approximate 50. 0 % of the combined fair market value of all of our properties and other real estate- related investments, as determined at the end of each calendar year~~ , our organizational documents do not place a limitation on the amount of leverage that we may incur, and we could incur leverage substantially in excess of this amount. We expect to fund a portion of our cash needs, including funding **of** investment activity, with **our operating cash flows, issuances of additional equity,** additional indebtedness ~~. If we exercise our~~ **or** ~~option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings, we may consummate the purchase transaction entirely in cash or in~~ a combination of ~~at least the Minimum Cash Consideration and newly issued shares of our convertible preferred stock as defined in Note 13, Equity — Noncontrolling Interests in Total Equity — Membership Interest in Trilogy REIT Holdings, or Convertible Preferred Stock. If we elect to pay for the purchase entirely in cash, the all cash purchase price would be $ 240, 500, 000 if we consummate the purchase on or before March 31, 2024, would increase to $ 247, 000, 000 if we consummate the purchase from April 1, 2024 to and including December 31, 2024 and would further increase to $ 260, 000, 000 if we consummate the purchase on or after January 1, 2025. If, for example, we elect to pay for the purchase using only the Minimum Cash Consideration, we would pay for the remaining portion of the purchase price consideration by issuing to NorthStar 9, 360, 000 shares of our Convertible Preferred Stock. In all cases, an amount of cash will be required, and we may source our cash need from the proceeds of issuances of additional debt and equity (including preferred stock other than our Convertible Preferred Stock) and / or a hybrid of debt and equity. Also, if we exercise our option and elect to issue shares of our Convertible Preferred Stock, we would not be permitted to pay cash dividends on junior securities (such as our common stock) unless we were then~~ - **the foregoing** ~~current on all accumulated dividends owed on our Convertible Preferred Stock for past quarterly dividend periods. This means that we may have additional cash needs so long as our Convertible Preferred Stock is outstanding. We may also have cash needs in order to satisfy the redemption option that a holder of shares of our Convertible Preferred Stock may exercise after a fundamental change transaction (such as a change- in- control transaction involving us), which exercise would require us to repurchase that holder' s shares of our Convertible Preferred Stock or to exercise our option to redeem our Convertible Preferred Stock if financially advantageous to do so. As such, the credit rating agencies and our investors may view our Convertible Preferred Stock as effectively similar to debt or " mezzanine " financing~~ . Our ability to access additional debt capital ~~and the cost of other terms thereof~~ will be significantly influenced by our **operating performance and our** creditworthiness ~~and any rating assigned by a rating agency~~ , as well as by general economic and market conditions. Significant **unsecured and** secured ~~and unsecured~~ indebtedness adversely affects our creditworthiness and ~~could prevent us from achieving an investment grade credit rating or cause a rating agency to lower a rating or to place a rating on a " watchlist " for possible downgrade. Deteriorations in our creditworthiness or in any ratings that we may achieve, or the perception that any such deterioration may occur,~~ would adversely affect our ability to access additional debt capital and increase the cost of any debt capital that is available to us and may require us to accept restrictive covenants. A reduction in our access to debt capital, an increase in the cost thereof or our acceptance of restrictive covenants could limit our ability to achieve our business objectives and pursue our growth strategies. Additionally, **rising** interest rates have significantly increased ~~, and may continue to significantly increase,~~ our interest costs **in recent years** . Expensive debt could reduce or limit our available cash flow to fund working capital, capital expenditures, acquisitions and development projects, reduce cash available for distributions to stockholders, hinder our ability to meet certain debt service ratios under our credit agreements or impose restrictions on our ability to incur additional debt for so long as certain debt service ratios are not met. We may also incur mortgage debt and other property- level debt on properties that we already own in order to obtain funds to acquire additional properties or make other capital investments. In addition, we may borrow as necessary or advisable to ensure that we maintain our qualification as a REIT for U. S. federal income tax purposes, including borrowings to satisfy the REIT requirement that we distribute at least 90. 0 % of our annual REIT taxable income to our stockholders. However, we cannot guarantee that we will be able to obtain any such borrowings on favorable terms or at all. If we mortgage a property and there is a shortfall between the cash flows from that property and the cash flows needed to service mortgage debt on that property, our financial results would be negatively affected, and the amount of cash available for distributions to stockholders would be reduced. In addition, incurring mortgage debt increases the risk of loss of a property since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. If any mortgages contain cross- collateralization or cross- default provisions, a default on a single property could affect multiple properties. In addition, lenders may have recourse to assets other than those specifically securing the repayment of indebtedness. For tax purposes, a foreclosure on any of our properties will be treated as a disposition of the property, which could cause us to recognize taxable income on foreclosure, without receiving corresponding cash proceeds. We may give full or partial guarantees to lenders of mortgage debt on behalf of the entities that own our properties. When we give a guaranty on behalf of an entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. A significant amount of debt subjects us to many risks that, if realized, would materially and adversely affect us, including the risk that: • our cash flow from operating activities could become insufficient to make required payments of principal and interest on our debt, which would likely result in (i) acceleration of the debt (and any other debt containing a cross- default or cross- acceleration provision), increasing the likelihood of further distress if refinancing is not available on favorable terms or at all, (ii) our inability to borrow undrawn amounts under other existing financing arrangements, even if we have timely made all required payments under such arrangements, further compromising our liquidity and / or (iii) the loss of some or all of our assets that are pledged as collateral in connection with our financing arrangements; • our debt may increase our vulnerability to adverse economic and industry conditions with no assurance that such debt will increase our investment returns in an amount sufficient to offset the associated risks relating to leverage; • we may be required to dedicate a substantial portion of our cash flow from operating activities to payments on our debt, thereby reducing funds available for operations, future business opportunities, stockholder distributions and / or other purposes; and • to

the extent the maturity of certain debt occurs prior to the maturity of a related asset pledged or transferred as collateral for such debt, we may not be able to refinance that debt on favorable terms or at all, which may reduce available liquidity and / or cause significant losses to us ~~. Interest we pay on our debt obligations reduces our financial results and cash available for distributions to our stockholders. Whenever we incur variable- rate debt, increases in interest rates would increase our interest expense unless fully hedged. During 2023, we entered into interest rate swap contracts to hedge $ 750, 000, 000 of our variable- rate credit facilities. As of December 31, 2023, our outstanding debt aggregated $ 2, 551, 036, 000, of which 31. 8 % was unhedged variable- rate debt. Rising interest rates will also increase our interest expense on future fixed- rate debt. If we need to repay existing debt during periods of rising interest rates, which has been the case in recent years, we could be required to sell one or more of our properties at times which may not permit realization of the maximum return on such investments, which could result in losses~~ . To the extent we borrow at fixed rates or enter into fixed interest rate swaps, we will not benefit from reduced interest expense if interest rates decrease. We are exposed to the effects of interest rate changes primarily as a result of borrowings we have used to maintain liquidity and fund expansion and refinancing of our real estate investment portfolio and operations. To limit the impact of interest rate changes on earnings, prepayment penalties and cash flows and to lower overall borrowing costs while taking into account variable interest rate risk, we have borrowed, and may continue to borrow, at fixed rates or variable rates depending upon prevailing market conditions. We have and may also continue to enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. Therefore, to the extent we borrow at fixed rates or enter into fixed interest rate swaps, we will not benefit from reduced interest expense if interest rates decrease in the future below our borrowing rates. Hedging activity may expose us to risks. We have used, and may continue to use, derivative financial instruments to hedge our exposure to changes in exchange rates and interest rates. If we use derivative financial instruments to hedge against exchange rate or interest rate fluctuations, we will be exposed to credit risk and legal enforceability risks. In this context, credit risk is the failure of the counterparty to perform under the terms of the derivative contract. If the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. Legal enforceability risks encompass general contractual risks, including the risk that the counterparty will breach the terms of, or fail to perform its obligations under, the derivative contract. These derivative instruments are speculative in nature and there is no guarantee that they will be effective. If we are unable to manage these risks effectively, we could be materially and adversely affected. When providing financing, a lender may impose restrictions on us that affect our ability to incur additional debt, make distributions to our stockholders and operate our business. We have entered into, and may continue to enter into, loan documents that contain covenants that limit our ability to further mortgage the property or discontinue insurance coverage. These or other limitations may adversely affect our flexibility and our ability to achieve our business objectives. Interest- only indebtedness may increase our risk of default, adversely affect our ability to refinance or sell properties and ultimately may reduce our funds available for distribution to our stockholders. We may finance or refinance our properties using interest- only mortgage indebtedness. During the interest- only period, the amount of each scheduled payment will be less than that of a traditional amortizing mortgage loan. The principal balance of the mortgage loan will not be reduced (except in the case of prepayments) because there are no scheduled monthly payments of principal during this period. After the interest- only period, we will be required either to make scheduled payments of amortized principal and interest or to make a lump- sum or " balloon " payment at maturity. At the time such a balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. Furthermore, these required principal or balloon payments will increase the amount of our scheduled payments and may increase our risk of default under the related mortgage loan. If the mortgage loan has an adjustable interest rate, the amount of our scheduled payments would likely increase at a time of rising interest rates, depending upon the adjustment terms. In addition, payments of principal and interest made to service our debt, including balloon payments, may leave us with insufficient cash to pay the distributions to our stockholders, including those that we are required to pay to maintain our qualification as a REIT. Any of these results could have a material adverse effect on us. Our charter restricts the direct or indirect ownership by one person or entity to no more than 9. 9 % of the value of shares of our then outstanding capital stock (which includes common stock and any preferred stock we may issue) and no more than 9. 9 % of the value or number of shares, whichever is more restrictive, of our then outstanding common stock. This restriction may discourage a change of control of us and may deter individuals or entities from making tender offers for shares of our stock on terms that might be financially attractive to our stockholders or which may cause a change in our management. This ownership restriction may also prohibit business combinations that would have otherwise been approved by our board and our stockholders. In addition to deterring potential transactions that may be favorable to our stockholders, these provisions may also decrease our stockholders' ability to sell their shares of our common stock. Our stockholders' ability to control our operations is severely limited. Our board determines our major strategies, including our strategies regarding investments, financing, growth, capitalization, REIT qualification and distributions. Our board may amend or revise these and other strategies without a vote of the stockholders. Under our charter and Maryland law, our stockholders have a right to vote only on the following matters: • the election or removal of directors; • the amendment of our charter, except that our board may amend our charter without stockholder approval to change our name or the name of other designation or the par value of any class or series of our stock and the aggregate par value of our stock, increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have the authority to issue, or effect certain reverse stock splits; • our dissolution; and • certain mergers, consolidations, conversions, statutory share exchanges and sales or other dispositions of all or substantially all of our assets. All other matters are subject to the sole discretion of our board. Conflicts of interest could arise as a result of our officers' other positions and / or interests outside of our company. We rely on our management for implementation of our policies and our day- to- day operations. Although a majority of their business time is spent working for our company, they may engage in other investment and business activities in which we have no economic interest. Their responsibilities to these other entities could

result in action or inaction that is detrimental to our business, which could harm the implementation of our growth strategies and achievement of our business strategies. They may face conflicts of interest in allocating time among us and their other business ventures and in meeting obligations to us and those other entities. Certain provisions of Maryland law may make it more difficult for us to be acquired and may limit or delay our stockholders' ability to dispose of their shares of our common stock. Certain provisions of the Maryland General Corporation Law, or MGCL, such as the business combination statute and the control share acquisition statute, are designed to prevent, or have the effect of preventing, someone from acquiring control of us. The MGCL prohibits " business combinations " between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder. An " interested stockholder " is defined generally as: • any person who beneficially owns, directly or indirectly, 10. 0 % or more of the voting power of the corporation' s outstanding voting stock; or • an affiliate or associate of the corporation who, at any time within the two- year period prior to the date in question, was an interested stockholder. These prohibitions last for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any business combination with the interested stockholder or an affiliate of the interested stockholder must be recommended by the corporation' s board and approved by the affirmative vote of at least 80. 0 % of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and two- thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in the best interests of our stockholders. The control share acquisition statute of the MGCL provides that, subject to certain exceptions, holders of " control shares " of a Maryland corporation (defined as voting shares of stock that, if aggregated with all other such shares of stock owned by the acquiror or in respect of which the acquiror can exercise or direct voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within specified ranges of voting power) acquired in a " control share acquisition " (defined as the acquisition of issued and outstanding control shares) have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter. Shares of stock owned by the acquiror, by our officers or by our employees who are also our directors are excluded from shares entitled to vote on the matter. Pursuant to the MGCL, our bylaws contain a provision exempting from the control share acquisition provisions of the MGCL any and all acquisitions by any person of shares of our stock, which eliminates voting rights for certain levels of shares that could exercise control over us, and our board has adopted a resolution providing that any business combination between us and any other person is exempted from the business combination statute, provided that such business combination is first approved by our board. However, if the bylaws provision exempting us from the control share acquisition statute or our board resolution opting out of the business combination statute were repealed in whole or in part at any time, these provisions of the MGCL could delay or prevent offers to acquire us and increase the difficulty of consummating any such offers, even if such a transaction would be in the best interests of our stockholders. The MGCL and our organizational documents limit our stockholders' right to bring claims against our officers and directors. The MGCL provides that a director has no liability in such capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in the corporation' s best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Our charter requires us, to the maximum extent permitted by Maryland law, to indemnify and advance expenses to our directors and officers and our subsidiaries' directors and officers. Additionally, our charter limits, to the maximum extent permitted by Maryland law, the liability of our directors and officers to us and our stockholders for monetary damages. Moreover, we have entered into separate indemnification agreements with each of our directors and executive officers and intend to enter into indemnification agreements with each of our future directors and executive officers. Although our charter does not limit the liability of our directors and officers or allow us to indemnify our directors and officers to a greater extent than permitted under Maryland law, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist under common law, which could reduce our stockholders' and our recovery against them. In addition, we may be obligated to fund the defense costs incurred by our directors and officers in some cases, which would decrease the cash otherwise available for distribution to our stockholders. Our structure may result in potential conflicts of interest with limited partners in our operating partnership whose interests may not be aligned with those of our stockholders. Our directors and officers have duties to us and our stockholders under Maryland law and our charter in connection with their management of us. At the same time, the general partner of our operating partnership, of which we are the sole owner, has fiduciary duties under Delaware law to our operating partnership and to the limited partners in connection with the management of our operating partnership. The duties of the general partner to our operating partnership and its partners may come into conflict with the duties of our directors and officers to us and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership agreement. If there is a conflict in the fiduciary duties owed by us (as the sole member of the general partner) to our stockholders on one hand and by the general partner to any limited partners on the other, we shall be entitled to resolve such conflict in favor of our stockholders. Additionally, the partnership agreement expressly limits our liability by providing that we and our officers, directors, stockholders, trustees, representatives, agents and employees will not be liable or accountable to our operating partnership for (i) any act or omission performed or failed to be performed, or for any losses, claims, costs, damages, or liabilities arising from any such act or omission, (ii) any tax liability imposed on our operating partnership or (iii) any losses due to the misconduct, negligence (gross or ordinary), dishonesty or bad faith of any agents of our operating partnership, if we or any such person acted consistent with the obligation of good faith and fair dealing and with applicable duties of care and loyalty. In addition, our operating partnership is required to indemnify us and our officers, directors, employees and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our operating partnership, unless it is established that: (i) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty;

(ii) the indemnified party received an improper personal benefit, in money, property or services; or (iii) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties. We have elected to be taxed as a REIT under the **Internal Revenue** Code **of 1986, as amended, or the Code,** commencing with our taxable year ended December 31, 2016. We believe that we have been, and, through the time of the **merger of Griffin- American Healthcare** REIT ~~Merger~~ **III, Inc., or GAHR III, into us, on October 1, 2021** , GAHR III was ~~,~~ organized and operated, and we intend to continue to operate in conformity with the requirements for qualification and taxation as a REIT under the Code. To continue to maintain our qualification as a REIT, we, and our subsidiary REIT, Trilogy Real Estate Investment Trust, or Trilogy REIT, must meet various requirements set forth in the Code concerning, among other things, the ownership of our, or Trilogy REIT' s, outstanding common stock, the nature of our, or Trilogy REIT' s, assets, the sources of our, or Trilogy REIT' s, income, and the amount of our, or Trilogy REIT' s, distributions to stockholders. In addition, if it is determined that GAHR III lost, in any year prior to the ~~REIT Merger~~ **merger described above** , its qualification as a REIT without being entitled to any relief under the statutory provisions to preserve REIT status, we, as a " successor " to GAHR III under the REIT rules, will not be able to qualify as a REIT to the extent we are unable to avail ourselves of any relief under the statutory provisions to preserve REIT status. The REIT qualification requirements are extremely complex, and interpretations of the U. S. federal income tax laws governing qualification as a REIT are limited. In addition, the determination of various factual matters and circumstances not entirely within our control may affect our ability to continue to qualify as a REIT. Accordingly, we cannot be certain that we, or Trilogy REIT, will be successful in operating in compliance with the REIT rules in such manner as to allow us to maintain our qualification as a REIT. At any time, new laws, interpretations or court decisions may change the U. S. federal tax laws relating to, or the U. S. federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause our board to determine that it is not in our best interests to maintain our qualification as a REIT, and to revoke our REIT election, which it may do without stockholder approval. If we fail to maintain our qualification as a REIT for any taxable year, we will be subject to U. S. federal income tax on our REIT taxable income at the corporate rate and could also be subject to increased state and local taxes. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status unless the Internal Revenue Services, or IRS, grants us relief under certain statutory provisions. Losing our REIT status would reduce our net earnings available for investment and amounts available for distribution to our stockholders because of the additional tax liability. In addition, distributions would no longer qualify for the distributions paid deduction, and we would no longer be required to make distributions to our stockholders. If this occurs, we might be required to raise debt or equity capital or sell some investments in order to pay the applicable tax. As a result of all these factors, our failure to maintain our qualification as a REIT could impair our ability to expand our business and raise capital, could materially and adversely affect the trading price of our common stock and would substantially reduce our ability to make distributions to our stockholders. TRSs are subject to corporate- level taxes and our dealings with TRSs may be subject to a 100 % excise tax. A REIT may own up to 100 % of the stock of one or more taxable REIT subsidiaries, or TRSs. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35. 0 % of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20. 0 % (25. 0 % for taxable years beginning prior to January 1, 2018) of the gross value of a REIT' s assets may consist of stock or securities of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT, including gross income from operations pursuant to management contracts. We lease our properties that are " qualified health care properties " to one or more TRSs which, in turn, contract with independent third- party management companies to operate those " qualified health care properties " on behalf of those TRSs. In addition, we may use one or more TRSs generally to hold properties for sale in the ordinary course of a trade or business or to hold assets or conduct activities that we cannot conduct directly as a REIT. A TRS is subject to applicable U. S. federal, state, local and foreign income tax on its taxable income, as well as limitations on the deductibility of its interest expenses. In addition, the Code imposes a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm' s- length basis. If our " qualified health care properties " are not properly leased to a TRS or the operators of those " qualified health care properties " do not qualify as EIKs, we could fail to qualify as a REIT..... federal income tax purposes, we may fail to qualify as a REIT. In general, under the REIT rules, we cannot directly operate any properties that are " qualified health care properties " and can only indirectly participate in the operation of " qualified health care properties " on an after- tax basis by leasing those properties to independent health care facility operators or to TRSs. A " qualified health care property " is any real property (and any personal property incident to that real property) which 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 and is operated by a provider of those services that is eligible for participation in the Medicare program with respect to that facility. Furthermore, rent paid by a lessee of a " qualified health care property " that is a " related party tenant " of ours **generally** will not be qualifying income for purposes of the two gross income tests applicable to REITs. However, a TRS that leases " qualified health care properties " from us will not be treated as a " related party tenant " with respect to our " qualified health care properties " that are managed by an **eligible independent contractor, or** EIK **. This structure, where we lease " qualified health care properties " to a TRS, which in turn contracts with an EIK to operate such properties for a fee, is commonly referred to as the RIDEA structure** . If we incorrectly classified a property as a " qualified health care property " and leased it to a TRS **under the RIDEA structure** , any rental income therefrom would likely not be qualifying income for purposes of the two gross income tests applicable to REITs. An EIK is an independent contractor that, at the time such contractor enters into a management or other agreement with a TRS to

operate a " qualified health care property, " is actively engaged in the trade or business of operating " qualified health care properties " for any person not related to us or the TRS. Among other requirements to qualify as an independent contractor, an operator must not own, directly or indirectly (or applying attribution provisions of the Code), more than 35. 0 % of the shares of our outstanding stock (by value), and no person or group of persons can own more than 35. 0 % of the shares of our outstanding stock and 35. 0 % of the ownership interests of the operator (taking into account only owners of more than 5. 0 % of our shares and, with respect to ownership interest in such operators that are publicly traded, only holders of more than 5. 0 % of such ownership interests). The ownership attribution rules that apply for purposes of the 35. 0 % thresholds are complex. There can be no assurance that the amount of our shares beneficially owned by our operators and their owners will not exceed the above thresholds. If a healthcare facility operator at one of our properties that uses the RIDEA structure was determined to not be an EIK, any rental income we receive from the TRS with respect to such property would likely not be qualifying income for purposes of the two gross income tests applicable to REITs. **fail to qualify as a REIT.** To qualify as a REIT,we must satisfy two gross income tests,under which specified percentages of our gross income must be derived from certain sources,such as " rents from real property." Rent paid ~~to us~~ by TRSs pursuant to the lease of our " qualified health care properties " ~~under the RIDEA structure~~ will constitute a substantial portion of our gross income.For that rent to qualify as " rents from real property " for purposes of the REIT gross income tests,the leases must be respected as true leases for U.S.federal income tax purposes and not be treated as service contracts,joint ventures or some other type of arrangement.If our leases are not respected as true leases for U.S.federal income tax purposes,we may ~~fail~~ In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U. S. federal and state income tax laws applicable to investments similar to an investment in shares of our common stock. **Additionally, the healthcare REIT industry recently has been the subject of scrutiny, which, among other things, could result in additional enforcement by the IRS.** Additional changes to the tax laws **, and administration of those laws by the IRS,** are likely to continue to occur, and we cannot assure our stockholders that any such changes will not adversely affect our taxation and our ability to continue to qualify as a REIT or the taxation of a stockholder. Any such changes could have a material adverse effect on an investment in shares of our common stock or on the market price thereof or the resale potential of our assets. Our stockholders are urged to consult with their tax advisor with respect to the impact of recent legislation on their investment in our stock and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in shares of our common stock. Although REITs generally receive better tax treatment than entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U. S. federal and state income tax purposes as a regular corporation. As a result, our charter provides our board with the power, under certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a regular corporation, without the vote of our stockholders. Our board has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in the best interests of our stockholders. In certain circumstances, we may be subject to U. S. federal, state and foreign income taxes even if we maintain our qualification as a REIT, which would reduce our cash available for distribution to our stockholders. Even if we maintain our qualification as a REIT, we may be subject to U. S. federal income taxes, state income taxes or foreign income taxes. For example, net income from a " prohibited transaction " will be subject to a 100 % tax. We may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. We may also decide to retain capital gains we earn from the sale or other disposition of our property and pay income tax directly on such income. In that event, our stockholders ~~would~~ **may** be treated as if they earned that income and paid the tax on it directly. However, our stockholders that are tax- exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability. We may also be subject to state and local taxes or foreign taxes on our income or property, either directly or at the level of the companies through which we indirectly own our assets. Any U. S. federal, state or foreign taxes we pay will reduce our cash available for distribution to our stockholders. Dividends payable by REITs generally do not qualify for the reduced tax rates on dividend income as compared to regular corporations, which could adversely affect the value of our shares. The maximum U. S. federal income tax rate for certain qualified dividends payable to domestic stockholders that are individuals, trusts and estates generally is 20. 0 %. Dividends payable by REITs, however, are generally not eligible for these reduced rates for qualified dividends except to the extent the REIT dividends are attributable to " qualified dividends " received by the REIT itself. For taxable years beginning after December 31, 2017 and before January 1, 2026, U. S. individuals, trusts and estates are permitted a deduction for certain pass- through business income, including " qualified REIT dividends " (generally, dividends received by a REIT stockholder that are not designated as capital gain dividends or qualified dividend income), allowing them to deduct up to 20. 0 % of such amounts, subject to certain limitations. Although the reduced U. S. federal income tax rate applicable to dividend income from regular corporate dividends does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to qualified dividends from C corporations could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non- REIT corporations that pay qualified dividends, which could adversely affect the market price of the shares of common stock of REITs, including our shares of common stock. Dividends on, and gains recognized on the sale of, shares by a tax- exempt stockholder may be subject to U. S. federal income tax as unrelated business taxable income. If (i) we are a " pension- held REIT, " (ii) a tax- exempt stockholder has incurred (or is deemed to have incurred) debt to purchase or hold our shares or (iii) a holder of our shares is a certain type of tax- exempt stockholder, dividends on, and gains recognized on the sale of, shares by such tax- exempt stockholder may be subject to U. S. federal income tax as unrelated business taxable income under the Code. Characterization of our sale- leaseback transactions may be challenged, which could jeopardize our REIT status or require us to make an unexpected distribution. We have participated, and may continue to participate, in sale- leaseback transactions in which we purchase real estate investments and lease them back to the sellers of such properties. We believe we have structured and

intend to structure any of our sale- leaseback transactions such that the lease will be characterized as a " true lease " and so that we will be treated as the owner of the property for U. S. federal income tax purposes. However, we cannot assure our stockholders that the IRS will not take the position that specific sale- leaseback transactions that we treated as leases **should** be re- characterized as financing arrangements or loans for U. S. federal income tax purposes. In the event that any such sale- leaseback transaction is re- characterized as a financing transaction for U. S. federal income tax purposes, deductions for depreciation and cost recovery relating to such real estate investment would be disallowed or significantly reduced. If a sale- leaseback transaction is so re- characterized, we might fail to satisfy the REIT asset tests, income tests or distribution requirements and, consequently, lose our REIT status or be required to elect to distribute an additional distribution of the increased taxable income to avoid the loss of REIT status. This distribution would be paid to all stockholders at the time of declaration rather than the stockholders existing in the taxable year affected by the re- characterization. Complying with the REIT requirements may cause us to forego otherwise attractive opportunities. To maintain our qualification as a REIT for U. S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of shares of our common stock. We may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution, or we may be required to raise debt or equity capital or forego otherwise attractive investments in order to comply with the REIT tests. We may need to borrow funds to meet the REIT distribution requirements even if market conditions are not favorable for these borrowings. We cannot assure our stockholders that we will have access to such capital on favorable terms at the desired times, or at all. Thus, compliance with the REIT requirements could materially and adversely affect us and may hinder our ability to operate solely on the basis of maximizing our financial results. If the operating partnership fails to maintain its status as a partnership and were to be treated as a corporation for U. S. federal income tax purposes, its income may be subject to taxation, which would reduce the cash available for distribution to stockholders and likely result in a loss of our REIT status. We intend to maintain the status of our operating partnership as a partnership for U. S. federal income tax purposes. However, if the IRS were to successfully challenge the status of our operating partnership as a partnership for such purposes, it would be taxable as a corporation. In such event, this would reduce the amount of distributions that our operating partnership could make to us. This would also likely result in us losing REIT status, and, if so, becoming subject to a corporate level tax on our own income. This would substantially reduce any cash available to pay distributions. In addition, if any of the partnerships or limited liability companies through which our operating partnership owns its properties, in whole or in part, loses its characterization as a partnership and is otherwise not disregarded for U. S. federal income tax purposes, such partnership or limited liability company would be subject to taxation as a corporation, thereby reducing distributions to our operating partnership. Such a recharacterization of an underlying partnership or limited liability company could also threaten our ability to maintain our status as a REIT. Foreign purchasers of shares of our common stock may be subject to FIRPTA tax upon the sale of their shares of our common stock or upon the payment of a capital gains dividend. A foreign person disposing of a U. S. real property interest, including shares of stock of a U. S. corporation whose assets consist principally of U. S. real property interests, is generally subject to withholding pursuant to the Foreign Investment in Real Property Tax Act of 1980, as amended, or FIRPTA, on the amount received from the disposition. However, foreign pension plans and certain foreign publicly traded entities are exempt from FIRPTA withholding. Further, such FIRPTA tax does not apply to the disposition of stock in a REIT if the REIT is " domestically controlled. " A REIT is " domestically controlled " if less than 50. 0 % of the REIT' s stock, by value, has been owned directly or indirectly by persons who are not qualifying U. S. persons during a continuous five- year period ending on the date of disposition or, if shorter, during the entire period of the REIT' s existence. We cannot assure our stockholders that we will qualify as a " domestically controlled " REIT. If we were to fail to so qualify, amounts received by foreign investors on a sale of shares of our common stock would be subject to FIRPTA tax, unless the shares of our common stock are regularly traded on an established securities market and the foreign investor did not at any time during a specified period directly or indirectly own more than 10. 0 % of the value of our outstanding common stock. Additionally, a foreign stockholder will likely be subject to FIRPTA upon the payment of any distribution by us that is attributable to gain from sales or exchanges of U. S. real property interests, unless the shares of our common stock are regularly traded on a U. S. established securities market and the foreign investor did not own at any time during the 1- year period ending on the date of such distribution more than 10. 0 % of such class of common stock. ~~Our common stock only recently began trading on the NYSE, and we cannot assure our stockholders that an active trading market will be sustained. Whether an active public market for shares of our common stock will be maintained depends on a number of actors, including the extent of institutional investor interest in us, the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate- based companies), our financial performance and general stock and bond market conditions. If an active trading market for shares of our common stock does not develop or is maintained, our stockholders may have difficulty selling shares of our common stock, which could adversely affect the price that our stockholders receive for such shares.~~ The U. S. stock markets, including the NYSE ~~, on which our common stock recently began trading~~, have experienced significant price and volume fluctuations. As a result, the market price of shares of our common stock is likely to be similarly volatile, and investors in shares of our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. We cannot assure our stockholders that the market price of shares of our common stock will not fluctuate or decline significantly in the future. In addition to the risks listed in this " Risk Factors " section, a number of factors could negatively affect the share price of our common stock or result in fluctuations in the price or trading volume of shares of our common stock, including: • the annual yield from distributions on shares of our common stock as compared to yields on other financial instruments; • equity issuances by us, or future sales of substantial amounts of shares of our common stock by our existing or future stockholders or the perception that such issuances or future sales may occur; • increases in market interest rates or a decrease in our distributions to

stockholders that lead purchasers of shares of our common stock to demand a higher yield; • changes in market valuations of similar companies; • fluctuations in stock market prices and volumes; • additions or departures of key management personnel; • our operating performance and the performance of other similar companies; • actual or anticipated differences in our quarterly operating results; • changes in expectations of future financial performance or changes in estimates of securities analysts; • publication of research reports about us or our industry by securities analysts; • failure to qualify as a REIT; • adverse market reaction to any indebtedness we incur in the future; • strategic decisions by us or our competitors, such as acquisitions, divestments, spin offs, joint ventures, strategic investments or changes in business strategy; • the passage of legislation or other regulatory developments that adversely affect us or our industry; • speculation in the press or investment community ~~; • changes in our earnings~~ ; • failure to satisfy the listing requirements of NYSE; • failure to comply with the requirements of the Sarbanes-Oxley Act of 2002; • actions by institutional stockholders; • changes in accounting principles; and • general market conditions, including factors unrelated to our performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management' s attention and resources, which could have a material adverse effect on our cash flows, our ability to execute our business strategy and our ability to make distributions to our stockholders. **Agreements relating to our indebtedness may limit our ability to pay cash dividends on** ~~As of March 15, 2024, we had (i) an aggregate of 131, 597, 967 shares of~~ our common stock **. For example** , ~~Class T~~ **the Credit Facility restricts our ability to pay cash dividends on our** common stock ~~and Class I~~ **beyond those necessary to maintain our qualification for taxation as a REIT if we default under the Credit Facility. Other financing agreements or instruments that we enter into or issue (including preferred stock) in the future also may limit our ability to pay cash dividends on our** common stock ~~issued and outstanding~~ **. If we default under the Credit Facility** , ~~(ii) 972~~ **or if future financing agreements or instruments restrict our ability to pay cash dividends** , **we will be** ~~222 shares of unvested~~ restricted **in our ability to pay cash dividends on our** common stock ~~issued and~~ **unless we can refinance amounts** outstanding **under those agreements or instruments. Similarly** , **agreements relating to the indebtedness** ~~(iii) 145, 993 shares~~ of ~~unvested restricted Class T~~ **certain of our subsidiaries, including Trilogy Holdings, limit such subsidiaries' ability to make cash distributions to us in the event of a default under such agreements. This would reduce the amount of cash available to us and could adversely affect our ability to pay cash dividends on our** common stock **. Additionally** ~~issued and outstanding~~ , ~~(iv) 156, 604 shares~~ **our ability to pay dividends may be impaired if any** of ~~Class T common stock underlying unvested~~ **the risks described in this Annual Report on Form 10- K for the year ended December 31, 2024 were to occur. Payment of future dividends is subject to declaration by our board of directors and depends on a number of factors, including funds available for the payment of distributions, our financial condition, capital expenditure requirements, annual distribution requirements needed to maintain our status as a REIT under the Code, restrictions imposed by our organizational documents and Maryland law and other factors as our board of directors may deem relevant from** time ~~- based restricted stock units, or RSUs, (v) 141, 503 shares of Class T common stock underlying unvested performance- based RSUs (such number of shares assumes that we issue shares of our common stock underlying such unvested performance- based awards at maximum levels for performance and market conditions that have not yet been achieved; to the extent that performance or market conditions do not meet maximum levels, the actual number of shares of our common stock issued under our incentive plan would be less than the amount reflected above) and (vi) 3, 501, 976 shares of our common stock that may be issued for redeeming OP units. In addition, we have the right to issue an additional 2, 434, 654 shares of our common stock under our incentive plan. Prior to our recent offering, our common stock, Class T common stock and Class I common stock were not listed on any national securities exchange, and the ability of a stockholder to sell his, her or its shares was limited. Although shares of our Class T common stock and Class I common stock were not listed on a national securities exchange at the same~~ time ~~as our common stock, these shares are not subject to transfer restrictions (other than the restrictions on ownership and transfer of stock set forth in our charter); therefore, such stock will be freely tradable, to extent that a market exists for such stock. As a result, it is possible that a market may develop for shares of our Class T common stock and Class I common stock, and sales of such shares, or the perception that such sales could occur, could have a material adverse effect on the per share trading price of shares of our common stock. Our Class T common stock and Class I common stock will automatically convert into our listed common stock on August 5, 2024. As a result, there may be significant pent- up demand to sell shares of our common stock. Holders of shares of our Class T common stock and Class I common stock seeking to immediately sell his, her or its shares of our common stock could engage in immediate short sales of shares of our common stock prior to the date on which the shares of our Class T common stock and Class I common stock convert into shares of our common stock and use the shares of our common stock that they receive upon conversion of their Class T common stock and Class I common stock to cover these short sales in the future. Additionally, if we exercise our option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings, we may consummate the purchase transaction entirely in cash or in a combination of cash and newly issued shares of our Convertible Preferred Stock. If we issue shares of our Convertible Preferred Stock as part of the purchase price consideration, a holder thereof, on or after July 1, 2026, may elect to convert those shares of our Convertible Preferred Stock into shares of our common stock. This conversion right may result in our issuing a substantial number of new shares of our common stock. We may also issue shares of our common stock or other equity or hybrid equity securities to fund our cash needs for any exercise of our option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings. Our issuance of common stock upon a holder' s conversion of shares of our Convertible Preferred Stock, or our issuance of our Convertible Preferred Stock itself and / or the issuance of common stock or other equity or hybrid equity securities to fund the cash needs for any exercise of the option, or the mere perception that we may issue such securities, may adversely affect the market price of our common stock. A large volume of sales of shares of our common stock could decrease the market price of shares of our common stock significantly and could impair our ability to raise additional capital through the sale of equity or hybrid securities~~

~~in the future. Even if a substantial number of sales of shares of our common stock are not effected, the mere perception of the possibility of these sales could decrease the market price of shares of our common stock significantly and have a negative effect on our ability to raise capital in the future~~. We may in the future attempt to increase our capital resources by offering debt or equity securities, including notes and classes of preferred or common stock. Debt securities or shares of preferred stock will generally be entitled to receive interest payments or distributions, both current and in connection with any liquidation or sale, prior to the holders of our common stock. We are not required to offer any such additional debt or preferred stock to existing common stockholders on a preemptive basis. Therefore, issuances of common stock or other equity securities **, including sales of shares of our common stock under the ATM Offering, pursuant to any forward sale agreement, or upon conversion or exchange of securities convertible into or exchangeable for common stock,** will generally dilute the holdings of our existing stockholders. Because we may generally issue any such debt or preferred stock in the future without obtaining the approval of our stockholders, our stockholders will bear the risk of our future issuances reducing the market price of our common stock and diluting their proportionate ownership. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the form, amount, timing or nature of our future issuances ~~. If we exercise our option to purchase the remaining 24. 0 % minority membership interest held by our joint venture partner in Trilogy REIT Holdings, we may consummate the purchase transaction entirely in cash or in a combination of at least the Minimum Cash Consideration and newly issued shares of our Convertible Preferred Stock. If we elect to pay for the purchase entirely in cash, the all cash purchase price would be $ 240, 500, 000 if we consummate the purchase on or before March 31, 2024, would increase to $ 247, 000, 000 if we consummate the purchase from April 1, 2024 to and including December 31, 2024 and would further increase to $ 260, 000, 000 if we consummate the purchase on or after January 1, 2025. If, for example, we elect to pay for the purchase using only the Minimum Cash Consideration, we would pay for the remaining portion of the purchase price consideration by issuing NorthStar 9, 360, 000 shares of our Convertible Preferred Stock. We may finance all or any portion of the cash purchase price associated with any exercise of this purchase option with new debt, and, in such case, principal and interest payments on such debt would be senior to the rights of holders of our common stock. Similarly, if we elect to issue shares of our new Convertible Preferred Stock in connection with our exercise of this purchase option, holders of such shares will be entitled to receive dividends as well as liquidation payments prior to holders of our common stock. Specifically, unless we are current on all accumulated dividends owed on shares of our Convertible Preferred Stock for past quarterly dividend periods, we may not pay any dividends on, or repurchase, any shares of our common stock or other junior securities, subject in each case only to limited exceptions. Additionally, we may be required to issue a significant number of shares of our common stock in connection with any future conversion of such Convertible Preferred Stock, and we may issue common stock or other equity or hybrid equity securities to fund all or a portion of the cash purchase price for our option exercise. In both cases, this would result in dilution of our stockholders' equity investment in us~~. In addition, subject to any limitations set forth under Maryland law, our board may amend our charter to increase or decrease the number of authorized shares of stock, the number of shares of any class or series of stock designated or reclassify any unissued shares into other classes or series of stock without the necessity of obtaining stockholder approval. All such shares may be issued in the sole discretion of our board. In addition, we have granted, and expect to grant in the future, equity awards under our incentive plan to our independent directors and certain of our employees, including our executive officers, which to date have consisted of our restricted stock and RSUs, which are exchangeable into shares of our common stock subject to satisfaction of certain conditions. Finally, we have OP units outstanding which are redeemable for cash or, at our election, exchangeable into shares of our common stock. Therefore, existing stockholders will experience dilution of their equity investment in us as we (i) sell additional shares of our common stock in the future, (ii) sell securities that are convertible into or exchangeable for shares of our common stock, including OP units, (iii) issue restricted shares of our common stock, RSUs or other equity- based securities under our incentive plan or (iv) issue shares of our common stock in a merger or to sellers of properties acquired by us in connection with an exchange of OP units. Because the OP units may, at our election, be exchanged for shares of our common stock, any merger, exchange or conversion between the operating partnership and another entity ultimately could result in the issuance of a substantial number of shares of our common stock, thereby diluting the percentage ownership interest of other stockholders. Because of these and other reasons, our stockholders may experience substantial dilution in their equity investment in us. We may not be able to increase our capital resources by engaging in additional debt or equity financings. Even if we complete such financings, they may not be on favorable terms. These circumstances could materially and adversely affect our financial results and impair our ability to achieve our business objectives. Additionally, we may be required to accept terms that restrict our ability to incur additional indebtedness or take other actions (including terms that require us to maintain specified liquidity or other ratios) that would otherwise be in the best interests of our stockholders. If we pay distributions from sources other than our cash flows from operations, we may not be able to sustain our distribution rate, we may have fewer funds available for investment in real estate and other assets and our stockholders' overall returns may be reduced. Our organizational documents permit us to pay distributions from any source without limit (other than those limits set forth under Maryland law). To the extent we fund distributions from borrowings, we will have fewer funds available for investment in real estate and other real estate- related assets, and our stockholders' overall returns may be reduced. At times, we may need to borrow funds to pay distributions, which could increase the costs to operate our business. Furthermore, if we cannot cover our distributions with cash flows from operations, we may be unable to sustain our distribution rate. Our distributions to stockholders may change, which could adversely affect the market price of shares of our common stock. All distributions will be at the sole discretion of our board and will depend on our actual and projected financial condition, results of operations, cash flows, liquidity, maintenance of our REIT qualification and such other matters as our board may deem relevant from time to time. We intend to evaluate distributions throughout ~~2024~~ **2025** , and it is possible that stockholders may not receive distributions equivalent to those previously paid by us for various reasons, including: (i) we may not have enough cash to pay such distributions due to changes

in our cash requirements, indebtedness, capital spending plans, operating cash flows or financial position; (ii) decisions on whether, when and in what amounts to make any future distributions will remain at all times entirely at the discretion of the board, which reserves the right to change our distribution practices at any time and for any reason; (iii) our board may elect to retain cash for investment purposes, working capital reserves or other purposes, or to maintain or improve our credit ratings; and (iv) the amount of distributions that our ~~Subsidiaries~~ **subsidiaries** may distribute to us may be subject to restrictions imposed by state law, state regulators and / or the terms of any current or future indebtedness that these subsidiaries may incur. Stockholders have no contractual or other legal right to distributions that have not been authorized by our board and declared by us. We may not be able to make distributions in the future or may need to fund such distributions from external sources, as to which no assurances can be given. In addition, as noted above, we may choose to retain operating cash flow, and those retained funds, although increasing the value of our underlying assets, may not correspondingly increase the market price of shares of our common stock. Our failure to meet the market' s expectations with regard to future cash distributions likely would adversely affect the market price of shares of our common stock. If we fail to maintain an effective system of internal control over financial reporting and disclosure controls, we may not be able to accurately and timely report our financial results. Effective internal control over financial reporting and disclosure controls are necessary for us to provide reliable financial reports, effectively prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, it could have a material adverse effect on us. We are ~~currently~~ required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, and we ~~will be~~ **are also** required to have our independent registered public accounting firm attest to the same, as required by Section 404 of the Sarbanes- Oxley Act of 2002 ~~. To date, the audit of our consolidated financial statements by our independent registered public accounting firm has included a consideration of internal control over financial reporting as a basis of designing their audit procedures, but not for the purpose of expressing an opinion (as will be required pursuant to Section 404 (b) of the Sarbanes- Oxley Act of 2002) on the effectiveness of our internal control over financial reporting~~ . If a material weakness or significant deficiency was to be identified in the effectiveness of our internal control over financial reporting, we may also identify deficiencies in some of our disclosure controls and procedures that we believe require remediation. If we or our independent registered public accounting firm discover control issues, we will make efforts to improve our internal control over financial reporting and disclosure controls. However, there is no assurance that we will be successful. Any failure to maintain effective controls or timely effect any necessary improvement of our internal control over financial reporting and disclosure controls could harm operating results or cause us to fail to meet our reporting obligations, which could affect the listing of our common stock on NYSE. Ineffective internal control over financial reporting and disclosure controls could also cause investors to lose confidence in our reported financial information. Any of these matters could cause a significant decline in the market price of our common stock. ~~Prior to our recent listing on the NYSE, we had no operating history as a publicly traded company. We cannot assure our stockholders that the past experience of our senior management team will be sufficient for us to successfully operate as a publicly traded company. Upon completion of our recent listing on the NYSE, we were required to comply with the NYSE listing standards, and this transition could place a significant strain on our management systems, infrastructure and other resources. Failure to operate successfully as a publicly traded company would have an adverse effect on our financial condition, results of operations, cash flow, and per share trading price of our common stock.~~