Risk Factors Comparison 2024-02-20 to 2023-02-21 Form: 10-K

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There are many significant factors that could materially adversely impact our financial condition, results of operations, cash flows, distributions and stock price. The following are risks we believe are material to our stockholders. There may be additional risks and uncertainties that we have not presently identified or have not deemed material. Some of the following risk factors constitute forward- looking statements. Please refer to " Cautionary Statement Regarding Forward **-** Looking Statements " at the beginning of this Annual Report on Form 10- K. Risks Related to Our Managers, Tenants and Borrowers Actual or perceived risks associated with public......, adverse effect on our business. We depend on the operating success of our tenants, managers and borrowers and if their financial condition or business prospects deteriorate, our financial condition and results of operations could be adversely affected. We rely on our tenants, managers and borrowers and their ability to perform their obligations to us ~~,~~. Any of our tenants, managers or borrowers may experience a weakening in their overall financial condition ~~, including~~ as a result of deteriorating operating performance, changes in industry or market conditions, ~~including~~ **such as** rising interest rates or inflation, or other factors. If ~~their~~ -- **the** financial condition **of any of our tenants, managers or borrowers** deteriorates, they may be unable or unwilling to make payments or perform their obligations to us in a timely manner if at all. Revenues for the operators of our properties are primarily driven by occupancy and reimbursement by Medicare, Medicaid and private ~~payor~~ **payors** . Revenues from government reimbursement have, and may continue to, come under pressure due to reimbursement cuts resulting from federal and state budget shortfalls and constraints **, and both governmental and private payors are increasingly imposing more stringent cost control measures** . Periods of weak economic growth in the U. S. which affect housing sales, investment returns and personal incomes may adversely affect senior housing occupancy rates. An oversupply of senior housing real estate may also apply downward pressure to the occupancy rates of our operators. Expenses for the facilities are driven by the costs of labor, food, utilities, taxes, insurance and rent or debt service. Liability insurance and staffing costs continue to increase for our operators. Historically low unemployment has created significant wage pressure for our operators. In addition, inflation, both real and anticipated **,** as well as any resulting governmental policies, could adversely affect the economy and the costs of labor, goods and services for our operators. Because our operators are typically required to pay all property operating expenses, increases in property- level expenses at our leased properties generally do not directly affect us. Increased operating costs could have an adverse impact on our operators if increases in their operating expenses exceed increases in their revenue, which may adversely affect their ability to pay rent owed to us. An increase in our operators' expenses and a failure of their revenues to increase at least with inflation could adversely affect our operators' and our financial condition and our results of operations. To the extent any decrease in revenues and / or any increase in operating expenses of our operators results in a property not generating enough cash to make scheduled payments to us, our revenues, net income and funds from operations would be adversely affected. Such events and circumstances would cause us to evaluate whether there was an impairment of the real estate or mortgage loan that should be charged to earnings. Such impairment would be measured as the amount by which the carrying amount of the asset exceeded its fair value. Consequently, we might be unable to maintain or increase our current ~~dividend~~ **dividends** and the market price of our stock may decline. We are exposed to the risk that our managers, tenants and borrowers may become subject to bankruptcy or insolvency proceedings. Although our lease agreements provide us the right to evict a tenant / operator and demand immediate payment of rent and exercise other remedies, and our mortgage loans provide us the right to terminate any funding obligations, demand immediate repayment of principal and unpaid interest, foreclose on the collateral and exercise other remedies, the bankruptcy laws afford certain rights to a party that has filed for bankruptcy or reorganization. A tenant or borrower in bankruptcy may be able to limit or delay our ability to collect unpaid rent in the case of a lease or to receive unpaid principal and / or interest in the case of a mortgage loan and to exercise other rights and remedies. For example, a tenant may reject its lease with us in a bankruptcy proceeding. In such a case, our claim against the tenant for unpaid and future rents would be limited by the statutory cap of the U. S. Bankruptcy Code. This statutory cap could be substantially less than the remaining rent owed under the lease, and any claim we have for unpaid rent might not be paid in full. In addition, a tenant may assert in a bankruptcy proceeding that its lease should be re- characterized as a financing agreement. If such a claim is successful, our rights and remedies as a lender, compared to a landlord, are generally more limited. We may be required to fund certain expenses (e. g. real estate taxes, maintenance and capital improvements) to preserve the value of a property, avoid the imposition of liens on a property and / or transition a property to a new tenant or borrower. In some instances, we have terminated our lease with a tenant and leased the facility to another tenant. In certain of those situations, we provided working capital loans to, and limited indemnification of, the new tenant. If we cannot transition a leased facility to a new tenant, we may take possession of that property, which may expose us to certain successor liabilities. Should such events occur, our revenue and operating cash flow may be adversely affected. Certain tenants in our portfolio account for a significant percentage of the rent we expect to generate from our portfolio, and the failure of any of these tenants to meet their obligations to us could materially and adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders. The successful performance of our real estate investments is materially dependent on the financial stability of our tenants / operators. For the year ended December 31, ~~2022~~ **2023** , approximately ~~30~~ **40** % of our total revenue ~~is~~ **was** generated by ~~two~~ **three** tenants, ~~including~~ Senior Living (~~18~~ **16** %), ~~and~~ NHC (~~13~~ **12 %) and Bickford (12** %). Payment defaults or a decline in the operating performance by **any of** these **tenants** or other tenants / operators could materially and adversely affect our business, financial condition and results of operations and our ability to pay expected dividends to our stockholders. ~~As previously disclosed, we received no rent due under a master lease from a~~

~~Welltower- controlled subsidiary, which master lease represented 12 % of our total revenue for the year ended December 31, 2020, after a change in tenant ownership occurred in late July 2021. Following the filing of a lawsuit, NHI was able to settle the dispute and terminate the master lease with respect to these properties effective April 1, 2022.~~ In the event of ~~another~~ **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 may not be able to re- lease the property for the rent previously received, or at all, or lease terminations may cause us to sell the property at a loss. The result of any of the foregoing risks could materially and adversely affect our business, financial conditions and results of operations and our ability to make distributions to our stockholders **.** Actual or perceived risks associated with ~~public health~~ **pandemics,** epidemics or outbreaks,such as the COVID- 19 pandemic,have had and may in the future have a material adverse effect on our operators' business and results of operations.The business and results of operations of the operators of our properties and the Company have been and may continue to be affected by the COVID- 19 pandemic,and could in the future be adversely affected by other pandemics,epidemics,outbreaks of infectious disease or other public health crises. **Most** ~~Our tenants and borrowers provide services to individual consumers,the majority~~ of **our properties are designed for elderly patients,** ~~whom~~ - **who comprise** ~~may be more vulnerable than~~ the ~~general~~ population ~~during~~ **most impacted by COVID- 19.Nearly 90 % of deaths and 63 % of hospitalizations in 2023 as** a ~~public health crisis due to~~ **result of COVID- 19 were individuals in** ~~their~~ -- **the 65** age **group** ~~,complex medical conditions,or other socioeconomic factors.For example,according to the Centers for Disease Control and Prevention,older adults and people with certain underlying medical conditions are at higher risk for serious illness and death from COVID- 19.Although vaccines and booster shots for the COVID- 19 virus are widely available in the United States,COVID- 19 continues to result in a significant number of hospitalizations.In addition,there are uncertainties about the efficacy of the vaccines against the growing number of COVID- 19 variants~~ .Revenues for the tenants and operators of our properties are significantly impacted by occupancy.A public health crisis may diminish the public trust in senior housing properties or medical facilities,especially those that have treated or house consumers affected by contagious diseases,which may result in a decline in consumers seeking services offered through our properties. **As** ~~Building occupancy rates at several of our properties has decreased significantly in comparison to pre- pandemic levels for~~ a **result** ~~variety of reasons tied to COVID- 19~~ , **we may** ~~including potential occupants' postponement of moving to a senior housing facility due to perceived risks of community living arrangements.Such decreased occupancy is likely to continue in 2023,and could~~ be **more vulnerable** ~~further impacted by federal initiatives intended~~ to ~~reduce~~ the ~~number~~ **effects** of **a public health crisis** ~~multi- occupancy rooms in SNFs~~ .In addition,actions our operators **have** ~~take~~ **taken** to address **contagious diseases such as** COVID- 19 have materially increased their operating costs,in comparison to pre- pandemic levels,and a future health crisis may also result in increased operating costs.Such costs include those related to enhanced health and safety precautions and increased retention and recruitment labor costs among other measures.A decrease in occupancy or increase in costs is likely to have a material adverse effect on the ability of our tenants and operators to meet their financial and other contractual obligations to us,including the payment of rent,as well as on our results of operations.In some cases,we have had to,and **we** may continue to have to,write- off unpaid rental payments,incur lease accounting charges due to the uncollectibility of rental payments and / or restructure our tenants' and operators' long- term rent obligations.In response to requests by operators adversely impacted by COVID- 19,we provided pandemic- related rent concessions totaling $ 10.7 million during 2022.Furthermore,infections **of contagious diseases** at our facilities could lead to material increases in litigation costs for which our operators,or possibly we,may be liable **.The measures that federal,state and local governments,agencies and health authorities implement to address an epidemic,pandemic or other outbreaks of infectious diseases,may be insufficient to offset any downturn in business of our tenants and operators,may increase operating costs for our tenants,managers and borrowers or may otherwise disrupt or affect the operation of our properties.The rapid development and fluid nature of an epidemic,pandemic or outbreak of infectious disease precludes any prediction as to the ultimate adverse impact on NHI or its operators.Nevertheless,an epidemic,pandemic or outbreak of infectious disease,and the public' s and government responses to such future public health crisis,could have a material,adverse effect on our business** . Two members of our Board of Directors are also members of the board of directors of NHC, and their interests may differ from those of our stockholders. Two of our board members, including our chairman of the Board of Directors, are also members of NHC' s board of directors. Those directors may have conflicting interests with holders of the Company' s common stock with respect to the NHC properties. During the year ended December 31, ~~2022~~ **2023** , revenue from NHC represented ~~13~~ **12** % of our total revenue. With respect to all decisions by our Board of Directors related to the NHC properties, the two directors that are also members of NHC' s board of directors are recused and do not participate in the NHI ~~Board~~ **board** discussions or vote related to such matters. However, these relationships could influence the Board of ~~Director~~ **Directors** ' ~~s~~ decisions ~~in~~ with respect to the properties leased to and operated by NHC. As of December 31, ~~2022~~ **2023** , NHC owned 1, 630, 642 shares ~~(approximately 4 %)~~ of our common stock. We are exposed to risks related to governmental regulations and payors, principally Medicare and Medicaid, and the effect of changes to laws, regulations and reimbursement rates on our tenants' and borrowers' business. Our tenants, managers and borrowers are subject to complex federal, state and local laws and regulations relating to governmental healthcare programs. See " Item 1. Business- Government Regulation. " Regulation of the healthcare industry generally has intensified over time both in the number and type of regulations and in the efforts to enforce those regulations. Federal, state and local laws and regulations affecting the healthcare industry include those relating to, among other things, licensure; certification and enrollment with government programs; facility operations; addition or expansion of facilities; services and equipment; allowable costs; the preparation and filing of cost reports; privacy and security of health **-** related and other personal information; prices for services; quality of medical equipment and services; necessity and adequacy of medical care ~~,~~ **;** patient rights ~~,~~ **;** billing and coding for services and properly handling overpayments; maintenance of adequate records; relationships with physicians and other ~~referrals~~ - **referral** sources and referral recipients; debt collection; communications with patients and consumers; interoperability; and

information blocking. If our tenants, operators or borrowers fail to comply with applicable laws and regulations, they may be subject to liabilities and other consequences including civil penalties, loss of facility licensure, exclusion from participation in the Medicare, Medicaid, and other government healthcare programs, civil lawsuits and criminal penalties. In addition, different interpretations or enforcement of, or changes to, applicable laws and regulations in the future could subject current or past practices to allegations of illegality or impropriety or could require our tenants, managers and borrowers to make changes to their facilities, equipment, personnel, services, and operating expenses **.** If the operations, cash flows or financial condition of our tenants, operators and / or borrowers are materially adversely impacted by current or future government regulation, our revenue and operations may be adversely affected as well. In addition, if an operator, borrower or tenant defaults on its lease or loan with us, our ability to replace the operator or tenant may be delayed by federal, state, or local approval processes. Our tenants', operators' and borrowers' businesses are also affected by government and private payor reimbursement **rates and policies** . Payments from government programs and private payors are subject to statutory and regulatory changes, retroactive rate adjustments, recovery of program overpayments or set- offs, administrative rulings, policy interpretations, payment or other delays by fiscal intermediaries, government funding restrictions (at a program level or with respect to specific facilities) and interruption or delays in payments due to any ongoing governmental investigations and audits at such facilities. In recent years, legislative and regulatory changes have resulted in limitations and reductions in payments for certain services under government programs. For example, ~~as a result~~ **the Budget Control Act** of **2011 (" BCA ") requires automatic spending reductions to reduce the** federal deficit **, resulting in a uniform payment** reduction ~~initiatives,~~ **across all** Medicare ~~reimbursement is subject to automatic, across~~ **programs of 2 % per fiscal year that extends through the first seven months of 2032. As a result of COVID** - ~~the~~ **19** - ~~board spending~~ **related relief legislation, an additional Medicare payment** ~~reductions~~ - **reduction** ~~known~~ **of up to 4 %** ~~as~~ **was** ~~sequestration~~ **required to take effect in January 2022, but Congress has delayed implementation of this reduction until 2025** . **State** ~~Several states face~~ budgetary pressures ~~that~~ have resulted, and will likely continue to result, in reduced **spending or reduced spending growth for** Medicaid ~~funding~~ **programs in many states** , ~~through~~ **including measures** such ~~measures~~ as tightening patient eligibility requirements, reducing coverage, and enrolling Medicaid recipients in managed care programs. In addition, CMS may implement or oversee changes **affecting reimbursement** through new or modified demonstration projects, including those authorized pursuant to Medicaid waivers. Any reductions in Medicare or Medicaid reimbursement could have an adverse effect on the financial operations of our borrowers, operators and tenants who operate SNFs. Further, reductions in payments under government healthcare programs may negatively impact payments from private payors, as some private payors rely on government payment systems to determine payment rates. There can be no assurance that adequate reimbursement levels will continue to be available for services provided by any facility operator, whether the facility receives reimbursement from Medicare, Medicaid or private payor sources. Significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on an operator' s liquidity, financial condition and results of operations, which could adversely affect the ability of an operator to meet its obligations to us. More generally, the legislative and regulatory environment for healthcare products and services is dynamic, and Congress and certain state legislatures have considered or enacted a large number of laws and regulations intended to make major changes in the healthcare system, including laws that affect how healthcare services are delivered and reimbursed. Recent government initiatives and proposals relevant to our properties include those focused on transparency of SNF ownership and minimum SNF staffing requirements. **For example, a final rule issued by CMS in November 2023 requires Medicare- enrolled SNFs and Medicaid- enrolled nursing homes to disclose additional information about owners, operators, and management, including whether they are a REIT or private equity company. This information will be publicly available. This rule may result in increased scrutiny of REITs, private equity companies, and similar entities involved in owning or operating SNFs and nursing homes.** Other industry participants, such as private payors, may also introduce financial or delivery system reforms. There is uncertainty with regard to whether, when and what health reform initiatives will be adopted in the future and the impact of such reform efforts on providers and other healthcare industry participants, including our tenants, managers and borrowers. We are exposed to the risk that the cash flows of our tenants, managers and borrowers may be adversely affected by increased liability claims and liability insurance costs. ALF and SNF operators have experienced substantial increases in both the number and size of patient care liability claims in recent years. As a result, general and professional liability costs have increased and may continue to increase. Nationwide, long- term care liability insurance rates are increasing because of large jury awards in states like Texas and Florida. Both Texas and Florida have ~~now~~ adopted SNF liability laws that modify or limit tort damages. Despite some of these reforms, the long- term care industry overall continues to experience very high general and professional liability costs. Insurance companies have responded to this claims crisis by severely restricting their capacity to write long- term care general and professional liability policies. No assurance can be given that the climate for long- term care general and professional liability insurance will improve in either of the foregoing states or any other states where the facilities operators conduct business. Insurance companies may continue to reduce or stop writing general and professional liability policies for ALFs and SNFs. Thus, general and professional liability insurance coverage may be restricted, very costly or not available. Increased general and professional liability costs ~~,~~ may adversely affect our tenants' or operators' future operations, cash flows and financial condition and may have a material adverse effect on the tenants' or operators' ability to meet their obligations to us. We are exposed to the risk that we may not be fully indemnified by our tenants, managers and borrowers against future litigation. Our **facility** leases and notes require that the ~~tenant~~ **tenants** / ~~manager~~ **managers** / borrowers name us as an additional insured party on their insurance policies covering professional liability or personal injury claims. These instruments also require the ~~tenant~~ **tenants** / ~~borrower~~ **borrowers** to indemnify and hold us harmless for all claims arising out of or incidental to the occupancy and use of each facility. However, claims could exceed the policy limits, the insurance company could fail or coverage may not otherwise be available. We cannot give any assurance that these protective measures will ~~completely~~ eliminate any risk to us related to future litigation, the costs of which could have a material adverse impact on us.

Risks Related to Our Business and Operations We depend on the success of property development and construction activities, which may fail to achieve the operating results we expect. When we decide to invest in the renovation of an existing property or in the development of a new property, we make assumptions about the future potential cash flows of that property. We estimate our return based on expected occupancy, rental rates and future capital costs. If our projections prove to be inaccurate due to increased capital costs, lower occupancy or other factors, our investment in that property may not generate the cash flow we expected. Construction and development projects involve risks such as (i) development of a project could be abandoned after expending significant resources resulting in loss of deposits or failure to recover expenses already incurred; (ii) development and construction costs of a project could exceed original estimates due to increased interest rates and higher material costs; (iii) project delays could ~~results~~ **result** in increases in construction costs and debt service expenses as a result of a variety of factors that are beyond our control, including natural disasters, labor conditions, material shortages, and regulatory hurdles; and (iv) financing for a project could be unavailable on favorable terms or at all. Recently developed properties may take longer than expected to achieve stabilized operating levels, if at all. To the extent such facilities experience such increases in cost or delays in construction or financing, or otherwise fail to reach stabilized operating levels or achieve stabilization later than expected, it could materially adversely affect our tenants' abilities to make payments to us under their leases and thus adversely affect our business and results of operations. We are exposed to the risk that the illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties. Real estate investments are relatively illiquid and, therefore, our ability to quickly sell or exchange any of our properties in response to changes in economic and other conditions, including rising interest rates, may be limited. All of our properties are" special purpose" properties that cannot be readily converted to general residential, retail or office use. Facilities that participate in Medicare or Medicaid must meet extensive program requirements, including physical plant and operational requirements. Transfers of operations of facilities are subject to regulatory approvals not required for transfers of other types of real estate. Thus, if the operation of any of our properties becomes unprofitable due to competition, age of improvements or other factors such that our tenant or borrower becomes unable to meet its obligations on the lease or mortgage loan, the liquidation value of the property may be less than the net book value or the amount owed on any related mortgage loan, because the property may not be readily adaptable to other uses. The sale of the property or the replacement of an operator that has defaulted on its lease or loan could also be delayed by the approval process of any federal, state or local agency necessary for the transfer of the property or the replacement of the operator with a new operator licensed to manage the facility. No assurances can be given that we will recognize full value for any property that we are required to sell for liquidity reasons. Should such events occur, our results of operations and cash flows could be adversely affected. We are exposed to risks associated with our investments in unconsolidated entities, including our lack of sole decision-making authority and our reliance on the financial condition of other interests. Our investments in unconsolidated entities could be adversely affected by our lack of sole decision- making authority regarding major decisions, our reliance on the financial condition of other interests, any disputes that may arise between us and other partners, and our exposure to potential losses from the actions of partners. Risks of dealing with parties outside **of** NHI include limitations on unilateral major decisions opposed by other interests, the prospect of divergent goals of ownership including disputes regarding management, ownership or disposition of a property, or limitations on the transfer of our interests without the consent of our partners. Risks of the unconsolidated entity extend to areas in which the financial health of our partners may impact our plans. Our partners might become bankrupt or fail to fund their share of required capital contributions, which may hinder significant action in the entity. We may disagree with our partners about decisions affecting a property or the entity itself, which could result in litigation or arbitration that increases our expenses, distracts our officers and directors and disrupts the day- to- day operations of the property, including by delaying important decisions until the dispute is resolved; and finally, we may suffer losses as a result of actions taken by our partners with respect to our investments. We are subject to risks ~~associated with~~ **relating to** our joint venture investment with Life Care Services for Timber Ridge, an entrance fee CCRC, associated with Type A benefits offered to the residents of the joint venture' s entrance **-** fee community and related accounting requirements. Effective January 31, 2020, we entered into a joint venture with Life Care Services (" LCS ") which consists of two parts, NHI- LCS JV I, LLC (" Timber Ridge PropCo "), which owns the real estate and is owned 80 % by NHI and 20 % by LCS, and Timber Ridge OpCo, LLC (" Timber Ridge OpCo ") which operates the property and is owned 25 % by NHI' s TRS and 75 % by LCS. Rents received from the Timber Ridge OpCo in the RIDEA structure are treated as qualifying rents from real property for REIT tax purposes only if (i) they are paid pursuant to a lease of a " qualified healthcare property " and (ii) the operator qualifies as an " eligible independent contractor, " as defined in the Internal Revenue Code. If either of these requirements are not satisfied, then the rents will not be qualifying rents. As part of acquisition of the real estate in January 2020, Timber Ridge PropCo accepted the property subject to trust liens previously granted to residents of Timber Ridge. Beginning in 2008, early residents of Timber Ridge executed loans to the then **-** owner / operators backed by liens and entered into a Deed of Trust and Indenture of Trust (the " Deed and Indenture ") for the benefit of the trustee on behalf of all residents who made mortgage loans to the owner / operator in accordance with a resident agreement. The Deed and Indenture granted a security interest in the Timber Ridge property to secure the loans made by the early residents of the property **.** ~~this~~ **This** practice was discontinued at Timber Ridge in 2008, prior to our investment. However, the remaining outstanding " old " loans made by the residents are still secured by a security interest in the Timber Ridge property. The trustee for all of the residents who made " old " loans in accordance with the resident agreements entered into a subordination agreement concurrent with Timber Ridge PropCo' s acquisition of the property, pursuant to which the trustee acknowledged and confirmed that the security interests created under the Deed and Indenture were subordinate to any security interests granted in connection with the loan made by NHI to Timber Ridge PropCo. With the periodic settlement of some of the outstanding resident loans in the course of normal entrance- fee community operations by Timber Ridge OpCo, the balance owing on the Deed and Indenture at December 31, ~~2022~~ **2023** was $ ~~13~~ **11** . ~~6~~ **8** million. By terms of the resident loan assumption agreement, during the term of the lease (seven years with two renewal options), Timber Ridge OpCo is to indemnify

Timber Ridge PropCo for any repayment by Timber Ridge PropCo of these liabilities under the guarantee. We cannot give any assurance that these protective measures will ~~completely~~ eliminate any risk to us related to claims under the Deed and Indenture. As a result of the RIDEA structure, we have an investment in the operations of Timber Ridge **, which** ~~. Timber Ridge~~ is a Class A quality, Type A care CCRC. ~~A~~ **As a** Type A entrance **-** fee community ~~generally means~~ the ~~care of the resident is provided for upon payment of an entrance fee and thereafter payment of a monthly set service fee. The~~ entrance fee is divided into a refundable and non- refundable portion depending upon the resident' s chosen contract program ~~. The service fee is determined at the time of move- in into an IL unit and is subject to certain inflation- based adjustments regardless of the resident' s future care needs. A resident must move into an IL unit initially and not require care at the time of move- in. However, thereafter the resident' s care requirements from assisted living to memory care to skilled nursing are provided for~~ . The refundable portion of the upfront entrance fee is recorded as a liability on the financial statements of Timber Ridge OpCo. The non- refundable portion of the upfront entrance fee is recorded as deferred revenue and amortized over the actuarial life of the resident. We believe the structure of the joint venture does not require that Timber Ridge OpCo' s financial statements be consolidated into NHI, but if we are unable to properly maintain that structure or become required for any reason to consolidate Timber Ridge OpCo' s financial statements into ours, the results would have a material adverse impact on our financial results. We are subject to additional risks related to healthcare operations associated with our investments in unconsolidated entities, which could have a material adverse effect on our results of operations. Since January 31, 2020, we have one investment in an unconsolidated entity, Timber Ridge OpCo. As such, we are exposed to various operational risks with respect to this investment that may increase our costs or adversely affect our ability to increase revenues. These risks include fluctuations in resident occupancy, operating expenses, and economic conditions; competition; certification and inspection laws, regulations, and standards; the availability ~~of~~ and increases in cost of general and professional liability insurance coverage; litigation; federal, state and local taxes and regulations; costs associated with government investigations and enforcement actions; the availability and increases in cost of labor; and other risks applicable to any operating business. Any one or a combination of these factors may adversely affect our revenue and operations. ~~COVID~~ **Inflation and increased interest rates may adversely affect our financial condition and results of operations. Although inflation has not materially impacted our operations in the recent past, inflation has recently been at a 40** - ~~19 has had~~ **year high and between March 2022 and July 2023, the Federal Reserve raised the federal funds rate in** ~~and~~ - **an effort** ~~may continue~~ to **curb inflation. Although the federal funds rate increases have halted since July 2023, Federal Reserve officials have indicated that the federal funds rate may remain at current levels or be further increased. The Federal Reserve' s action, coupled with other macroeconomic factors, may trigger a recession in the United States and / or globally. Increased inflation and interest rates could** have an adverse ~~effect~~ **impact** on our ~~overall business~~ **variable rate debt, our ability to borrow money, and general and administrative expenses, as these costs could increase at a rate higher than our rental and other revenue. Increases in the costs of owning and operating our properties due to inflation could reduce our net operating income and the value of** ~~and~~ - **an investment in us to the extent such increases are not reimbursed or paid by our tenants. If we are materially impacted by increasing inflation because, for example, inflationary increases in costs are not sufficiently offset by the contractual rent increases and operating expense reimbursement provisions or escalations in the leases with our tenants, our results of operations could be adversely affected. In addition, due to rising interest rates, we may experience restrictions in our liquidity based on certain** financial ~~performance. COVID- 19~~ **covenant requirements, our inability to refinance maturing debt in part or in full** ~~has~~ - **as** ~~caused,~~ **it comes due** and **higher debt service costs** ~~may continue to cause, severe economic, market~~ and **reduced yields relative to cost of debt. If we are unable to find alternative credit arrangements or** other **funding** ~~disruptions worldwide. We cannot assure you that conditions~~ in ~~the bank lending~~ **a high interest environment** , **our** ~~capital and other~~ financial ~~markets will not continue to deteriorate as a result~~ **results** ~~of~~ **may be negatively impacted. Adverse developments affecting** the **financial services industry** ~~COVID- 19 pandemic~~ , ~~or that~~ **including events** ~~our~~ - **or concerns involving liquidity** ~~access to capital and other sources of funding will not become constrained~~ , ~~which~~ **defaults, or nonperformance by financial institutions,** could adversely affect **our business, financial condition, results of operations, or our prospects. The funds in our accounts are held in banks or** ~~the~~ **other** ~~availability~~ **financial institutions. Our cash held in non- interest bearing** and **interest- bearing accounts may periodically exceed any applicable Federal Deposit Insurance Corporation (" FDIC ") insurance limits. Should events, including limited liquidity, defaults, non- performance or other adverse developments occur with respect to the banks or other financial institutions that hold our funds, or that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, our liquidity may be adversely affected. For example, on March 10, 2023, the FDIC announced that Silicon Valley Bank had been closed by the California Department of Financial Protection and Innovation. Although we did not have any funds in Silicon Valley Bank or other institutions that have been closed, we cannot guarantee that the banks or other financial institutions that hold our funds will not experience similar issues. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing** terms ~~of future borrowings~~ , **including higher interest rates** ~~renewals or refinancings. Such future constraints could increase our~~ - **or** ~~borrowing~~ costs **and tighter financial and operating covenants** , ~~which would make~~ **or systemic limitations on access to credit and liquidity sources, thereby making** it more difficult ~~or~~ **for** ~~expensive~~ **us** to **acquire** ~~obtain additional~~ financing ~~or refinance existing obligations and commitments. The impact of COVID- 19~~ on **terms favorable to us in connection with a potential business combination,** ~~our~~ - **or at all** ~~results of operations~~ , **and could have material adverse impacts on our** liquidity ~~and~~ **, our business,** financial condition ~~could adversely affect our~~ - **or results** ~~ability to pay dividends at expected levels or at all. All dividends are made at the discretion~~ of ~~our Board of Directors in accordance with Maryland law and depend on our earnings, our financial condition, debt and equity capital available to us, our expectation of our future capital requirements and operating~~ **operations** ~~performance~~ , ~~restrictive covenants in our financial and other contractual arrangements,~~

maintenance of our REIT qualification, restrictions under Maryland law and other factors as our Board of Directors may deem relevant from time to time. Our Board of Directors will continue to assess our dividend rate on an **and** ongoing basis, as COVID-19 and related market conditions and our **prospects** financial position continue to evolve . We are exposed to operational risks with respect to our SHOP structured communities. During 2022, we transitioned 15 of our former **legacy** Holiday properties to be SHOP structured communities. Our SHOP structured communities expose us to various operational risks that may increase our costs or adversely affect our ability to generate revenues. As the owner of a property under a SHOP structure, we are ultimately responsible for all operational risks and other liabilities of the property, other than those arising out of certain actions by our manager, such as gross negligence or willful misconduct. Operational risks include, and our resulting revenues therefore depend on, among other things: (i) occupancy rates; (ii) rental rates charged to residents; (iii) our operators' reputations and ability to attract and retain residents; (iv) general economic conditions and market factors that impact seniors including those exacerbated by the COVID- 19 pandemic; (v) competition from other senior housing providers; (vi) compliance with federal, state, and local laws and regulations and industry standards **, including but not limited to licensure requirements, where applicable** ; (vii) litigation involving our properties or residents , including but not limited to litigation related to COVID- 19 ; (viii) the availability and cost of general and professional liability insurance coverage or increases in insurance policy deductibles; and (ix) the ability to control operating expenses, which have increased, and may continue to increase , due to the COVID- 19 pandemic . In addition, the success of our SHOP structured communities will depend largely on our ability to establish and maintain good relationships with our managers. Although the SHOP structure gives us certain oversight approval rights (e. g., budgets, material contracts, etc.) and the right to review operational and financial reporting information, we have outsourced to our third- party managers the day to day operations of the communities. Therefore, we are dependent on our managers to operate these communities in a manner that complies with applicable law, minimizes legal risk and maximizes the value of our investment. Failure by our managers to adequately manage these risks could have a material adverse effect on our business, results of operations and financial condition. From time to time, disputes may arise between us and our managers regarding their performance or compliance with the terms of the agreements we have entered into with them, which in turn could adversely affect our results of operations. We will generally attempt to resolve any such disputes through discussions and negotiations; however, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to terminate the applicable agreement, litigate the dispute or submit the matter to third- party dispute resolution, the outcome of which may be unfavorable to us. In the event that any of the agreements with our managers are terminated, we can provide no assurances that we could find a replacement manager or that any replacement manager will be successful in managing our SHOP structured communities. **A cybersecurity incident** Breaches of, disruptions to, or other **form** unauthorized interference with the privacy and security of **data breach involving** Company information could cause **a loss of confidential consumer and other personal information, give rise to remediation and other expenses, expose** us to incur substantial costs **liability under privacy** and reputational **security and consumer protection laws, subject us to federal and state governmental inquiries,** damage **our reputation** , and could become subject **otherwise be disruptive** to **our business** litigation and enforcement actions . Our business, like that of other REITs, involves the receipt, storage and transmission of information about our Company, our tenants, managers and borrowers, and our employees, some of which is entrusted to third- party service providers and vendors. We also work with third- party service providers and vendors to provide technology, systems and services that we use in connection with the receipt, storage and transmission of this information. As a matter of course, we may store or process the personal data of employees and other persons as required to provide our services and such personal data or other data may be hosted or exchanged with our partners and other third- party providers. As with all companies that utilize information systems, our information systems, and those of our third- party service providers and vendors, may be vulnerable to continually evolving cybersecurity risks. We employ industry standard administrative, technical and physical safeguards designed to protect the integrity and security of personal data we collect or process. We have implemented and regularly review and update processes and procedures **designed** to protect against unauthorized access to or use of secured data and to prevent data loss. Unauthorized parties may attempt to gain access to these systems or our information through fraud or deception of our associates **, ransomware, malware, and other malicious software** , third- party service providers or vendors. Hardware, software or applications we obtain from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. The methods used to obtain unauthorized access, disable **, misappropriate, manipulate,** or degrade service or sabotage systems are also constantly changing and evolving and may be difficult to anticipate or detect for long periods of time. The ever- evolving threats mean we and our third- party service providers and vendors must continually evaluate and adapt our respective systems and processes, and there is no guarantee that they will be adequate to safeguard against all data security breaches or misuses of data. **Furthermore, because the techniques used in cyber- attacks change frequently and may not be immediately recognized, the Company may experience security or data breaches that remain undetected for an extended time.** Despite the security measures we have in place, and any additional measures we may implement in the future, our facilities and systems, and those of our third- party service providers, could be vulnerable to service interruptions, outages, cyber- attacks and security breaches and incidents, human error, earthquakes, hurricanes, floods, pandemics, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks and other geopolitical unrest, computer viruses, ransomware, and other malicious software, changes in social, political, or regulatory conditions or in laws and policies, or other changes or events. Any significant compromise or breach of our data security, whether external or internal, or misuse of our data, could disrupt our operations, result in significant costs, fines and lawsuits, harm our business relationships, increase our security and insurance costs and damage our reputation **. A security or data breach could also subject us to litigation and government enforcement actions, which could result in fines and other penalties** . Moreover, any significant cybersecurity events could require us to devote significant management resources to address the problems created by such events, interfere with the pursuit of other important business strategies and

initiatives, and cause us to incur additional expenditures, which could be material, including to investigate such events, remedy cybersecurity problems, recover lost data, prevent future compromises and adapt systems and practices in response to such events. There is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our information technology systems. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in significant additional costs. We are exposed to risks related to environmental laws and the costs associated with liabilities related to hazardous substances. Under various federal and state laws, owners or operators of real property may be required to respond to the release of hazardous substances on the property and may be held liable for property damage, personal injuries or penalties that result from environmental contamination of currently or formerly owned real estate, often regardless of knowledge of or responsibility for the contamination. These laws also expose us to the possibility that we may become liable to reimburse the government for damages and costs it incurs in connection with the contamination. Generally, such liability attaches to a person based on the person' s relationship to the property. Although our tenants and operators are primarily responsible for the condition of the property they occupy, we also could be held liable to a governmental authority or to third parties for property damage, personal injuries, and ~~for~~ investigation and clean- up costs incurred in connection with the contamination or we could be required to incur additional costs to change how the property is constructed or operated due to presence of such substances. However, we review environmental site ~~assessment~~ **assessments** of the properties that we purchase or encumber prior to taking an interest in them. Those assessments are designed to meet the " all appropriate inquiry " standard, which qualifies us for the innocent purchaser defense if environmental liabilities arise. Notwithstanding these assessments, however, environmental liabilities, including mold, may be present in our properties and we may incur costs to remediate contamination, which could have a material adverse effect on our business or financial condition. In addition, the presence of hazardous substances or a failure to properly remediate any resulting contamination could adversely affect our ability to lease, mortgage, or sell an affected property. We are subject to risks of damage from catastrophic weather and other natural or man- made disasters and the physical effects of climate change. Natural and man- made disasters, including terrorist attacks and acts of nature such as hurricanes, tornados, earthquakes, flooding and wildfires, may cause damage to our properties or business disruption to our tenants, managers and borrowers. These adverse weather and natural or man- made events could cause substantial damage or loss to our properties which could exceed applicable property insurance coverage. Such events could also have a material adverse impact on our tenants', operators' and borrowers' operations and ability to meet their obligations to us. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected property, as well as anticipated future revenue from that property. Any such loss could materially and adversely affect our business and our financial condition and results of operations. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable. To the extent that significant changes in the climate occur in areas where our properties are located, we may experience more frequent extreme weather events which may result in physical damage to **,** or a decrease in demand for **,** properties located in these areas or affected by these conditions. In addition, changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our new development properties without a corresponding increase in revenue. Should the impact of climate change be material in nature, including destruction of our properties, or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. We depend on the success of our future acquisitions and investments. We are exposed to the risk that our future acquisitions may not prove to be successful. We could encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities, and newly acquired properties might require significant attention of **our** ~~NHI' s~~ management that would otherwise be devoted to our existing business. If we agree to provide construction funding to a borrower and the project is not completed, we may need to take steps to ensure completion of the project. Moreover, if we issue equity securities or incur additional debt, or both, to finance future acquisitions, it may reduce our per share financial results. We depend on our ability to reinvest cash in real estate investments in a timely manner and on acceptable terms. From time to time, we will have cash available from principal payments on our notes receivable and the sale of properties, including tenant purchase option exercises, under the terms of master leases or similar financial support arrangements. We must reinvest these proceeds, on a timely basis, in new investments or in qualified short- term investments. We compete for real estate investments with a broad variety of potential investors. This competition for attractive investments may negatively affect our ability to make timely investments on terms acceptable to us. Delays in reinvesting our cash may negatively impact revenues and the amount of distributions to stockholders. Competition for acquisitions may result in increased prices for properties. We may face increased competition for acquisition opportunities from other well- capitalized investors, including publicly traded and privately held REITs, private real estate funds, partnerships and others. This may mean that we are unsuccessful in a potential acquisition of a desired property at an acceptable price ~~or~~ , **or** even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price. We depend on our ability to retain our management team and other personnel and attract suitable replacements should any such personnel leave. The management and governance of the Company depends on the services of certain key personnel, including senior management. The departure of any key personnel could have an adverse effect on the Company and adversely affect our financial condition and results of operations. Our senior management team possesses substantial experience and expertise and has strong business relationships with our tenants and operators and other members of the business communities and industries in which we operate. As a result, the loss of these personnel could jeopardize our relationships and operations. We cannot predict the impact that any such departures could have on our ability to achieve our objectives. Furthermore, such a loss could be negatively perceived in the capital markets. Other than Mr. Mendelsohn, our Chief Executive Officer, we do not have employment agreements with any of our management team. In addition, we do not have key man insurance on any of our key employees. Our ~~ability~~ **failure** to

retain and motivate our management team and other personnel and attract suitable replacements should any such personnel leave, could have a significant impact on our financial condition and results of operations. We are exposed to the risk that our assets may be subject to impairment charges. As a REIT, a significant percentage of our assets is invested in real estate. We regularly evaluate our real estate investments and other assets for impairment indicators. The judgment regarding the existence of impairment indicators is based on factors such as market conditions, operator performance and legal structure. If we determine that a significant impairment has occurred, we would be required to make an adjustment to the net carrying value of the asset, which could have a material adverse effect on our reported results of operations in the period in which the impairment charge occurs. Such impairment charges may make it more difficult for us to meet the financial ratios in our indebtedness and may reduce the borrowing base, which may reduce the amounts of cash we would otherwise have available to pay expenses, make dividend distributions, service other indebtedness and operate our business. In ~~2022~~ **2023** , we recorded impairment charges totaling $ **1. 6 million on four properties. In 2022, we recorded impairment charges of $** 51. 6 million on 19 ~~properties. In 2021, we recognized impairments of $ 51. 8 million on ten~~ properties. Our ability to raise capital through equity sales is dependent, in part, on the market price of our common stock, and our failure to meet market expectations with respect to our business, or other factors we do not control, could negatively impact such market price and availability of equity capital. As of December 31, ~~2022~~ **2023** , we had the potential to access **all of** the ~~remaining~~ **capacity of our** $ ~~415~~ **500** . ~~7~~ **0** million **at- the- market (“ ATM ”) equity program** through the issuance of common stock ~~under our $ 500. 0 million ATM program~~ . In addition, we maintain an effective automatic shelf registration statement through which capital could be raised via the issuance of equity securities. As with other publicly traded companies, the availability of equity capital will depend, in part, on the market price of our common stock which, in turn, will depend upon various market conditions and other factors, some of which we cannot control, that may change from time to time including: • the extent of investor interest; • 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; • the financial performance of us and our tenants, managers and borrowers; • investment and tenant concentrations in our investment portfolio; • concerns about our operators’, tenants’ and borrowers’ financial condition due to uncertainty regarding reimbursement from governmental and other third- party payor programs; • our credit ratings and analyst reports on us and the REIT industry in general, including recommendations, and our ability to meet our guidance estimates or analysts’ estimates; • general economic, global and market conditions, including changes in interest rates on fixed income securities, which may lead prospective purchasers of our common stock to demand a higher annual yield from future distributions; • our failure to maintain or increase our dividend, which is dependent, to a large part, on the increase in funds from operations, which in turn depends upon increased revenues from additional investments and rental increases; and • other factors such as governmental regulatory action and changes in REIT tax laws, as well as changes in litigation and regulatory proceedings. The market value of the equity securities of a REIT is generally based upon the market’ s perception of the REIT’ s growth potential and its current and potential future earnings and cash distributions. Our failure to meet the market’ s expectation with regard to future earnings and cash distributions would likely adversely affect the market price of our common stock and, as a result, the availability of equity capital to us. Risks Related to Our Debt We may need to refinance existing debt or incur additional debt in the future, which may not be available on terms acceptable to us. We operate with a policy of incurring debt when, in the opinion of our Board of Directors, it is advisable. Currently, we believe that our current liquidity, availability under our unsecured credit facility, potential proceeds from our ATM equity program and our capacity to service additional debt will enable us to meet our obligations, including dividends, and continue to make investments in healthcare real estate. On March 31, 2022, we entered into a new unsecured revolving credit agreement (the “ 2022 Credit Agreement ”) providing us with a $ 700. 0 million unsecured revolving credit facility, replacing our previous $ 550. 0 million unsecured revolver. The 2022 Credit Agreement matures in March 2026, but may be extended at our option, subject to the satisfaction of certain conditions, for two additional six- month periods. In January 2023, we repaid $ 125 million in private placement notes upon maturity. **In the first quarter** ~~As a result, as~~ of ~~January 31,~~ 2023 **,** we **repaid** ~~have approximately~~ $ **20** ~~1. 2 billion in outstanding indebtedness and approximately $ 498~~ . 0 million ~~available~~ **of a term loan with a maturity of September 2023 (the “ 2023 Term Loan ”). In June 2023, we entered into a** ~~to~~ **two - year** ~~draw under our unsecured revolving credit facility. We have a~~ $ ~~50~~ **200** . 0 million term loan ~~maturing~~ **agreement (the “ 2025 Term Loan ”) bearing interest at a variable rate which is SOFR- based with a margin determined according to our credit ratings plus a 0. 10 % credit spread adjustment. The Company incurred approximately $ 2. 7 million of deferred financing costs associated with this loan. The 2025 Term Loan proceeds were used to repay a portion of the remaining $ 220. 0 million 2023 Term Loan balance, which was repaid** in **full in June 2023. The 2023 Term Loan accrued interest on borrowings consistent with the new 2025 Term Loan. Upon repayment, we expensed approximately $ 0. 1 million of unamortized loan costs associated with this loan which are included in “ Loss on early retirement of debt ” in our Consolidated Statement of Income for the year ended December 31, 2023. In** November 2023 ~~and~~ **, the** $ ~~240~~ **50** . 0 million ~~maturing in September~~ **of private placement notes due November** 2023 **were repaid primarily with proceeds from the revolving credit facility** . We may incur additional debt by borrowing under our 2022 Credit Agreement, mortgaging properties we own and / or issuing debt securities in a public offering or in a private transaction **. As a result, as of January 31, 2024 we have approximately $ 1. 2 billion in outstanding indebtedness and approximately $ 427. 0 million available to draw under our unsecured revolving credit facility** . Our ability to raise reasonably priced capital is not guaranteed. We may be unable to raise reasonably priced capital because of reasons related to our business or for reasons beyond our control, such as market conditions and rising interest rates. If our access to capital becomes limited, it could have an impact on our ability to refinance our debt obligations, fund dividend payments, acquire properties and fund acquisition activities. We have covenants related to our indebtedness which impose certain operational limitations and a breach of those covenants could materially adversely affect our financial condition and results of operations. The terms of our current indebtedness ~~as well as~~ **are, and** debt instruments that the Company may enter

into in the future ~~are~~ **may be,** subject to customary financial and operational covenants. Among other things, these provisions require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. Our continued ability to incur debt and operate our business is subject to compliance with these covenants, which limit operational flexibility. Breaches of these covenants could result in a default under applicable debt instruments, even if payment obligations are satisfied. Financial and other covenants that limit our operational flexibility, as well as defaults resulting from a breach of any of these covenants in our debt instruments, could have a material adverse effect on our financial condition and results of operations. Downgrades in our credit ratings could have a material adverse effect on our cost and availability of capital. We plan to manage the Company to maintain a capital structure consistent with our current profile, but there can be no assurance that we will be able to maintain our current credit ratings. Moody' s Investors Services (" Moody' s ") ~~announced on October 13, 2022 that it has affirmed~~ **reaffirmed its Baa3** ~~the Company' s investment grade issuer credit~~ rating and ~~a senior unsecured debt rating of Baa3 and has revised it with a~~ " Stable " outlook ~~to~~ **on** the Company ~~.~~ **on October 16, 2023;** Fitch Ratings (" Fitch ") reaffirmed its BBB- and " Stable " outlook on the Company on ~~December 9~~ **May 15** , ~~2021~~ **2023 ;** and S & P Global Ratings (" S & P Global ") also reaffirmed its BBB- and " Stable " outlook on the Company at November 14, ~~2022~~ **2023** . Any downgrades of ratings or changes to outlooks by any or all of the rating agencies could have a material adverse effect on our cost and availability of capital, which could in turn have a material adverse effect on our results of operations, liquidity, cash flows, the trading / redemption price of our securities and our ability to satisfy our debt service obligations and to pay dividends and distributions to our equity holders ~~.~~ We rely on external sources of capital to fund future capital needs,and if we encounter difficulty in obtaining such capital,we may not be able to make future investments necessary to grow our business or meet maturing commitments.As a REIT under the Internal Revenue Code,we are required to,among other things,distribute at least 90 % of our REIT taxable income (computed without regard to the dividends- paid deduction or our net capital gain or loss) each year to our stockholders.Because of this distribution requirement,we may not be able to fund,from cash retained from operations,all future capital needs,including capital needed to make investments and to satisfy or refinance maturing commitments.As a result,we rely on external sources of capital,including debt and equity financing.If we are unable to obtain needed capital at all or only on unfavorable terms from these sources,we might not be able to make the investments needed to grow our business,or to meet our obligations and commitments as they mature,which could negatively affect the ratings of our debt and even,in extreme circumstances,affect our ability to continue operations.We may not be in a position to take advantage of future investment opportunities in the event that we are unable to access the capital markets on a timely basis or we are only able to obtain financing on unfavorable terms **.** . We depend on revenues derived mainly from fixed rate investments in real estate assets, while a portion of our debt used to finance those investments bears interest at variable rates **, which subjects us to interest rate risk** . Our business model assumes that we can earn a spread between the returns earned from our investments in real estate as compared to our cost of debt and / or equity capital. Interest rates have been increasing over the past year and, as a result, the spread and our profitability on our investments have decreased. We are exposed to interest rate risk in the potential for a further narrowing of our spread and profitability if interest rates continue to increase in the future. Certain of our debt obligations are floating rate obligations with interest rates that vary with the movement of the Secured Overnight Financing Rate (" SOFR ") or other indexes. Our revenues are derived mainly from fixed rate investments in real estate assets. Although our leases generally contain escalating rent clauses that provide a partial hedge against interest rate fluctuations, if interest rates rise, our interest costs for our existing floating rate debt and any new debt we incur would also increase. This increasing cost of debt could reduce our profitability by increasing the cost of financing our existing portfolio and our investment activity. Rising interest rates could limit our ability to refinance existing debt upon maturity or cause us to pay higher rates upon refinancing. We manage a portion of our exposure to interest rate risk by accessing debt with staggered maturities and through the use of derivative instruments, such as interest rate swap agreements with major financial institutions. Increased interest rates may also negatively affect the market price of our common stock and increase the cost of new equity capital. We rely on external sources of capital...... to obtain financing on unfavorable terms. Changes in **our variable** interest rates may adversely affect our cash flows. **Our** ~~Pursuant to our~~ 2022 Credit Agreement and **our 2025** ~~the amendment to the existing term~~ **Term** ~~loan~~ **Loan** ~~agreement,~~ each **bear** ~~entered into effective in March 2022, our indebtedness transitioned from bearing~~ interest at a ~~variable interest~~ rate **of either** ~~using a LIBOR benchmark to one that uses~~ Term SOFR ~~and~~ **or** Daily SOFR **(in each case, plus a credit spread adjustment), or at the base rate, plus a margin, in each case, with the actual margin tied to the Company' s credit rating** . SOFR is the preferred alternative rate for LIBOR that has been identified by the Alternative Reference Rates Committee ~~(ARRC)~~ , a U. S.- based group convened by the Federal Reserve and the Federal Reserve Bank of New York. SOFR is calculated based on short- term repurchase agreements, backed by U. S. Treasury securities. SOFR is calculated differently from LIBOR and has inherent differences, which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. Because of these and other differences, there is no assurance that SOFR will perform in the same way as LIBOR would have performed at any time, and there is no guarantee that it is a comparable substitute for LIBOR. Uncertainty as to the nature of such potential changes, alternative reference rates, including SOFR, or other reforms may adversely affect the trading market for LIBOR- or SOFR- based securities, including ours. As a result, our interest expense may increase, our ability to refinance some or all of our existing indebtedness may be affected, and our available cash flow may be adversely affected. Risks Related to Our Status as a REIT We depend on the ability to continue to qualify for taxation as a REIT for U. S. federal income tax purposes. We intend to operate as a REIT under the Internal Revenue Code and believe we have and will continue to operate in such a manner. In addition, we currently hold an interest in ~~s~~ **a** Subsidiary REIT (and may in the future own or acquire additional interests in Subsidiary REITs). Since REIT qualification requires us to meet a number of complex requirements, it is possible that we (or our Subsidiary REIT) may fail to fulfill them. If we (or our Subsidiary REIT) fail to qualify as a REIT: • we (or our Subsidiary REIT) will not be allowed a deduction for distributions to stockholders in computing our taxable income; • we (or our Subsidiary REIT) will be

subject to corporate- level income tax, on taxable income at regular corporate rates; • we (or our Subsidiary REIT) could be subject to increased state and local income taxes; • For tax years beginning after December 31, 2022, we (or our Subsidiary REIT) would possibly be subject to certain taxes enacted by the Inflation Reduction Act of 2022 that are applicable to non-REIT corporations, including the nondeductible 1 % excise tax on certain stock repurchases; and • unless we (or our Subsidiary REIT) are entitled to relief under relevant statutory provisions, we (or our Subsidiary REIT, as applicable) will be disqualified from taxation as a REIT for the four taxable years following the year during which we (or our Subsidiary REIT, as applicable) fail to qualify as a REIT. Because of all these factors, our (or our Subsidiary REIT' s) failure to qualify as a REIT could also impair our ability to expand our business and could materially adversely affect the value of our common stock. The present federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the federal income tax treatment of an investment in us. The federal income tax rules dealing with REITs **are** constantly ~~are~~ under review by persons involved in the legislative process, the U. S. Internal Revenue Service (the " IRS ") and the U. S. Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. Revisions in federal tax laws and interpretations thereof could affect or cause us to change our investments and commitments and affect the tax considerations of an investment in us. There are no assurances of our ability to pay dividends in the future. Our ability to pay dividends may be adversely affected upon the occurrence of any of the risks described herein. Our payment of dividends is subject to compliance with restrictions contained in our credit agreements, notes and any preferred stock that our Board **of Directors** may from time to time designate and authorize for issuance. All dividends will be paid at the discretion of our Board **of Directors** and will depend upon our earnings, our financial condition, maintenance of our REIT status and such other factors as our Board **of Directors** may deem relevant from time to time. There are no assurances of our ability to pay dividends in the future. In addition, our dividends in the past have included, and may in the future include a return of capital. Complying with REIT requirements may cause us to forego otherwise attractive acquisition opportunities or liquidate otherwise attractive investments, which could materially hinder our performance. To qualify as a REIT for U. S. federal income tax purposes, we (and any Subsidiary REIT of ours) must continually satisfy certain tests, including tests concerning the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our stock. To meet these tests, we may be required to forego investments or acquisitions we might otherwise make. Thus, compliance with the REIT requirements may materially hinder our performance. We believe that the ownership and management of assets in our SHOP structures is in compliance with the REIT requirements; however; application of the REIT rules to such assets is complex, fact dependent and subject to interpretation. There can be no assurances that the IRS will agree with our characterization of these assets and if the IRS were to successfully contend that our SHOP structures do not meet the REIT requirements, all or a portion of the rent that we receive under these structures could be non- qualifying income for purposes of the REIT gross income tests. In such event **,** we may be required to rely on the REIT savings provisions under the Internal Revenue Code, reorganize our SHOP structures, or take such other steps to avoid incurring non- qualifying income, any of which could be at a significant financial cost. Our ownership of and relationship with any TRS that we have formed or will form will be limited and a failure to comply with the limits would jeopardize our REIT status and may result in the application of a 100 % excise tax. A REIT may own up to 100 % of the stock of one or more TRSs. A TRS may earn income that would not be qualifying income if earned directly by the parent REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation (other than a REIT) of which a TRS directly or indirectly owns securities possessing more than 35 % of the total voting power or total value of the outstanding securities of such corporation will automatically be treated as a TRS. Overall, no more than 20 % of the value of a REIT' s total assets may consist of stock or securities of one or more TRSs. Rents received from a TRS in a RIDEA structure are treated as qualifying rents from real property for REIT tax purposes only if (i) they are paid pursuant to a lease of a " qualified healthcare property " and (ii) the operator qualifies as an " eligible independent contractor, " as defined in the Internal Revenue Code. If either of these requirements is not satisfied, then the rents will not be qualifying rents. The Internal Revenue Code also 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. Any domestic TRS that we form will pay U. S. federal, state and local income tax on its taxable income, and its after- tax net income will be available for distribution to us but is not required to be distributed to us unless necessary to maintain our REIT qualification. Legislative, regulatory, or administrative **tax** changes could adversely affect us or our security holders. The tax laws or regulations governing REITs or the administrative interpretations thereof may be amended at any time. We cannot predict if or when any new or amended law, regulation, or administrative interpretation will be adopted, promulgated, or become effective, and any such change may apply retroactively. We and our security holders may be adversely affected by any new or amended law, regulation, or administrative interpretation. Investors are urged to consult with their tax advisors with respect to the status of any tax legislation and any other regulatory or administrative developments and proposals and their potential effect on investment in our securities. ~~Risk~~ **Risks** Related to Our Organizational Structure We have ownership limits in our charter with respect to our common stock and other classes of capital stock which may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or might otherwise be in the best interests of our stockholders. Our charter, subject to certain exceptions, contains restrictions on the ownership and transfer of our common **stock** and preferred stock that are intended to assist us in preserving our qualification as a REIT. Our charter provides that any transfer that would cause NHI to be beneficially owned by fewer than 100 persons or would cause NHI to be " closely held " under the Internal Revenue Code would be void, which, subject to certain exceptions, results in no person or entity being allowed to own, actually or constructively, more than 9. 9 % of the outstanding shares of our stock. Our Board of Directors, in its sole discretion, may exempt a proposed transferee from the ownership limit and such an exemption has been granted through Excepted Holder Agreements to members of the Carl E. Adams family. Based on the Excepted Holder Agreements currently outstanding, the individual ownership limit for all other stockholders is approximately 7. 5 %. Our charter gives our Board of Directors broad

powers to prohibit and rescind any attempted transfer in violation of the ownership limits. These ownership limits may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or might otherwise be in the best interests of our stockholders. We are subject to certain provisions of Maryland law and our charter and bylaws that could hinder, delay or prevent a change in control transaction, even if the transaction involves a premium price for our common stock or our stockholders believe such transaction to be otherwise in their best interests. The Maryland Business Combination Act provides that, unless exempted, a Maryland corporation may not engage in business combinations, including mergers, dispositions of 10 % or more of its assets, issuances of shares of stock and other specified transactions with an " interested stockholder " or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder became an interested stockholder, and thereafter, unless specified criteria are met. An interested stockholder is generally a person owning or controlling, directly or indirectly, 10 % or more of the voting power of the outstanding stock of a Maryland corporation. Unless our Board of Directors takes action to exempt us, generally or with respect to certain transactions, from this statute in the future, the Maryland Business Combination Act will be applicable to business combinations between us and other persons. The Company' s charter and bylaws also contain certain provisions that could have the effect of making it more difficult for a third party to acquire, or discouraging a third party from attempting to acquire, control of the Company. These provisions include a staggered ~~board~~ **Board** of ~~directors~~ **Directors** , blank check preferred stock, and the application of Maryland corporate law provisions on business combinations and control shares. Such provisions could limit the price that certain investors might be willing to pay in the future for the common stock. The foregoing matters may, together or separately, have the effect of discouraging or making more difficult an acquisition or change of control of the Company.