



Q4 2025

Supplemental Information



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<https://ir.sabrahealth.com/investors/financials/quarterly-results>

SENIOR MANAGEMENT

Rick Matros

Chief Executive Officer, President
and Chair

Michael Costa

Chief Financial Officer, Treasurer
and Executive Vice President

Darrin Smith

Chief Investment Officer, Secretary
and Executive Vice President

Jessica Flores

Chief Accounting Officer
and Executive Vice President

BOARD OF DIRECTORS

Rick Matros

Chief Executive Officer, President
and Chair

Michael Foster

Lead Independent Director

Jeffrey Malehorn

Director

Craig Barbarosh

Director

Lynne Katzmann

Director

Katie Cusack

Director

Ann Kono

Director

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Financial Metrics

Reflect Sabra's pro rata share; dollars in thousands, except per share data

	December 31, 2025	
	Three Months Ended	Year Ended
Revenues	\$ 211,590	\$ 774,203
Net operating income	135,454	518,405
Cash net operating income	133,621	517,330
Diluted per share data:		
EPS	\$ 0.11	\$ 0.64
FFO	0.36	1.48
Normalized FFO	0.36	1.44
AFFO	0.37	1.47
Normalized AFFO	0.38	1.49
Dividends per common share	0.30	1.20

Capitalization and Market Facts

	December 31, 2025
Common shares outstanding	251.7 million
Common equity Market Capitalization	\$4.8 billion
Consolidated Debt	\$2.6 billion
Consolidated Enterprise Value	\$7.2 billion
Common stock closing price	\$18.94
Common stock 52-week range	\$15.60 - \$19.97
Common stock ticker symbol	SBRA

Key Credit Metrics ⁽¹⁾

	December 31, 2025
Net Debt to Adjusted EBITDA	5.00x
Interest Coverage	4.72x
Fixed Charge Coverage Ratio	4.63x
Total Debt/Asset Value	37 %
Secured Debt/Asset Value	1 %
Unencumbered Assets/Unsecured Debt	269 %

Portfolio

Dollars in thousands, units and Cash NOI reflect Sabra's pro rata share

	As of December 31, 2025			Three Months Ended December 31, 2025
	Property Count	Investment	Beds/Units	Cash NOI
Investment in Real Estate Properties, gross				
Triple-Net Portfolio:				
Skilled Nursing/Transitional Care	210	\$ 2,802,561	23,537	\$ 63,080
Senior Housing - Leased	32	376,590	2,668	8,313
Behavioral Health	16	473,813	1,138	11,213
Specialty Hospitals and Other	15	225,498	392	4,872
Total Triple-Net Portfolio	273	3,878,462	27,735	
Senior Housing - Managed	87	2,030,267	8,677	31,527
Consolidated Real Estate Investments	360	5,908,729	36,412	
Unconsolidated Joint Venture Senior Housing - Managed	16	205,595	1,256	4,065
Total Equity Investments	376	6,114,324	37,668	
Investments in Loans Receivable, gross ⁽²⁾	13	368,830		
Preferred Equity Investments, gross ⁽³⁾	4	65,353		
Total Investments	393	\$ 6,548,507		

Includes 61 relationships in 40 U.S. states and Canada

⁽¹⁾ See page 16 of this supplement for important information about these credit metrics.

⁽²⁾ Our loans receivable investments include one investment which has a right of first offer on six addiction treatment centers with 928 beds and one investment which has a purchase option on one Skilled Nursing/Transitional Care facility with 106 beds.

⁽³⁾ Our preferred equity investments include investments in entities owning three Senior Housing developments with 516 aggregate units and one Skilled Nursing/Transitional Care development with 120 beds.

EBITDARM Coverage

	Twelve Months Ended				
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025
Skilled Nursing/Transitional Care	2.09x	2.19x	2.27x	2.35x	2.38x
Senior Housing - Leased	1.36x	1.41x	1.49x	1.52x	1.52x
Behavioral Health, Specialty Hospitals and Other	3.66x	3.77x	3.87x	3.90x	3.99x

Operating Statistics

	Twelve Months Ended				
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025
Occupancy					
Skilled Nursing/Transitional Care	80.9 %	81.7 %	82.6 %	83.0 %	83.4 %
Senior Housing - Leased	89.6 %	90.1 %	90.1 %	88.7 %	89.0 %
Behavioral Health, Specialty Hospitals and Other	77.9 %	77.7 %	77.5 %	76.4 %	76.5 %
Skilled Mix					
Skilled Nursing/Transitional Care	37.7 %	37.8 %	38.1 %	38.3 %	38.3 %

Key Triple-Net Relationships

Relationship	Primary Property Type	EBITDARM Coverage Twelve Months Ended	
		June 30, 2025	September 30, 2025
Ensign Group	Skilled Nursing	2.87x	2.97x
Avamere Family of Companies	Skilled Nursing	1.93x	1.87x
Signature Healthcare	Skilled Nursing	2.60x	2.65x
Signature Behavioral	Behavioral Hospitals	1.59x	1.57x
The McGuire Group	Skilled Nursing	1.93x	1.91x
Healthmark Group	Skilled Nursing	1.63x	1.65x
Communicare	Skilled Nursing	1.87x	1.98x
Cadia Healthcare	Skilled Nursing	1.72x	1.81x
Focused Post Acute Care Partners	Skilled Nursing	1.80x	1.90x
Southern Healthcare	Skilled Nursing	3.06x	3.22x
Other	Multiple	3.42x	3.36x
Total		2.53x	2.55x

⁽ⁱ⁾ Occupancy Percentage and Skilled Mix (together, "Operating Statistics") and EBITDARM Coverage for each period presented include only Stabilized Facilities owned by the Company as of the end of the quarter following the period presented and only for the duration such facilities were owned by the Company and classified as Stabilized Facilities.

Operating Performance

Reflects Sabra's pro rata share, except number of properties; dollars in thousands

	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Consolidated Portfolio					
Number of Properties	69	69	73	83	87
Number of Units	6,680	6,680	6,981	8,282	8,677
Recurring capital expenditures	\$ 1,547	\$ 1,257	\$ 1,271	\$ 1,965	\$ 2,140
Nonrecurring capital expenditures	\$ 7,515	\$ 4,938	\$ 3,180	\$ 4,955	\$ 10,332
Occupancy	83.5 %	83.3 %	82.8 %	83.5 %	84.8 %
Resident fees and services	\$ 76,865	\$ 77,447	\$ 78,985	\$ 91,900	\$ 108,122
Cash NOI	\$ 21,107	\$ 20,993	\$ 21,581	\$ 26,032	\$ 31,527
Cash NOI Margin %	27.5 %	27.1 %	27.3 %	28.3 %	29.2 %
Unconsolidated Portfolio					
Number of Properties	16	16	16	16	16
Number of Units	1,256	1,256	1,256	1,256	1,256
Recurring capital expenditures	\$ 236	\$ 140	\$ 196	\$ 278	\$ 306
Nonrecurring capital expenditures	\$ 390	\$ 352	\$ 247	\$ 302	\$ 376
Occupancy	90.7 %	90.3 %	91.0 %	92.9 %	93.5 %
Resident fees and services	\$ 10,646	\$ 10,192	\$ 10,989	\$ 11,524	\$ 11,611
Cash NOI	\$ 3,041	\$ 3,065	\$ 3,764	\$ 4,039	\$ 4,065
Cash NOI Margin %	28.6 %	30.1 %	34.3 %	35.0 %	35.0 %

Same Store Operating Performance ⁽¹⁾

Reflects Sabra's pro rata share, except number of properties; dollars in thousands, except REVPOR

	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Number of Properties	68	68	68	68	68
Number of Available Units	6,170	6,195	6,193	6,195	6,194
REVPOR	\$ 4,325	\$ 4,348	\$ 4,389	\$ 4,416	\$ 4,506
Occupancy	86.3 %	86.2 %	86.6 %	87.0 %	87.9 %
Resident fees and services	\$ 69,129	\$ 69,680	\$ 70,633	\$ 71,370	\$ 73,587
Cash NOI	\$ 20,558	\$ 21,032	\$ 22,621	\$ 22,327	\$ 23,144
Cash NOI Margin %	29.7 %	30.2 %	32.0 %	31.3 %	31.5 %

Key Senior Housing – Managed Relationships

As of December 31, 2025

	Number of Properties
Sienna Senior Living	21
Inspirit Senior Living	18
Traditions Management	12
Discovery Senior Living	12
Health Dimensions Group	6
Other	34
Total	103

⁽¹⁾ Same store Senior Housing – Managed portfolio includes Stabilized Facilities owned as the same property type for the full period in all comparison periods. Resident fees and services, Cash NOI and REVPOR have been adjusted for changes in the foreign currency exchange rate where applicable by applying the average exchange rate for the current period to prior period results.

Loans Receivable and Other Investments

Dollars in thousands

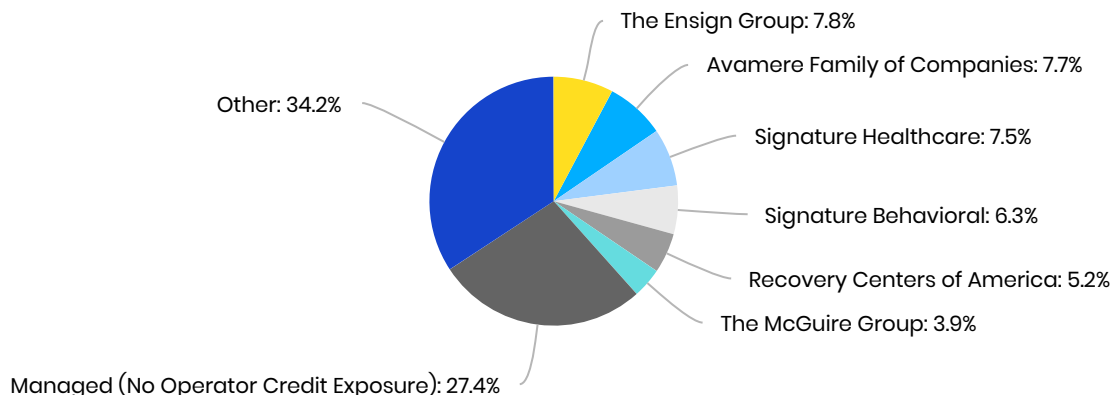
As of December 31, 2025

Loan Type	Number of Loans	Property Type	Principal Balance	Book Value	Weighted Average Contractual Interest Rate	Weighted Average Annualized Effective Interest Rate	Interest Income Three Months Ended December 31, 2025 ⁽¹⁾	Maturity Date
Mortgage	3	Behavioral Health / Skilled Nursing	\$ 335,600	\$ 335,600	7.7 %	7.7 %	\$ 6,514	11/01/26 - 06/01/29
Other	10	Multiple	41,649	38,194	7.4 %	6.9 %	682	02/28/26 - 08/31/33
	13		377,249	373,794	7.7 %	7.6 %	\$ 7,196	
Allowance for loan losses			—	(5,047)				
			\$ 377,249	\$ 368,747				

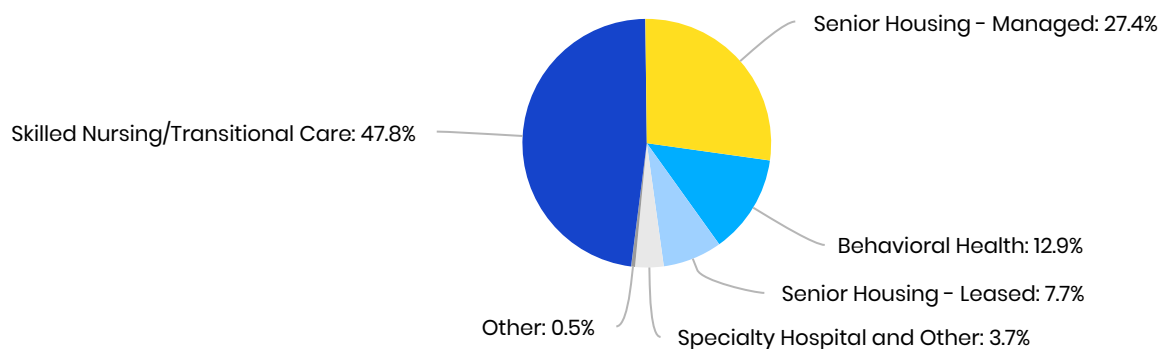
Other Investment Type	Number of Investments	Property Type	Total Funding Commitments	Total Amount Funded	Book Value	Rate of Return	Other Income Three Months Ended December 31, 2025 ⁽¹⁾
Preferred Equity	4	Skilled Nursing / Senior Housing	\$ 51,844	\$ 51,844	\$ 65,353	11.0 %	\$ 1,752

⁽¹⁾ Includes income related to loans receivable and other investments held as of December 31, 2025.

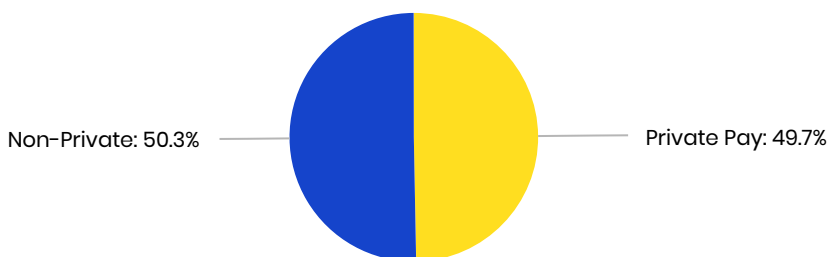
RELATIONSHIP CONCENTRATION



PROPERTY TYPE CONCENTRATION



PAYOR SOURCE CONCENTRATION ⁽²⁾



⁽¹⁾ Relationship and asset class concentrations include real estate investments and investments in loans receivable and other investments. Relationship concentrations use Annualized Cash NOI, and asset class concentrations use Annualized Cash NOI, as adjusted to reflect Annualized Cash NOI from our mortgage and construction loans receivable and preferred equity investments in the related asset class of the underlying real estate. Payor source concentration excludes Annualized Cash NOI from investments in loans receivable and other investments.

⁽²⁾ Tenant payor source allocation presented one quarter in arrears.

Property Type

As of December 31, 2025

Location	Skilled Nursing/ Transitional Care	Senior Housing – Leased	Senior Housing – Managed Consolidated	Behavioral Health	Specialty Hospitals and Other	Total	% of Total
Texas	33	3	7	—	13	56	15.6 %
California	23	—	2	3	1	29	8.0
Kentucky	24	1	1	1	1	28	7.8
Indiana	14	2	5	2	—	23	6.4
Oregon	15	1	3	—	—	19	5.3
North Carolina	13	—	2	—	—	15	4.2
Missouri	10	—	2	1	—	13	3.6
Washington	10	—	2	—	—	12	3.3
Michigan	1	5	5	—	—	11	3.0
Virginia	6	—	4	—	—	10	2.8
Other (30 states & Canada)	61	20	54	9	—	144	40.0
Total	210	32	87	16	15	360	100.0 %
% of Total	58.3 %	8.9 %	24.2 %	4.4 %	4.2 %	100.0 %	

Distribution of Beds/Units

As of December 31, 2025

Location	Total Number of Properties	Property Type					Total	% of Total
		Skilled Nursing/ Transitional Care	Senior Housing – Leased	Senior Housing – Managed Consolidated	Behavioral Health	Specialty Hospitals and Other		
Texas	56	4,211	350	856	—	325	5,742	15.8 %
Kentucky	28	2,572	130	142	60	40	2,944	8.1
Indiana	23	1,429	277	701	138	—	2,545	7.0
California	29	1,924	—	160	313	27	2,424	6.7
Oregon	19	1,520	215	162	—	—	1,897	5.2
North Carolina	15	1,454	—	237	—	—	1,691	4.6
New York	10	1,576	—	107	—	—	1,683	4.6
Washington	12	1,123	—	165	—	—	1,288	3.5
Missouri	13	763	—	311	82	—	1,156	3.2
Virginia	10	894	—	246	—	—	1,140	3.1
Other (30 states & Canada)	145	6,071	1,696	5,590	545	—	13,902	38.2
Total	360	23,537	2,668	8,677	1,138	392	36,412	100.0 %
% of Total		64.7 %	7.3 %	23.8 %	3.1 %	1.1 %	100.0 %	

Investment

Dollars in thousands

As of December 31, 2025

Location	Total Number of Properties	Property Type					Total	% of Total
		Skilled Nursing/ Transitional Care	Senior Housing – Leased	Senior Housing – Managed Consolidated	Behavioral Health	Specialty Hospitals and Other		
Texas	56	\$ 340,386	\$ 27,335	\$ 206,601	\$ —	\$ 187,387	\$ 761,709	12.9 %
California	29	411,843	—	59,213	217,699	7,798	696,553	11.8
Indiana	23	196,862	58,995	180,066	12,156	—	448,079	7.6
Oregon	19	261,316	33,002	53,380	—	—	347,698	5.9
Kentucky	28	246,546	35,473	23,878	9,373	30,313	345,583	5.8
New York	10	298,545	—	22,145	—	—	320,690	5.4
Ohio	6	13,447	—	195,757	—	—	209,204	3.5
North Carolina	15	125,549	—	75,311	—	—	200,860	3.4
Florida	9	—	27,274	148,571	5,744	—	181,589	3.1
Michigan	11	27,591	33,661	119,529	—	—	180,781	3.1
Other (30 states and Canada) ⁽ⁱ⁾	154	880,476	160,850	945,816	228,841	—	2,215,983	37.5
Total	360	\$ 2,802,561	\$ 376,590	\$ 2,030,267	\$ 473,813	\$ 225,498	\$ 5,908,729	100.0 %
% of Total		47.4 %	6.4 %	34.4 %	8.0 %	3.8 %	100.0 %	

⁽ⁱ⁾ Investment balance in Canada is based on the exchange rate as of December 31, 2025 of \$0.7295 per 1 CAD.

Triple-Net Lease Expirations

Dollars in thousands

As of December 31, 2025

	Skilled Nursing/ Transitional Care	Senior Housing - Leased	Behavioral Health	Specialty Hospitals and Other	Total Annualized Revenues	% of Total
2026 ⁽¹⁾	\$ 2,926	\$ —	\$ 4,348	\$ —	\$ 7,274	2.1 %
2027	22,020	4,562	—	—	26,582	7.5
2028	23,490	1,160	—	3,703	28,353	8.0
2029	47,631	5,486	—	6,354	59,471	16.9
2030	—	—	—	4,818	4,818	1.4
2031	84,675	4,902	—	—	89,577	25.4
2032	7,887	1,777	33,723	3,938	47,325	13.4
2033	—	3,944	5,077	—	9,021	2.6
2034	4,689	3,265	—	—	7,954	2.3
2035	7,974	970	—	786	9,730	2.7
Thereafter	52,750	7,993	1,590	—	62,333	17.7
Total Annualized Revenues	\$ 254,042	\$ 34,059	\$ 44,738	\$ 19,599	\$ 352,438	100.0 %

⁽¹⁾ Includes leases on a month-to-month term.

Investment Activity

Dollars in thousands

Investment	Number of Properties	Beds/Units	2025 Amounts Invested ⁽¹⁾	Expected Initial Cash Yield
Real Estate				
Senior Housing - Leased				
1 Q 2025 ⁽²⁾	N/A	24	\$ 7,789	7.50 %
Senior Housing - Managed				
2 Q 2025	1	212	53,000	7.50 %
3 Q 2025 ⁽³⁾	6	709	217,458	7.77 %
4 Q 2025	4	395	150,500	7.04 %
Additions to Real Estate ⁽⁴⁾	N/A	N/A	2,355	8.44 %
			<u>431,102</u>	<u>7.48 %</u>
Loans Receivable Fundings	N/A	N/A	6,910	8.55 %
All Investments through December 31, 2025			<u>\$ 438,012</u>	<u>7.50 %</u>

⁽¹⁾ Excludes capitalized acquisition costs and origination fees.

⁽²⁾ Includes the Company's exercise of its option to acquire additional units on the campus of one of its Senior Housing - Leased communities.

⁽³⁾ Excludes the Company's purchase of the operations of four Senior Housing - Managed communities previously leased under triple-net operating leases for an aggregate \$19.7 million. Concurrent with the purchase, the triple-net operating leases were terminated and the Company entered into property management agreements with the former tenant.

⁽⁴⁾ Excludes capital expenditures for the Senior Housing - Managed portfolio and recurring capital expenditures for the Triple-Net portfolio.

Consolidated Debt

Dollars in thousands

As of December 31, 2025

Secured debt	\$	44,021
Revolving credit facility		217,584
Term loans		1,039,425
Senior unsecured notes		1,250,000
Total		2,551,030
Deferred financing costs and premiums/discounts, net		(22,134)
Total, net	\$	2,528,896

Revolving Credit Facility

Dollars in thousands

As of December 31, 2025

Credit facility availability	\$	782,416
Credit facility capacity		1,000,000

Enterprise Value

Dollars in thousands, except per share amounts

As of December 31, 2025

	Shares Outstanding	Price	Value
Common stock	251,697,456	\$ 18.94	\$ 4,767,150
Consolidated Debt			2,551,030
Cash and cash equivalents			(71,537)
Consolidated Enterprise Value			\$ 7,246,643

At-The-Market Common Stock Offering Program

Dollars in thousands, except per share amounts

Three Months Ended December 31, 2025

Shares issued		2,286,320
Net proceeds	\$	39,995
Weighted average price per share, net of commissions	\$	17.49
Availability as of December 31, 2025	\$	482,878
Forward sales agreements as of December 31, 2025		
Shares outstanding		17,350,218
Weighted average price per share, net of commissions	\$	18.60

Common Stock and Equivalents

	Weighted Average Common Shares			
	Three Months Ended December 31, 2025		Year Ended December 31, 2025	
	EPS, FFO and Normalized FFO	AFFO and Normalized AFFO	EPS, FFO and Normalized FFO	AFFO and Normalized AFFO
Basic common stock	249,375,192	249,375,192	241,312,309	241,312,309
Dilutive securities:				
Restricted stock units	3,162,685	4,015,980	2,871,902	3,957,851
Forward equity sale agreements	230,394	230,394	313,031	313,031
Diluted common and common equivalents	252,768,271	253,621,566	244,497,242	245,583,191

Fixed | Variable Rate Debt

Dollars in thousands

As of December 31, 2025

Fixed Rate Debt

	Principal	Weighted Average Effective Interest Rate ⁽¹⁾	% of Total
Secured debt	\$ 44,021	3.36 %	1.7 %
Senior unsecured notes	1,250,000	3.57 %	49.0 %
Total fixed rate debt	1,294,021	3.56 %	50.7 %

Variable Rate Debt⁽²⁾

Revolving credit facility	217,584	4.79 %	8.5 %
Term loans	1,039,425	4.37 %	40.8 %
Total variable rate debt	1,257,009	4.44 %	49.3 %

Consolidated Debt

	Principal	Weighted Average Effective Interest Rate ⁽¹⁾	% of Total
\$	2,551,030	4.00 %	100.0 %

Secured | Unsecured Debt

Dollars in thousands

As of December 31, 2025

Secured Debt

Secured debt	\$ 44,021	3.36 %	1.7 %
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Unsecured Debt

Senior unsecured notes	1,250,000	3.57 %	49.0 %
Revolving credit facility	217,584	4.79 %	8.5 %
Term loans	1,039,425	4.37 %	40.8 %
Total unsecured debt	2,507,009	4.01 %	98.3 %

Consolidated Debt

	Principal	Weighted Average Effective Interest Rate ⁽¹⁾	% of Total
\$	2,551,030	4.00 %	100.0 %

⁽¹⁾ Weighted average effective interest rate includes private mortgage insurance and impact of interest rate hedges.

⁽²⁾ Variable rate debt includes \$930.0 million subject to interest rate swaps that fix SOFR at a weighted average rate of 3.20%, and \$109.4 million (CAD \$150.0 million) subject to swap agreements that fix CORRA at 2.59% as of December 31, 2025. Excluding these amounts, variable rate debt was 8.5% of Consolidated Debt as of December 31, 2025.

Debt Maturity Schedule

Dollars in thousands

As of December 31, 2025

	Secured Debt		Senior Unsecured Notes		Term Loans		Revolving Credit Facility ⁽¹⁾		Consolidated Debt	
	Principal	Rate ⁽²⁾	Principal	Rate ⁽²⁾	Principal	Rate ⁽²⁾	Principal	Rate ⁽²⁾	Principal	Rate ⁽²⁾
2026 ⁽¹⁾	\$ 2,147	3.37 %	\$ —	—	\$ —	—	\$ —	—	\$ 2,147	3.37 %
2027	2,206	3.38 %	100,000	5.38 %	—	—	217,584	4.79 %	319,790	4.97 %
2028	2,266	3.40 %	—	—	539,425	4.11 %	—	—	541,691	4.11 %
2029	2,328	3.42 %	350,000	3.90 %	—	—	—	—	352,328	3.90 %
2030	2,392	3.44 %	—	—	500,000	4.64 %	—	—	502,392	4.63 %
2031	2,093	3.46 %	800,000	3.20 %	—	—	—	—	802,093	3.20 %
2032	1,887	3.47 %	—	—	—	—	—	—	1,887	3.47 %
2033	1,940	3.48 %	—	—	—	—	—	—	1,940	3.48 %
2034	1,995	3.50 %	—	—	—	—	—	—	1,995	3.50 %
2035	2,026	3.52 %	—	—	—	—	—	—	2,026	3.52 %
Thereafter	22,741	3.69 %	—	—	—	—	—	—	22,741	3.69 %
Total	\$ 44,021		\$1,250,000		\$1,039,425		\$ 217,584		\$2,551,030	
Wtd. avg. maturity/years	19.4		5.0		3.2		1.0		4.2	
Wtd. avg. interest rate ⁽²⁾	3.36 %		3.57 %		4.37 %		4.79 %		4.00 %	

⁽¹⁾ Revolving Credit Facility is subject to two six-month extension options.

⁽²⁾ Includes private mortgage insurance and impact of interest rate hedges.

Key Credit Metrics ⁽¹⁾

	December 31, 2025
Net Debt to Adjusted EBITDA ⁽²⁾	5.00x
Interest Coverage	4.72x
Fixed Charge Coverage Ratio	4.63x
Total Debt/Asset Value	37 %
Secured Debt/Asset Value	1 %
Unencumbered Assets/Unsecured Debt	269 %
Cost of Permanent Consolidated Debt ⁽³⁾	3.92 %

Unsecured Notes Ratings

S&P (Stable outlook)	BBB-
Fitch (Stable outlook)	BBB-
Moody's (Stable outlook)	Baa3

⁽¹⁾ Key credit statistics (except Net Debt to Adjusted EBITDA) are calculated in accordance with the credit agreement relating to the revolving credit facility and the indentures relating to our senior unsecured notes. In addition, key credit statistics give effect to dispositions and acquisitions completed after the period presented as though such dispositions and acquisitions occurred at the beginning of the period.

⁽²⁾ Based on the annualized trailing three-month period ended as of the date indicated.

⁽³⁾ Excludes revolving credit facility balance that had an interest rate of 4.79% as of December 31, 2025.

2026 Full-Year Guidance

Diluted per share data attributable to Sabra Health Care REIT, Inc.

Net income	\$ 0.60 — \$ 0.64
FFO	\$ 1.49 — \$ 1.53
Normalized FFO	\$ 1.49 — \$ 1.53
AFFO	\$ 1.55 — \$ 1.59
Normalized AFFO	\$ 1.55 — \$ 1.59

Earnings guidance above assumes:

- low-single-digit Cash NOI growth for the triple-net portfolio at the midpoint, ignoring the impact of acquisitions and dispositions;
- average full-year Cash NOI growth for the same-store Senior Housing – Managed portfolio in the low to mid-teens;
- general and administrative expenses at the midpoint of \$52 million, which includes \$12 million of stock-based compensation expense;
- cash interest expense of \$103 million at the midpoint;
- weighted average share count of 255 million and 256 million for Normalized FFO and Normalized AFFO, respectively;
- no tenants are placed on cash-basis or moved to accrual-basis for revenue recognition after December 31, 2025; and
- only investments, dispositions and capital markets activity completed as of February 12, 2026.

The foregoing guidance ranges reflect management's view of current and future market conditions. There can be no assurance that the Company's actual results will not differ materially from the estimates set forth above. Except as otherwise required by law, the Company assumes no, and hereby disclaims any, obligation to update any of the foregoing guidance ranges as a result of new information or new or future developments.

Consolidated Statements of Income

Dollars in thousands, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenues:				
Rental and related revenues ⁽¹⁾	\$ 92,917	\$ 96,068	\$ 374,131	\$ 381,495
Resident fees and services	108,434	76,865	356,883	284,581
Interest and other income	10,551	9,413	43,618	37,159
Total revenues	211,902	182,346	774,632	703,235
Expenses:				
Depreciation and amortization	51,405	42,308	186,996	169,623
Interest	28,940	28,083	112,489	115,272
Triple-net portfolio operating expenses	3,602	4,080	14,487	17,072
Senior housing - managed portfolio operating expenses	76,815	55,758	256,619	210,016
General and administrative	15,908	13,032	53,710	50,067
Recovery of loan losses	(407)	(125)	(1,047)	(571)
Impairment of real estate	648	—	7,322	18,472
Total expenses	176,911	143,136	630,576	579,951
Other income (expense):				
Loss on extinguishment of debt	—	—	(1,154)	—
Other income	58	1,897	14,036	2,735
Net (loss) gain on sales of real estate	(9,063)	6,064	(3,519)	2,095
Total other (expense) income	(9,005)	7,961	9,363	4,830
Income before income (loss) from unconsolidated joint ventures and income tax expense	25,986	47,171	153,419	128,114
Income (loss) from unconsolidated joint ventures	1,652	(96)	3,928	(397)
Income tax expense	(491)	(380)	(1,837)	(1,005)
Net income	27,147	46,695	155,510	126,712
Net loss attributable to noncontrolling interests	78	—	99	—
Net income attributable to Sabra Health Care REIT, Inc.	\$ 27,225	\$ 46,695	\$ 155,609	\$ 126,712
Net income attributable to Sabra Health Care REIT, Inc., per:				
Basic common share	\$ 0.11	\$ 0.20	\$ 0.64	\$ 0.54
Diluted common share	\$ 0.11	\$ 0.19	\$ 0.64	\$ 0.54
Weighted average number of common shares outstanding, basic	249,375,192	236,597,675	241,312,309	233,498,736
Weighted average number of common shares outstanding, diluted	252,768,271	239,640,053	244,497,242	236,045,862

⁽¹⁾ See page 19 for additional details regarding Rental and related revenues.

Consolidated Statements of Income - Supplemental Information

Dollars in thousands

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Cash rental income	\$ 87,514	\$ 89,995	\$ 358,928	\$ 363,905
Straight-line rental income	782	876	4,464	4,289
Write-offs of cash and straight-line rental income receivable and lease intangibles	—	(508)	(7,759)	(6,032)
Above/below market lease amortization	1,058	1,233	4,315	4,867
Operating expense recoveries	3,563	4,472	14,183	14,466
Rental and related revenues	<u>\$ 92,917</u>	<u>\$ 96,068</u>	<u>\$ 374,131</u>	<u>\$ 381,495</u>

Consolidated Balance Sheets

Dollars in thousands, except per share data

	December 31, 2025	December 31, 2024
Assets		
Real estate investments, net of accumulated depreciation of \$1,224,663 and \$1,102,030 as of December 31, 2025 and December 31, 2024, respectively	\$ 4,686,377	\$ 4,513,734
Loans receivable and other investments, net	434,100	442,584
Investment in unconsolidated joint ventures	118,166	121,803
Cash and cash equivalents	71,537	60,468
Restricted cash	6,603	5,871
Lease intangible assets, net	65,321	27,464
Accounts receivable, prepaid expenses and other assets, net	111,292	131,755
Total assets	\$ 5,493,396	\$ 5,303,679
Liabilities		
Secured debt, net	\$ 43,275	\$ 45,316
Revolving credit facility	217,584	106,554
Term loans, net	1,032,311	529,753
Senior unsecured notes, net	1,235,726	1,736,025
Accounts payable and accrued liabilities	119,329	117,896
Lease intangible liabilities, net	21,383	26,847
Total liabilities	2,669,608	2,562,391
Equity		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of December 31, 2025 and December 31, 2024	—	—
Common stock, \$0.01 par value; 500,000,000 shares authorized, 251,697,456 and 237,586,882 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	2,517	2,376
Additional paid-in capital	4,836,270	4,592,605
Cumulative distributions in excess of net income	(2,013,375)	(1,874,633)
Accumulated other comprehensive (loss) income	(3,571)	20,940
Total Sabra Health Care REIT, Inc. stockholders' equity	2,821,841	2,741,288
Noncontrolling interests	1,947	—
Total equity	2,823,788	2,741,288
Total liabilities and equity	\$ 5,493,396	\$ 5,303,679

Consolidated Statements of Cash Flows

Dollars in thousands

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 155,510	\$ 126,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	186,996	169,623
Non-cash rental and related revenues	(1,020)	(3,856)
Non-cash interest income	7	29
Non-cash interest expense	7,970	10,479
Stock-based compensation expense	11,360	8,987
Loss on extinguishment of debt	1,154	—
Recovery of loan losses	(1,047)	(571)
Net loss (gain) on sales of real estate	3,519	(2,095)
Impairment of real estate	7,322	18,472
(Income) loss from unconsolidated joint ventures	(3,928)	397
Distributions of earnings from unconsolidated joint ventures	7,813	5,447
Other non-cash items	(17,190)	(534)
Changes in operating assets and liabilities:		
Accounts receivable, prepaid expenses and other assets, net	(11,449)	(15,462)
Accounts payable and accrued liabilities	1,596	(7,087)
Net cash provided by operating activities	348,613	310,541
Cash flows from investing activities:		
Acquisition of real estate and lease intangibles	(452,933)	(136,430)
Origination and fundings of loans receivable	(6,910)	(21,645)
Origination and fundings of preferred equity investments	(9)	(2,832)
Additions to real estate	(41,521)	(54,712)
Repayments of loans receivable	20,671	3,551
Repayments of preferred equity investments	2,533	5,944
Investment in unconsolidated joint ventures	(1,241)	(1,258)
Net proceeds from the sales of real estate	88,637	95,999
Proceeds from net investment hedges	4,462	—
Insurance proceeds	1,589	2,382
Distributions in excess of earnings from unconsolidated joint ventures	6,762	—
Net cash used in investing activities	(377,960)	(109,001)
Cash flows from financing activities:		
Net borrowings from revolving credit facility	109,805	14,595
Principal payments on senior unsecured notes	(500,000)	—
Proceeds from term loans	500,000	—
Principal payments on secured debt	(2,089)	(2,033)
Payments of deferred financing costs	(4,405)	(94)
Payments related to extinguishment of debt	(2,884)	—
Contributions from noncontrolling interests	2,046	—
Issuance of common stock, net	227,781	86,121
Dividends paid on common stock	(289,497)	(280,150)
Net cash provided by (used in) financing activities	40,757	(181,561)
Net increase in cash, cash equivalents and restricted cash	11,410	19,979
Effect of foreign currency translation on cash, cash equivalents and restricted cash	391	(359)
Cash, cash equivalents and restricted cash, beginning of period	66,339	46,719
Cash, cash equivalents and restricted cash, end of period	\$ 78,140	\$ 66,339
Supplemental disclosure of cash flow information:		
Interest paid	\$ 110,957	\$ 105,200
Income taxes paid	\$ 1,496	\$ 1,389

FFO, Normalized FFO, AFFO and Normalized AFFO

Dollars in thousands, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income attributable to Sabra Health Care REIT, Inc.	\$ 27,225	\$ 46,695	\$ 155,609	\$ 126,712
Add:				
Depreciation and amortization of real estate assets	51,405	42,308	186,996	169,623
Depreciation and amortization of real estate assets related to noncontrolling interests	(123)	—	(163)	—
Depreciation and amortization of real estate assets related to unconsolidated joint ventures	1,639	2,213	7,584	8,893
Net loss (gain) on sales of real estate	9,063	(6,064)	3,519	(2,095)
Impairment of real estate	648	—	7,322	18,472
FFO attributable to Sabra Health Care REIT, Inc.	\$ 89,857	\$ 85,152	\$ 360,867	\$ 321,605
Write-offs of cash and straight-line rental income receivable and lease intangibles	—	508	7,759	6,032
Lease termination income, net of expense	—	—	(1,518)	—
Loss on extinguishment of debt	—	—	1,154	—
Recovery of loan losses	(407)	(125)	(1,047)	(571)
Other normalizing items ⁽¹⁾	1,711	(1,057)	(14,303)	1,662
Normalized FFO attributable to Sabra Health Care REIT, Inc.	\$ 91,161	\$ 84,478	\$ 352,912	\$ 328,728
FFO attributable to Sabra Health Care REIT, Inc.	\$ 89,857	\$ 85,152	\$ 360,867	\$ 321,605
Stock-based compensation expense	3,070	2,539	11,360	8,987
Non-cash rental and related revenues	(1,840)	(1,627)	(1,020)	(3,856)
Non-cash interest expense	2,362	1,729	7,970	10,479
Non-cash portion of loss on extinguishment of debt	—	—	(1,730)	—
Recovery of loan losses	(407)	(125)	(1,047)	(571)
Other adjustments related to unconsolidated joint ventures	76	71	313	472
Other adjustments ⁽²⁾	393	(144)	(15,142)	1,072
AFFO attributable to Sabra Health Care REIT, Inc.	\$ 93,511	\$ 87,595	\$ 361,571	\$ 338,188
Lease termination income, net of expense	—	—	(1,518)	—
Cash portion of loss on extinguishment of debt	—	—	2,884	—
Write-off of cash rental income	—	25	—	732
Other normalizing items ⁽¹⁾	1,703	(704)	2,474	1,846
Normalized AFFO attributable to Sabra Health Care REIT, Inc.	\$ 95,214	\$ 86,916	\$ 365,411	\$ 340,766
Amounts per diluted common share attributable to Sabra Health Care REIT, Inc.:				
Net income	\$ 0.11	\$ 0.19	\$ 0.64	\$ 0.54
FFO	\$ 0.36	\$ 0.36	\$ 1.48	\$ 1.36
Normalized FFO	\$ 0.36	\$ 0.35	\$ 1.44	\$ 1.39
AFFO	\$ 0.37	\$ 0.36	\$ 1.47	\$ 1.43
Normalized AFFO	\$ 0.38	\$ 0.36	\$ 1.49	\$ 1.44
Weighted average number of common shares outstanding, diluted:				
Net income, FFO and Normalized FFO	252,768,271	239,640,053	244,497,242	236,045,862
AFFO and Normalized AFFO	253,621,566	240,395,180	245,583,191	237,116,036

⁽¹⁾ Other normalizing items for FFO and AFFO for the three months ended December 31, 2025 include a \$1.8 million catch-up adjustment related to changes in performance-based assumptions on management's compensation. Other normalizing items for FFO for the year ended December 31, 2025 include a \$17.2 million gain reclassified from other comprehensive loss related to six previously terminated interest rate swaps as the related forecasted transactions were determined to be probable not to occur and \$3.5 million of transition expenses related to the transition of Senior Housing - Managed communities to new operators. Other normalizing items for AFFO for the year ended December 31, 2025 include \$3.5 million of transition expenses related to the transition of Senior Housing - Managed communities to new operators. Other normalizing items for FFO and AFFO for the three months and year ended December 31, 2024 include \$0.5 million of gain on insurance proceeds. In addition, other normalizing items for FFO and AFFO include triple-net operating expenses, net of recoveries.

⁽²⁾ Other adjustments for the year ended December 31, 2025 include a \$17.2 million gain reclassified from other comprehensive loss related to six terminated interest rate swaps as the related forecasted transactions were determined to be probable not to occur.

We disclose components of our business relevant to calculate NAV. We consider NAV to be a useful supplemental measure that assists both management and investors to estimate the fair value of our Company. The calculation of NAV involves significant estimates and can be calculated using various methods. Each individual investor must determine the specific methodology, assumptions and estimates to use to arrive at an estimated NAV of the Company.

The components of NAV do not consider potential changes in our investment portfolio. The components include non-GAAP financial measures, such as Cash NOI. Although these measures are not presented in accordance with GAAP, investors can use these non-GAAP financial measures as supplemental information to evaluate our business.

Annualized Cash NOI

Dollars in thousands

Skilled Nursing/Transitional Care	\$	254,042
Senior Housing - Leased		34,059
Senior Housing - Managed Consolidated Portfolio		130,591
Senior Housing - Managed Unconsolidated Portfolio		16,262
Behavioral Health		44,738
Specialty Hospitals and Other		19,599
Annualized Cash NOI (excluding loans receivable and other investments)	\$	<u>499,291</u>

Obligations

Reflects Sabra's pro rata share; dollars in thousands

Secured debt ⁽¹⁾	\$	44,021
Senior unsecured notes ⁽¹⁾		1,250,000
Revolving credit facility		217,584
Term loans ⁽¹⁾		1,039,425
Unconsolidated joint venture debt		<u>76,097</u>
Total Debt		2,627,127
Add (less):		
Cash and cash equivalents and restricted cash		(77,911)
Unconsolidated joint venture cash and cash equivalents and restricted cash		(5,137)
Accounts payable and accrued liabilities ⁽²⁾		<u>109,084</u>
Net obligations	\$	<u>2,653,163</u>

Other Assets

Reflects Sabra's pro rata share; dollars in thousands

Loans receivable and other investments, net	\$	434,100
Accounts receivable, prepaid expenses and other assets, net ⁽²⁾		<u>37,233</u>
Total other assets	\$	<u>471,333</u>

Common Shares Outstanding

Total shares		<u>251,697,456</u>
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⁽¹⁾ Amounts represent principal amounts due and exclude deferred financing costs, net and premiums/discounts, net.

⁽²⁾ Includes balances that impact cash or NOI and excludes non-cash items.

Disclaimer

This supplement contains “forward-looking” information as that term is defined in the Private Securities Litigation Reform Act of 1995. Any statements that do not relate to historical or current facts or matters are forward-looking statements. Examples of forward-looking statements include all statements regarding our expected future financial position (including our earnings guidance for 2026, as well as the assumptions set forth therein), results of operations, cash flows, liquidity, business strategy, growth opportunities, potential investments, and plans and objectives for future operations. You can identify some of the forward-looking statements by the use of forward-looking words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend,” “should,” “may” and other similar expressions, although not all forward-looking statements contain these identifying words.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following: increases in market interest rates and inflation; pandemics or epidemics, and the related impact on our tenants, borrowers and Senior Housing – Managed communities; operational risks with respect to our Senior Housing – Managed communities; increased labor costs and labor shortages; competitive conditions in our industry; the loss of key management personnel; uninsured or underinsured losses affecting our properties; potential impairment charges and adjustments related to the accounting of our assets; risks associated with our investment in our unconsolidated joint ventures; catastrophic weather and other natural or man-made disasters, the effects of climate change on our properties and a failure to implement sustainable and energy-efficient measures; increased operating costs and competition for our tenants, borrowers and Senior Housing – Managed communities; increased healthcare regulation and enforcement; our tenants’ dependency on reimbursement from governmental and other third-party payor programs; the effect of our tenants, operators or borrowers declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; the impact of required regulatory approvals of transfers of healthcare properties; environmental compliance costs and liabilities associated with real estate properties we own; our tenants’, borrowers’ or operators’ failure to adhere to applicable privacy and data security laws; a material breach of our or our tenants’, borrowers’ or operators’ information technology; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; adverse changes in our credit ratings; our ability to make dividend distributions at expected levels; our ability to raise capital through equity and debt financings; changes and uncertainty in macroeconomic conditions and disruptions in the financial markets; risks associated with our ownership of property outside the U.S., including currency fluctuations; the relatively illiquid nature of real estate investments; our ability to maintain our status as a real estate investment trust (“REIT”) under the federal tax laws; compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT; changes in tax laws and regulations affecting REITs; the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities; and the exclusive forum provisions in our bylaws.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings with the Securities and Exchange Commission (the “SEC”), including in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this supplement or to reflect the occurrence of unanticipated events, unless required by law to do so.

Note Regarding Non-GAAP Financial Measures

This supplement includes the following financial measures defined as non-GAAP financial measures by the SEC: net operating income (“NOI”), Cash NOI, funds from operations (“FFO”), Normalized FFO, Adjusted FFO (“AFFO”), Normalized AFFO, FFO per diluted common share, Normalized FFO per diluted common share, AFFO per diluted common share, Normalized AFFO per diluted common share and Adjusted EBITDA (defined below). These measures may be different than non-GAAP financial measures used by other companies, and the presentation of these measures is not intended to be considered in isolation or as a substitute for financial information prepared and presented in accordance with U.S. generally accepted accounting principles. An explanation of these non-GAAP financial measures is included under “Reporting Definitions” in this supplement and reconciliations of these non-GAAP financial measures to the GAAP financial measures we consider most comparable are included on the Investors section of our website at <https://ir.sabrahealth.com/investors/financials/quarterly-results>.

Tenant and Borrower Information

This supplement includes information regarding our tenants that lease properties from us and our borrowers, most of which are not subject to SEC reporting requirements. The information related to our tenants and borrowers that is provided in this supplement has been provided by, or derived from information provided by, such tenants and borrowers. We have not independently verified this information. We have no reason to believe that such information is inaccurate in any material respect. We are providing this data for informational purposes only.

Sabra Information

The information in this supplemental information package should be read in conjunction with the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other information filed with the SEC. The Reporting Definitions and Reconciliations of Non-GAAP Measures are an integral part of the information presented herein.

On Sabra’s website, www.sabrahealth.com, you can access, free of charge, Sabra’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such material is filed with, or furnished to, the SEC. The information contained on Sabra’s website is not incorporated by reference into, and should not be considered a part of, this supplemental information package. All material filed with the SEC can also be accessed through its website, www.sec.gov.

For more information, contact Investor Relations at (888) 393-8248 or investorrelations@sabrahealth.com.

Adjusted EBITDA*

Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation and amortization ("EBITDA") excluding the impact of merger-related costs, stock-based compensation expense under the Company's long-term equity award program, and loan loss reserves. Adjusted EBITDA is an important non-GAAP supplemental measure of operating performance.

Annualized Cash Net Operating Income ("Annualized Cash NOI")*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers Annualized Cash NOI an important supplemental measure because it allows investors, analysts and its management to evaluate the operating performance of its investments. The Company defines Annualized Cash NOI as Annualized Revenues less operating expenses and non-cash revenues and expenses. Annualized Cash NOI excludes all other financial statement amounts included in net income and is presented at Sabra's pro rata share.

Annualized Revenues

The annual contractual rental revenues under leases and interest and other income generated by the Company's loans receivable and other investments based on amounts invested and applicable terms as of the end of the period presented. Annualized Revenues do not include tenant recoveries and are adjusted to reflect actual payments received related to the twelve months ended at the end of the respective period for leases no longer accounted for on an accrual basis.

Behavioral Health

Includes behavioral hospitals that provide inpatient and outpatient care for patients with mental health conditions, chemical dependence or substance addictions and addiction treatment centers that provide treatment services for chemical dependence and substance addictions, which may include inpatient care, outpatient care, medical detoxification, therapy and counseling.

Cash Net Operating Income ("Cash NOI")*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers Cash NOI an important supplemental measure because it allows investors, analysts and its management to evaluate the operating performance of its investments. The Company defines Cash NOI as total revenues less operating expenses and non-cash revenues and expenses. Cash NOI excludes all other financial statement amounts included in net income and is presented at Sabra's pro rata share.

Cash NOI Margin

Cash NOI Margin is calculated as Cash NOI divided by resident fees and services.

Consolidated Debt

The principal balances of the Company's revolving credit facility, term loans, senior unsecured notes, and secured indebtedness as reported in the Company's consolidated financial statements.

Consolidated Debt, Net

The carrying amount of the Company's revolving credit facility, term loans, senior unsecured notes, and secured indebtedness, as reported in the Company's consolidated financial statements.

Consolidated Enterprise Value

The Company believes Consolidated Enterprise Value is an important measurement as it is a measure of a company's value. The Company calculates Consolidated Enterprise Value as market equity capitalization plus Consolidated Debt. Market equity capitalization is calculated as (i) the number of shares of common stock multiplied by the closing price of the Company's common stock on the last day of the period presented plus (ii) the number of shares of preferred stock multiplied by the closing price of the Company's preferred stock on the last day of the period presented. Consolidated Enterprise Value includes the Company's market equity capitalization and Consolidated Debt, less cash and cash equivalents.

EBITDARM

Earnings before interest, taxes, depreciation, amortization, rent and management fees ("EBITDARM") for a particular facility accruing to the operator/tenant of the property (not the Company), for the period presented. The Company uses EBITDARM in determining EBITDARM Coverage. EBITDARM has limitations as an analytical tool. EBITDARM does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, EBITDARM does not represent a property's net income or cash flows from operations and should not be considered an alternative to those indicators. The Company utilizes EBITDARM to evaluate the core operations of the properties by eliminating management fees, which may vary by operator/tenant and operating structure, and as a supplemental measure of the ability of the Company's operators/tenants and relevant guarantors to generate sufficient liquidity to meet related obligations to the Company.

EBITDARM Coverage

Represents the ratio of EBITDARM to cash rent for owned facilities (excluding Senior Housing - Managed communities) for the period presented. EBITDARM Coverage is a supplemental measure of a property's ability to generate cash flows for the operator/tenant (not the Company) to meet the operator's/tenant's related cash rent and other obligations to the Company. However, its usefulness is limited by, among other things, the same factors that limit the usefulness of EBITDARM. EBITDARM Coverage includes only Stabilized Facilities and excludes facilities for which data is not available or meaningful.

Funds From Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”)*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company also believes that funds from operations, or FFO, as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts (“Nareit”), and adjusted funds from operations, or AFFO (and related per share amounts) are important non-GAAP supplemental measures of the Company’s operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a real estate investment trust that uses historical cost accounting for depreciation could be less informative. Thus, Nareit created FFO as a supplemental measure of operating performance for real estate investment trusts that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from real estate dispositions and the Company’s share of gains or losses from real estate dispositions related to its unconsolidated joint ventures, plus real estate depreciation and amortization, net of amounts related to noncontrolling interests, plus the Company’s share of depreciation and amortization related to its unconsolidated joint ventures, and real estate impairment charges of both consolidated and unconsolidated entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. AFFO is defined as FFO excluding stock-based compensation expense, non-cash rental and related revenues, non-cash interest income, non-cash interest expense, non-cash portion of loss on extinguishment of debt, provision for (recovery of) loan losses and other reserves, non-cash lease termination income and deferred income taxes, as well as other non-cash revenue and expense items (including noncapitalizable acquisition costs, transaction costs related to operator transitions and organizational or other restructuring activities, gain/loss on derivative instruments, and non-cash revenue and expense amounts related to noncontrolling interests) and the Company’s share of non-cash adjustments related to its unconsolidated joint ventures. The Company believes that the use of FFO and AFFO (and the related per share amounts), combined with the required GAAP presentations, improves the understanding of the Company’s operating results among investors and makes comparisons of operating results among real estate investment trusts more meaningful. The Company considers FFO and AFFO to be useful measures for reviewing comparative operating and financial performance because, by excluding the applicable items listed above, FFO and AFFO can help investors compare the operating performance of the Company between periods or as compared to other companies. While FFO and AFFO are relevant and widely used measures of operating performance of real estate investment trusts, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company’s liquidity or operating performance. FFO and AFFO also do not consider the costs associated with capital expenditures related to the Company’s real estate assets nor do they purport to be indicative of cash available to fund the Company’s future cash requirements. Further, the Company’s computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other real estate investment trusts that do not define FFO in accordance with the current Nareit definition or that interpret the current Nareit definition or define AFFO differently than the Company does.

Grant Income

Grant income consists of funds specifically paid to communities in our Senior Housing – Managed portfolio from state or federal governments related to the pandemic and were incremental to the amounts that would have otherwise been received for providing care to residents.

Investment

Represents the carrying amount of real estate assets after adding back accumulated depreciation and amortization and excludes net intangible assets and liabilities.

Market Capitalization

Total common shares of Sabra outstanding multiplied by the closing price per common share as of a given period.

Net Debt*

The principal balances of the Company’s revolving credit facility, term loans, senior unsecured notes, and secured indebtedness as reported in the Company’s consolidated financial statements, net of cash and cash equivalents as reported in the Company’s consolidated financial statements.

Net Debt to Adjusted EBITDA*

Net Debt to Adjusted EBITDA is calculated as Net Debt divided by Annualized Adjusted EBITDA, which is Adjusted EBITDA, as adjusted for annualizing adjustments that give effect to the acquisitions and dispositions completed during the respective period as though such acquisitions and dispositions were completed as of the beginning of the period presented.

Net Operating Income (“NOI”)*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers NOI an important supplemental measure because it allows investors, analysts and its management to evaluate the operating performance of its investments. The Company defines NOI as total revenues less operating expenses. NOI excludes all other financial statement amounts included in net income.

Normalized FFO and Normalized AFFO*

Normalized FFO and Normalized AFFO represent FFO and AFFO, respectively, adjusted for certain income and expense items that the Company does not believe are indicative of its ongoing operating results. The Company considers Normalized FFO and Normalized AFFO to be useful measures to evaluate the Company's operating results excluding these income and expense items to help investors compare the operating performance of the Company between periods or as compared to other companies. Normalized FFO and Normalized AFFO do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance. Normalized FFO and Normalized AFFO also do not consider the costs associated with capital expenditures related to the Company's real estate assets nor do they purport to be indicative of cash available to fund the Company's future cash requirements. Further, the Company's computation of Normalized FFO and Normalized AFFO may not be comparable to Normalized FFO and Normalized AFFO reported by other real estate investment trusts that do not define FFO in accordance with the current Nareit definition or that interpret the current Nareit definition or define FFO and AFFO or Normalized FFO and Normalized AFFO differently than the Company does.

Occupancy Percentage

Occupancy Percentage represents the facilities' average operating occupancy for the period indicated. The percentages are calculated by dividing the actual census from the period presented by the available beds/units for the same period. Except for Senior Housing - Managed, Occupancy includes only Stabilized Facilities and excludes facilities for which data is not available or meaningful.

REVPOR

REVPOR represents the average revenues generated per occupied unit per month at Senior Housing - Managed communities for the period indicated. It is calculated as resident fees and services revenues, excluding Grant Income, divided by average monthly occupied unit days. REVPOR includes only Stabilized Facilities.

Senior Housing

Senior Housing communities include independent living, assisted living, continuing care retirement and memory care communities.

Senior Housing - Managed

Senior Housing communities operated by third-party property managers pursuant to property management agreements.

Skilled Mix

Skilled Mix is defined as the total Medicare and non-Medicaid managed care patient revenue at Skilled Nursing/Transitional Care facilities divided by the total revenues at Skilled Nursing/Transitional Care facilities for the period indicated. Skilled Mix includes only Stabilized Facilities and excludes facilities for which data is not available or meaningful.

Skilled Nursing/Transitional Care

Skilled Nursing/Transitional Care facilities include skilled nursing, transitional care, multi-license designation and mental health facilities.

Specialty Hospitals and Other

Includes acute care, long-term acute care and rehabilitation hospitals, facilities that provide residential services, which may include assistance with activities of daily living, and other facilities not classified as Skilled Nursing/Transitional Care, Senior Housing or Behavioral Health.

Stabilized Facility

At the time of acquisition, the Company classifies each facility as either stabilized or non-stabilized. In addition, the Company may classify a facility as non-stabilized after acquisition. Circumstances that could result in a facility being classified as non-stabilized include newly completed developments, facilities undergoing major renovations or additions, facilities being repositioned or transitioned to new operators, and significant transitions within the tenants' business model. Such facilities are typically reclassified to stabilized upon the earlier of maintaining consistent performance or 24 months after the date of classification as non-stabilized. Stabilized Facilities generally exclude (i) facilities held for sale, (ii) strategic disposition candidates, (iii) facilities being transitioned to a new operator, (iv) facilities being transitioned from being leased by the Company to being operated by the Company and (v) leased facilities acquired during the three months preceding the period presented.

***Non-GAAP Financial Measures**

Reconciliations, definitions and important discussions regarding the usefulness and limitations of the Non-GAAP Financial Measures used in this supplement can be found at <https://ir.sabrahealth.com/investors/financials/quarterly-results>.