



# Forward-Looking Statements – Safe Harbor

Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding the Company's intent, belief, or expectations. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "believe," "project," "predict," "continue," "plan," "target," or other similar words or expressions, and include statements regarding the Company's expected financial and operational results. These forward-looking statements are based on certain assumptions and expectations, and the Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although the Company believes that expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its assumptions or expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a material adverse effect on the Company's operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, the Company's ability to complete pending or expected transactions on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, such as the ability to obtain financing or regulatory approvals, and uncertainties as to the timing of closing; disruptions in the financial markets or decreases in the appraised values or performance of the Company's communities that affect the Company's ability to obtain financing or extend or refinance debt as it matures and the Company's financing costs; the Company's ability to obtain additional capital on terms acceptable to it; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including those set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect management's views as of the date of this presentation. The Company cannot guarantee future results, levels of activity, performance or achievements, and, except as required by law, it expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained in this presentation to reflect any change in the Company's expectations with regard thereto or change in events, conditions, or circumstances on which any statement is based.

# Brookdale to increase portfolio ownership and proactively extend debt maturities

*Expected to generate meaningful shareholder value through a number of near-term and long-term benefits*

## Acquisition Transactions

Acquire 41 currently leased real estate assets with 2,789 units

- ✓ Improves Adjusted EBITDA and Adjusted Free Cash Flow, immediately upon closing
- ✓ Enables Brookdale to fully capitalize on powerful multi-year industry outlook
- ✓ Predictable high-yield returns
- ✓ More favorable capital structure and strategic flexibility

## Convertible Financing Transactions

To exchange \$207 million of 2026 Convertible Senior Notes for 2029 Notes

- ✓ Extends 83% of 2026 debt maturities to 2029
- ✓ Increases conversion price of exchanged notes to \$9.00 from \$8.10
- ✓ Retires substantial portion of 2026 notes in private exchange

To issue \$150 million principal amount of 2029 Convertible Senior Notes

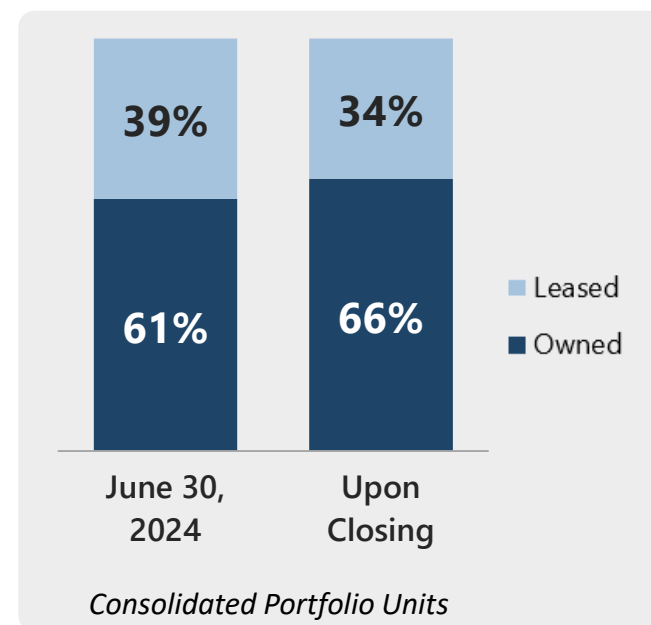
- ✓ Supports high-return acquisition opportunities
- ✓ Reflects long-term confidence of multiple top shareholders
- ✓ Private transaction minimizes market and execution risks

**Enables Brookdale to opportunistically acquire quality portfolios to improve near-term cash flow and create long-term value for shareholders, while favorably extending substantial portion of 2026 convertible senior notes**

# Acquisition Transactions Summary

*Brookdale continues to successfully grow percentage of owned units*

- 41 communities (2,789 units)
- \$610 million combined purchase price
- Expected to improve 2025 Adjusted EBITDA by \$33 million and improve 2025 Adjusted Free Cash Flow by an estimated \$15 million<sup>1</sup>
- Reduces total annual 2025 cash lease payments by \$47 million<sup>1</sup>
- 66% consolidated portfolio unit ownership after effects of transactions
- High yielding, predictable returns through replacement of lease structure with lower cost of capital



## International JV / Welltower Portfolio

— \$300 million purchase price

— 11 communities

— 1,228 units



## Welltower Portfolio

— \$175 million purchase price

— 5 communities

— 686 units



## Diversified Healthcare Trust (DHC) Portfolio

— \$135 million purchase price

— 25 communities

— 875 units



# International JV / Welltower Portfolio Acquisition

*Well-located, strongly performing portfolio with significant additional cash flow opportunities*

## Portfolio Overview

⊕ <b>Communities</b>	11
⊕ <b>Units</b>	1,228
⊕ <b>Services</b>	IL, AL, MC
⊕ <b>Occupancy<sup>1</sup></b>	~80% (weighted average)
⊕ <b>Cash Rent<sup>2</sup></b>	\$22 million
⊕ <b>Lease Maturity</b>	Aug. 31, 2028 (current term)

## Key Transaction Terms

⊕ <b>Purchase Price</b>	\$300 million
⊕ <b>Expected Closing</b>	Late 4Q24
⊕ <b>Assumed Financing</b>	\$195 million (4.92% agency fixed-rate)



 *Assets located in markets with >2.0x expected target population growth rate<sup>3</sup>*

# Welltower Portfolio Acquisition

*High-quality real estate portfolio to be acquired under favorable purchase option*

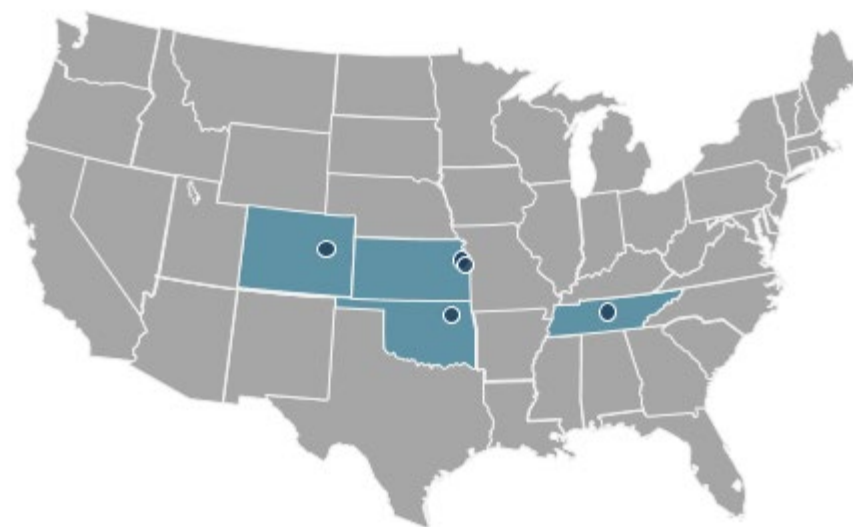
## Portfolio Overview

⊕ <b>Communities</b>	5
⊕ <b>Units</b>	686
⊕ <b>Services</b>	IL, AL, MC, SNF
⊕ <b>Occupancy<sup>1</sup></b>	>90% ( <i>weighted average</i> )
⊕ <b>Cash Rent<sup>2</sup></b>	\$13 million
⊕ <b>Lease Maturity</b>	Dec. 31, 2024 ( <i>current term</i> )



## Key Transaction Terms

⊕ <b>Purchase Price</b>	\$175 million
⊕ <b>Expected Closing</b>	Late 4Q24



Primary markets are *high-growth* (>2.0x<sup>3</sup>), and *affluent* or *highly affluent*, including:

- 📍 *Nashville, Tennessee*
- 📍 *Denver, Colorado*
- 📍 *Overland Park, Kansas*

# Diversified Healthcare Trust (DHC) Portfolio Acquisition

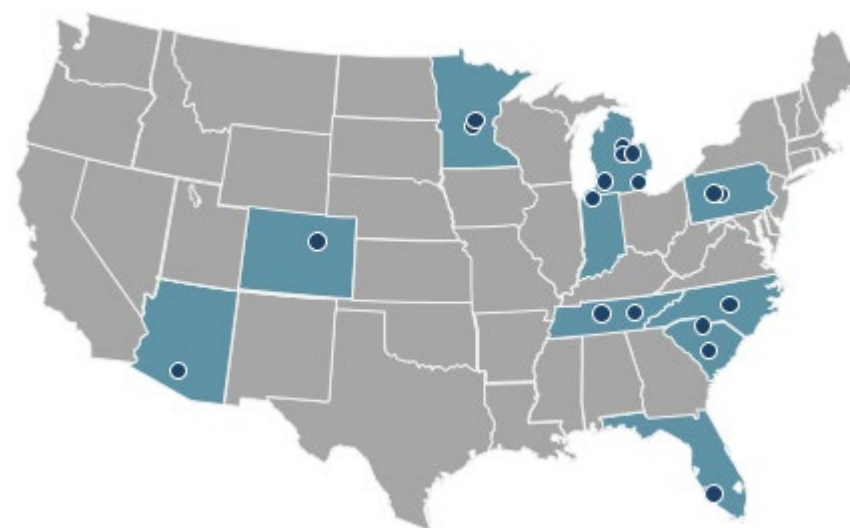
*Diverse portfolio of communities provides opportunity to further enhance value*

## Portfolio Overview

⊕ <b>Communities</b> <sup>1</sup>	25
⊕ <b>Units</b>	875
⊕ <b>Services</b>	AL, MC
⊕ <b>Occupancy</b> <sup>2</sup>	~80% (weighted average)
⊕ <b>Cash Rent</b> <sup>3</sup>	\$10 million
⊕ <b>Lease Maturity</b>	Dec. 31, 2032 (current term)

## Key Transaction Terms

⊕ <b>Purchase Price</b>	\$135 million
⊕ <b>Expected Closing</b>	Late 4Q24



Brookdale Sandy Springs (Maryville, Tennessee)

Communities range in size from 19 units to 92 units with many located in high-growth markets, including:

- 📍 *Nashville, Tennessee*
- 📍 *Denver, Colorado*
- 📍 *Phoenix, Arizona*

# Convertible Financing Summary

*Convertible financing transaction addresses vast majority of 2026 debt and provides additional funding for high-return strategic acquisitions*

## Transaction Highlights

- Extends maturity on \$207 million of convertible debt to 2029 while increasing conversion price to \$9.00
- Raises new funding to capture upside from powerful senior housing tailwinds, improve strategic flexibility, and lower financing cost on attractive portfolio of acquisitions
- Strong partnership with existing large shareholders, including Deerfield Management and Flat Footed, reflects confidence in Brookdale

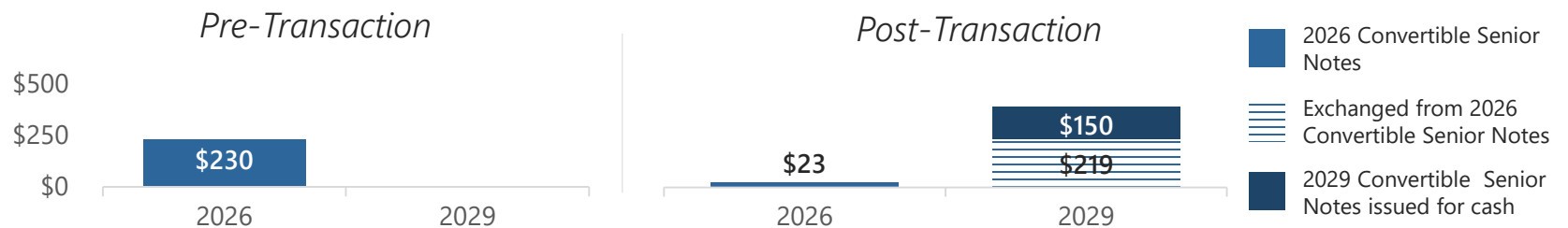
## Convertible Senior Notes Exchange

- Issues \$219 million 3.50% Convertible Notes due 2029 in exchange of \$207 million of the existing \$230 million 2.00% Convertible Notes due 2026
- Remaining \$23 million of existing convertible notes remain due in October 2026

## Acquisition Funding

- Issues an additional \$150 million of new Convertible Notes to help fund acquisitions (same terms as the notes issued in the exchange)
- Additional funding from new and assumed non-recourse mortgage debt

## Pro Forma Convertible Maturity Profile



### Existing 2026 Convertible Notes

- \$230 million principal
- 2.00% coupon
- \$8.10 conversion price
- October 2026 maturity
- \$23 million remaining following exchange

### New 2029 Convertible Notes

- \$369 million principal
- 3.50% coupon
- \$9.00 conversion price
- October 2029 maturity
- Private transaction



# Pro Forma Lease Maturity and Leverage

*Well-located, strongly performing portfolio with significant additional cash flow opportunities*

## Pro Forma Lease Maturity Summary

	As of June 30, 2024		Pro Forma <sup>1</sup>	
	Community Count	Total Units	Community Count	Total Units
Initial Lease Maturities				
2024	6	857	1	171
2025	122	10,345	122	10,345
2026	2	153	2	153
2027	24	2,555	-	-
2028	12	1,344	1	116
Thereafter	111	4,603	110	6,283
<b>Total</b>	<b>277</b>	<b>19,857</b>	<b>236</b>	<b>17,068</b>

Company continues to proactively manage lease obligations to best enhance shareholder value

*Lease Coverage for the twelve months ended June 30, 2024<sup>2</sup>*                      1.03x                      1.02x

## Pro Forma Leverage Ratio (At Closing and Normalized for Transactions)<sup>3</sup>

*(\$ in millions)*

	As of June 30, 2024	Net Debt <sup>4</sup> (+)	At Closing Pro Forma	TTM Cash Lease Payments <sup>5</sup> (+)	Normalized 12-month Pro Forma
Net Debt	\$ 3,428	\$ 610	\$ 4,038	\$ -	\$ 4,038
Adjusted EBITDA	\$ 361	\$ -	\$ 361	\$ 32	\$ 393
Cash financing lease payments	(21)	-	(21)	13	(8)
Adjusted EBITDA after cash financing lease payments	\$ 340	\$ -	\$ 340	\$ 45	\$ 385
Annualized Leverage	10.1x		11.9x		10.5x

Forward-twelve month annualized leverage impact from these transactions is not expected to be material

# September 2025 Mortgage Debt Maturity

Through favorable rate agency financing, successfully addresses last remaining 2025 maturity without extension option

## Refinancing Highlights

- Obtained \$182.5 million of debt from Fannie Mae
- Principal amount secured by non-recourse first mortgages on 16 communities
- Loan bears interest at a fixed rate of 5.67%, is interest only for the first two years, and matures in 2029
- At closing, the Company repaid \$197.1 million of outstanding mortgage debt, which was scheduled to mature in September 2025, using proceeds from the \$182.5 million loan and cash on hand

## 2024-2026 Pro Forma Debt Structure

(\$ in millions)

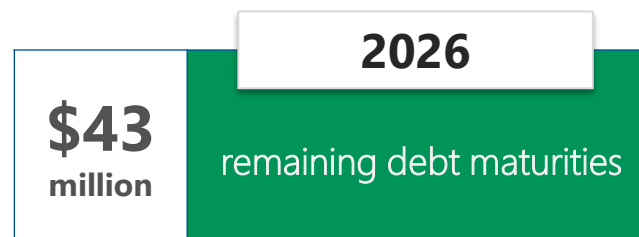
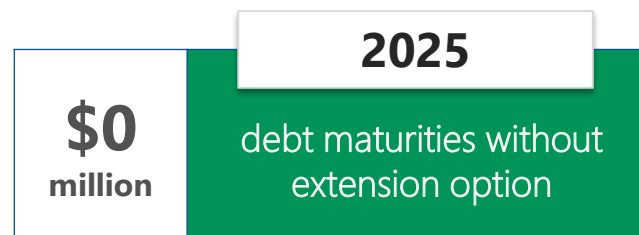
Reported as of June 30, 2024

	Debt Maturities			Recurring Principal Payments	Total
	Available Extension Option	No Available Extension Option	Convertible Senior Notes		
2024	-	-	-	40	40
2025	320	193	-	60	573
2026	-	20	230	56	306

Pro Forma as of June 30, 2024

	Debt Maturities			Recurring Principal Payments	Total
	Available Extension Option	No Available Extension Option	Convertible Senior Notes		
2024	-	-	-	39	39
2025	320	-	-	57	377
2026	-	20	23	56	99

## Following All Transactions Closings



# Appendix: Non-GAAP Financial Measures

## **Non-GAAP Financial Measures**

This Investor Presentation contains the financial measures Adjusted EBITDA, Adjusted EBITDA after cash financing lease payments, Adjusted Free Cash Flow, and Net Debt (each as defined below), which are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Presentations of these non-GAAP financial measures are intended to aid investors in better understanding the factors and trends affecting the Company's performance and liquidity. However, investors should not consider these non-GAAP financial measures as a substitute for financial measures determined in accordance with GAAP, including net income (loss), income (loss) from operations, net cash provided by (used in) operating activities, short-term debt, long-term debt less current portion, or current portion of long-term debt. Investors are cautioned that amounts presented in accordance with the Company's definitions of these non-GAAP financial measures may not be comparable to similar measures disclosed by other companies because not all companies calculate non-GAAP measures in the same manner. Investors are urged to review the reconciliations set forth in this Appendix of Adjusted EBITDA, Adjusted EBITDA after cash financing lease payments, and Net Debt from the most comparable financial measures determined in accordance with GAAP.

Reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most comparable GAAP financial measure is not available without unreasonable effort due to the inherent difficulty in forecasting the timing or amounts of items required to reconcile Adjusted EBITDA from the Company's net income (loss) and Adjusted Free Cash Flow to net cash provided (used in) operating activities. Variability in the timing or amounts of items required to reconcile the measure may have a significant impact on the Company's future GAAP results.

## **Adjusted EBITDA**

Adjusted EBITDA is a non-GAAP performance measure that the Company defines as net income (loss) excluding: benefit/provision for income taxes, non-operating income/expense items, and depreciation and amortization; and further adjusted to exclude income/expense associated with non-cash, non-operational, transactional, cost reduction, or organizational restructuring items that management does not consider as part of the Company's underlying core operating performance and that management believes impact the comparability of performance between periods. For the period presented herein, such other items include non-cash impairment charges, operating lease expense adjustment, non-cash stock-based compensation expense, gain/loss on sale of communities, and transaction and organizational restructuring costs. Transaction costs include those directly related to acquisition, disposition, financing, and leasing activity, and are primarily comprised of legal, finance, consulting, professional fees, and other third-party costs. Organizational restructuring costs include those related to the Company's efforts to reduce general and administrative expense and its senior leadership changes, including severance.

## **Adjusted Free Cash Flow**

Adjusted Free Cash Flow is a non-GAAP liquidity measure that the Company defines as net cash provided by (used in) operating activities before: distributions from unconsolidated ventures from cumulative share of net earnings, changes in prepaid insurance premiums financed with notes payable, changes in operating lease assets and liabilities for lease termination, cash paid/received for gain/loss on facility operating lease termination, and lessor capital expenditure reimbursements under operating leases; plus: property and casualty insurance proceeds and proceeds from refundable entrance fees, net of refunds; less: non-development capital expenditures and payment of financing lease obligations.

## **Net Debt**

Net Debt is a non-GAAP financial measure that the Company defines as the total of its debt and the outstanding balance on the line of credit, less unrestricted cash, marketable securities, and cash held as collateral against existing debt.

# Appendix: Non-GAAP Financial Measures

## Reconciliations of Adjusted EBITDA, Adjusted EBITDA after cash financing lease payments, and Net Debt

The tables below 1) reconcile Adjusted EBITDA and Adjusted EBITDA after cash financing lease payments from net income (loss) and 2) provide the individual components of Net Debt.

(in millions)	<b>For the twelve months ended</b>
	<b>June 30, 2024</b>
<b>Net income (loss)</b>	<b>\$ (207.3)</b>
Provision (benefit) for income taxes	8.3
Equity in (earnings) loss of unconsolidated ventures	2.3
Loss (gain) on debt modification and extinguishment, net	2.7
Non-operating loss (gain) on sale of assets, net	(1.5)
Other non-operating (income) loss	(18.9)
Interest expense	243.4
Interest income	(21.2)
Income (loss) from operations	7.8
Depreciation and amortization	347.5
Asset impairment	41.8
Operating lease expense adjustment	(49.9)
Non-cash stock-based compensation expense	13.2
Transaction and organizational restructuring costs	0.6
<b>Adjusted EBITDA</b>	<b>361.0</b>
Interest expense: financing lease obligations	(20.1)
Payment of financing lease obligations	(1.1)
<b>Adjusted EBITDA after cash financing lease payments</b>	<b>\$ 339.8</b>
	<b>As of</b>
	<b>June 30, 2024</b>
Long-term debt (including current portion)	\$ 3,740.0
Line of credit	-
Cash and cash equivalents	(290.0)
Marketable securities	(19.7)
Cash held as collateral against existing debt	(2.5)
<b>Net Debt</b>	<b>\$ 3,427.8</b>

# Endnotes

Slide	Reference
4	1. Based on estimated 2025 lease payments and assumes Welltower lease was renewed at the end of its current term.
5	<ol style="list-style-type: none"> <li>1. Weighted average occupancy for the six months ended June 30, 2024.</li> <li>2. Annualized current cash lease payments.</li> <li>3. National Investment Center for Seniors Housing &amp; Care (NIC) Supply Set 2Q 2024; target population defined as age 75+.</li> </ol>
6	<ol style="list-style-type: none"> <li>1. Weighted average occupancy for the six months ended June 30, 2024.</li> <li>2. Annualized current cash lease payments.</li> <li>3. NIC Supply Set 2Q 2024; target population defined as age 75+.</li> </ol>
7	<ol style="list-style-type: none"> <li>1. 25 communities located on 18 campuses.</li> <li>2. Weighted average occupancy for the six months ended June 30, 2024.</li> <li>3. Annualized current cash lease payments.</li> </ol>
9	<ol style="list-style-type: none"> <li>1. Pro forma reflects a previously announced lease amendment completed in August 2024, which extended the maturity of one lease involving 24 communities from December 31, 2027 to December 31, 2037, in addition to the impacts from the acquisitions described in this presentation.</li> <li>2. Lease Coverage is calculated based on the trailing-twelve months Leased Portfolio Operating Income, excluding resident fee revenue, other operating income, and facility operating expense of communities disposed during such period adjusted for an implied 5% management fee and capital expenditures at \$350/unit, divided by the trailing-twelve months cash facility lease payments for both operating leases and financing leases, excluding cash lease payments for leases of communities disposed during such period, community support centers, information technology systems and equipment, vehicles, and other equipment. Leased Portfolio Operating Income is defined by the Company as resident fee revenue and other operating income, less facility operating expense for the Company's Senior Housing Leased Portfolio. Leased Portfolio Operating Income does not include general and administrative expense or depreciation and amortization. Senior Housing Leased Portfolio represents Brookdale leased communities and does not include owned or managed communities.</li> <li>3. Adjustments presented in the pro forma of annualized leverage consist only of the transaction impact for cash lease payments and the aggregate purchase price of the acquisition of the 41 leased communities.</li> <li>4. Pro forma adjustment to net debt excludes fair value or other adjustments to the carrying amount of debt recognized in accordance with GAAP.</li> <li>5. Represents cash lease payments for the twelve months ended June 30, 2024 for the leased communities to be acquired.</li> </ol>