

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2025**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-41951**

AMERICAN HEALTHCARE REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

47-2887436

(I.R.S. Employer
Identification No.)

**18191 Von Karman Avenue, Suite 300
Irvine, California**

(Address of principal executive offices)

92612

(Zip Code)

(949) 270-9200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AHR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of August 4, 2025, American Healthcare REIT, Inc. had 168,575,204 shares of Common Stock outstanding.

AMERICAN HEALTHCARE REIT, INC.
(A Maryland Corporation)

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2025 and December 31, 2024
(In thousands, except share and per share amounts) (Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Real estate investments, net	\$ 3,346,121	\$ 3,366,648
Debt security investment, net	91,849	91,264
Cash and cash equivalents	133,494	76,702
Restricted cash	36,497	46,599
Accounts and other receivables, net	224,072	211,104
Identified intangible assets, net	155,886	161,473
Goodwill	234,942	234,942
Operating lease right-of-use assets, net	147,893	163,987
Other assets, net	135,896	135,338
Total assets	<u>\$ 4,506,650</u>	<u>\$ 4,488,057</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Liabilities:		
Mortgage loans payable, net(1)	\$ 983,510	\$ 982,071
Lines of credit and term loan, net(1)	549,632	688,534
Accounts payable and accrued liabilities(1)	273,702	258,324
Identified intangible liabilities, net	2,618	3,001
Financing obligations(1)	34,364	34,870
Operating lease liabilities(1)	148,215	165,239
Security deposits, prepaid rent and other liabilities(1)	51,965	51,856
Total liabilities	<u>2,044,006</u>	<u>2,183,895</u>
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interests (Note 11)	—	220
Equity:		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; 200,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, \$0.01 par value per share; 700,000,000 shares authorized; 164,578,233 and 157,446,697 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1,638	1,564
Additional paid-in capital	3,957,653	3,720,268
Accumulated deficit	(1,536,301)	(1,458,089)
Accumulated other comprehensive loss	(1,993)	(2,512)
Total stockholders' equity	<u>2,420,997</u>	<u>2,261,231</u>
Noncontrolling interests (Note 12)	41,647	42,711
Total equity	<u>2,462,644</u>	<u>2,303,942</u>
Total liabilities, redeemable noncontrolling interests and equity	<u>\$ 4,506,650</u>	<u>\$ 4,488,057</u>

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS — (Continued)
As of June 30, 2025 and December 31, 2024
(In thousands) (Unaudited)

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- (1) Such liabilities of American Healthcare REIT, Inc. represented liabilities of American Healthcare REIT Holdings, LP or its consolidated subsidiaries as of June 30, 2025 and December 31, 2024. American Healthcare REIT Holdings, LP is a variable interest entity, or VIE, and a consolidated subsidiary of American Healthcare REIT, Inc. The creditors of American Healthcare REIT Holdings, LP or its consolidated subsidiaries do not have recourse against American Healthcare REIT, Inc., except for the 2024 Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, held by American Healthcare REIT Holdings, LP in the amount of \$550,000 and \$689,000 as of June 30, 2025 and December 31, 2024, respectively, which was guaranteed by American Healthcare REIT, Inc.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

For the Three and Six Months Ended June 30, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Resident fees and services	\$ 501,285	\$ 458,013	\$ 998,461	\$ 910,131
Real estate revenue	41,218	46,568	84,645	93,983
Total revenues	<u>542,503</u>	<u>504,581</u>	<u>1,083,106</u>	<u>1,004,114</u>
Expenses:				
Property operating expenses	426,285	402,564	858,708	806,193
Rental expenses	12,990	13,323	26,633	27,050
General and administrative	14,943	11,746	28,098	23,574
Business acquisition expenses	(79)	15	1,758	2,797
Depreciation and amortization	41,941	45,264	83,055	88,031
Total expenses	<u>496,080</u>	<u>472,912</u>	<u>998,252</u>	<u>947,645</u>
Other income (expense):				
Interest expense:				
Interest expense, net	(22,632)	(30,596)	(45,577)	(67,034)
(Loss) gain in fair value of derivative financial instruments	(629)	388	(1,379)	6,805
(Loss) gain on dispositions of real estate investments, net	(2,676)	(2)	(3,035)	2,261
Impairment of real estate investments	(12,659)	—	(34,365)	—
Loss from unconsolidated entities	(1,238)	(1,035)	(3,086)	(2,240)
Foreign currency gain (loss)	2,742	82	4,158	(344)
Other income, net	1,480	3,106	3,005	4,969
Total net other expense	<u>(35,612)</u>	<u>(28,057)</u>	<u>(80,279)</u>	<u>(55,583)</u>
Income before income taxes	<u>10,811</u>	<u>3,612</u>	<u>4,575</u>	<u>886</u>
Income tax expense	(732)	(686)	(1,336)	(964)
Net income (loss)	<u>10,079</u>	<u>2,926</u>	<u>3,239</u>	<u>(78)</u>
Net income attributable to noncontrolling interests	(171)	(947)	(135)	(1,835)
Net income (loss) attributable to controlling interest	<u>\$ 9,908</u>	<u>\$ 1,979</u>	<u>\$ 3,104</u>	<u>\$ (1,913)</u>
Net income (loss) per share of Common Stock, Class T common stock and Class I common stock attributable to controlling interest:				
Basic	<u>\$ 0.06</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>
Diluted	<u>\$ 0.06</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>
Weighted average number of shares of Common Stock, Class T common stock and Class I common stock outstanding:				
Basic	<u>160,499,581</u>	<u>130,532,144</u>	<u>158,721,080</u>	<u>117,413,643</u>
Diluted	<u>161,143,556</u>	<u>130,689,889</u>	<u>159,318,503</u>	<u>117,413,643</u>
Net income (loss)	\$ 10,079	\$ 2,926	\$ 3,239	\$ (78)
Other comprehensive income (loss):				
Foreign currency translation adjustments	343	12	519	(31)
Total other comprehensive income (loss)	<u>343</u>	<u>12</u>	<u>519</u>	<u>(31)</u>
Comprehensive income (loss)	<u>10,422</u>	<u>2,938</u>	<u>3,758</u>	<u>(109)</u>
Comprehensive income attributable to noncontrolling interests	(171)	(947)	(135)	(1,835)
Comprehensive income (loss) attributable to controlling interest	<u>\$ 10,251</u>	<u>\$ 1,991</u>	<u>\$ 3,623</u>	<u>\$ (1,944)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three and Six Months Ended June 30, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

Three Months Ended June 30, 2025										
Stockholders' Equity										
Common Stock										
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity		
BALANCE — March 31, 2025	159,065,005	\$ 1,583	\$ 3,768,030	\$ (1,504,861)	\$ (2,336)	\$ 2,262,416	\$ 42,072	\$ 2,304,488		
Issuance of common stock in an offering	5,451,577	54	188,580	—	—	188,634	—	188,634		
Offering costs — common stock	—	—	(1,843)	—	—	(1,843)	—	(1,843)		
Issuance of nonvested restricted common stock	24,336	—	—	—	—	—	—	—		
Vested restricted common stock and stock units(1)	37,315	1	(514)	—	—	(513)	—	(513)		
Amortization related to equity compensation plans	—	—	3,190	—	—	3,190	—	3,190		
Distributions to noncontrolling interests	—	—	—	—	—	—	(606)	(606)		
Adjustment to value of redeemable noncontrolling interests	—	—	210	—	—	210	—	210		
Distributions declared (\$0.25 per share)	—	—	—	(41,348)	—	(41,348)	—	(41,348)		
Net income	—	—	—	9,908	—	9,908	181	10,089 (2)		
Other comprehensive income	—	—	—	—	343	343	—	343		
BALANCE — June 30, 2025	164,578,233	\$ 1,638	\$ 3,957,653	\$ (1,536,301)	\$ (1,993)	\$ 2,420,997	\$ 41,647	\$ 2,462,644		

Three Months Ended June 30, 2024													
Stockholders' Equity													
Common Stock													
	Common Stock		Class T Common Stock		Class I Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
BALANCE — March 31, 2024	65,372,222	\$ 644	19,552,425	\$ 194	46,673,320	\$ 467	\$ 3,275,252	\$ (1,313,190)	\$ (2,468)	\$ 1,960,899	\$ 170,263	\$ 2,131,162	
Vested restricted common stock and stock units(1)	—	—	49,051	1	—	—	(72)	—	—	(71)	—	(71)	
Amortization of nonvested restricted common stock and stock units	—	—	—	—	—	—	2,765	—	—	2,765	—	2,765	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(975)	(975)	
Adjustment to value of redeemable noncontrolling interests	—	—	—	—	—	—	861	—	—	861	276	1,137	
Distributions declared (\$0.25 per share)	—	—	—	—	—	—	—	(33,074)	—	(33,074)	—	(33,074)	
Net income	—	—	—	—	—	—	—	1,979	—	1,979	958	2,937 (2)	
Other comprehensive income	—	—	—	—	—	—	—	—	12	12	—	12	
BALANCE — June 30, 2024	65,372,222	\$ 644	19,601,476	\$ 195	46,673,320	\$ 467	\$ 3,278,806	\$ (1,344,285)	\$ (2,456)	\$ 1,933,371	\$ 170,522	\$ 2,103,893	

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY — (Continued)
For the Three and Six Months Ended June 30, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Six Months Ended June 30, 2025								
	Stockholders' Equity								
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
Number of Shares	Amount								
BALANCE — December 31, 2024	157,446,697	\$ 1,564	\$ 3,720,268	\$ (1,458,089)	\$ (2,512)	\$ 2,261,231	\$ 42,711	\$ 2,303,942	
Issuance of common stock in an offering	7,028,690	70	236,230	—	—	236,300	—	236,300	
Offering costs — common stock	—	—	(2,385)	—	—	(2,385)	—	(2,385)	
Issuance of nonvested restricted common stock	24,336	—	—	—	—	—	—	—	
Vested restricted common stock and stock units(1)	78,510	4	(2,406)	—	—	(2,402)	—	(2,402)	
Amortization related to equity compensation plans	—	—	5,741	—	—	5,741	—	5,741	
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,214)	(1,214)	
Adjustment to value of redeemable noncontrolling interests	—	—	205	—	—	205	—	205	
Distributions declared (\$0.50 per share)	—	—	—	(81,316)	—	(81,316)	—	(81,316)	
Net income	—	—	—	3,104	—	3,104	150	3,254 (2)	
Other comprehensive income	—	—	—	—	519	519	—	519	
BALANCE — June 30, 2025	164,578,233	\$ 1,638	\$ 3,957,653	\$ (1,536,301)	\$ (1,993)	\$ 2,420,997	\$ 41,647	\$ 2,462,644	

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY — (Continued)
For the Three and Six Months Ended June 30, 2025 and 2024
(In thousands, except share and per share amounts) (Unaudited)

	Six Months Ended June 30, 2024											
	Stockholders' Equity											
	Common Stock		Class T Common Stock		Class I Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount						
BALANCE — December 31, 2023	—	\$ —	19,552,856	\$ 194	46,673,320	\$ 467	\$ 2,548,307	\$ (1,276,222)	\$ (2,425)	\$ 1,270,321	\$ 155,014	\$ 1,425,335
Issuance of common stock in an offering	64,400,000	644	—	—	—	—	772,156	—	—	772,800	—	772,800
Offering costs — common stock	—	—	—	—	—	—	(53,542)	—	—	(53,542)	—	(53,542)
Issuance of nonvested restricted common stock	972,222	—	—	—	—	—	—	—	—	—	—	—
Vested restricted common stock and stock units(1)	—	—	49,051	1	—	—	(72)	—	—	(71)	—	(71)
Amortization of nonvested restricted common stock and stock units	—	—	—	—	—	—	4,679	—	—	4,679	—	4,679
Stock based compensation	—	—	—	—	—	—	—	—	—	—	21	21
Repurchase of common stock	—	—	(431)	—	—	—	(14)	—	—	(14)	—	(14)
Purchase of noncontrolling interest	—	—	—	—	—	—	(478)	—	—	(478)	37	(441)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(1,967)	(1,967)
Reclassification of noncontrolling interests from mezzanine equity, net	—	—	—	—	—	—	—	—	—	—	15,282	15,282
Adjustment to value of redeemable noncontrolling interests	—	—	—	—	—	—	7,770	—	—	7,770	268	8,038
Distributions declared (\$0.50 per share)	—	—	—	—	—	—	—	(66,150)	—	(66,150)	—	(66,150)
Net (loss) income	—	—	—	—	—	—	—	(1,913)	—	(1,913)	1,867	(46) (2)
Other comprehensive loss	—	—	—	—	—	—	—	—	(31)	(31)	—	(31)
BALANCE — June 30, 2024	65,372,222	\$ 644	19,601,476	\$ 195	46,673,320	\$ 467	\$ 3,278,806	\$ (1,344,285)	\$ (2,456)	\$ 1,933,371	\$ 170,522	\$ 2,103,893

(1) The amounts are shown net of common stock withheld to satisfy employee minimum tax withholding requirements in connection with the vesting of restricted common stock and stock units. See Note 12, Equity — Equity Compensation Plans, for further discussion.

(2) For the three months ended June 30, 2025 and 2024, amounts exclude \$10 and \$11, respectively, of net loss attributable to redeemable noncontrolling interests. For the six months ended June 30, 2025 and 2024, amounts exclude \$15 and \$32, respectively, of net loss attributable to redeemable noncontrolling interests. See Note 11, Redeemable Noncontrolling Interests, for further discussion.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2025 and 2024
(In thousands) (Unaudited)

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 3,239	\$ (78)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	83,055	88,031
Other amortization	19,213	22,645
Deferred rent	(1,556)	(1,880)
Stock based compensation	5,741	5,203
Loss (gain) on dispositions of real estate investments, net	3,035	(2,261)
Impairment of real estate investments	34,365	—
Loss from unconsolidated entities	3,086	2,240
Foreign currency (gain) loss	(4,172)	332
Loss on extinguishments of debt	1,754	1,280
Change in fair value of derivative financial instruments	1,379	(6,805)
Changes in operating assets and liabilities:		
Accounts and other receivables	(13,581)	(20,839)
Other assets	(5,006)	(13,757)
Accounts payable and accrued liabilities	16,735	(1,652)
Operating lease liabilities	(15,523)	(17,092)
Security deposits, prepaid rent and other liabilities	327	(1,919)
Net cash provided by operating activities	<u>132,091</u>	<u>53,448</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Developments and capital expenditures	(48,077)	(38,375)
Acquisitions of real estate investments	(81,886)	(46,428)
Proceeds from dispositions of real estate investments	36,428	14,520
Investments in unconsolidated entities	(360)	—
Issuances of real estate notes receivable	(5,855)	(14,403)
Principal repayments on real estate notes receivable	6,625	19,283
Real estate and other deposits	(1,737)	(131)
Net cash used in investing activities	<u>(94,862)</u>	<u>(65,534)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under mortgage loans payable	30,000	27,204
Payments on mortgage loans payable	(30,708)	(194,560)
Borrowings under the lines of credit and term loan	132,500	434,600
Payments on the lines of credit and term loan	(271,532)	(874,823)
Payments on financing and other obligations	(1,049)	(1,575)
Deferred financing costs	(259)	(7,115)
Debt extinguishment costs	(52)	—
Proceeds from issuance of common stock in offerings	236,300	772,800
Payment of offering costs	(2,313)	(49,469)
Distributions paid	(79,425)	(49,594)
Repurchase of common stock	—	(14)
Payments to taxing authorities in connection with common stock directly withheld from employees	(2,402)	(71)
Purchase of noncontrolling interest	—	(441)
Distributions to noncontrolling interests	(1,214)	(1,971)

AMERICAN HEALTHCARE REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)
For the Six Months Ended June 30, 2025 and 2024
(In thousands) (Unaudited)

	Six Months Ended June 30,	
	2025	2024
Redemption of noncontrolling interest	\$ —	\$ (36,083)
Security deposits	(498)	47
Net cash provided by financing activities	9,348	18,935
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	\$ 46,577	\$ 6,849
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	113	(29)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — Beginning of period	123,301	90,782
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — End of period	<u>\$ 169,991</u>	<u>\$ 97,602</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period:		
Cash and cash equivalents	\$ 76,702	\$ 43,445
Restricted cash	46,599	47,337
Cash, cash equivalents and restricted cash	<u>\$ 123,301</u>	<u>\$ 90,782</u>
End of period:		
Cash and cash equivalents	\$ 133,494	\$ 52,087
Restricted cash	36,497	45,515
Cash, cash equivalents and restricted cash	<u>\$ 169,991</u>	<u>\$ 97,602</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	\$ 41,716	\$ 62,875
Income taxes	\$ 836	\$ 734
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued developments and capital expenditures	\$ 20,739	\$ 22,098
Capital expenditures from financing and other obligations	\$ —	\$ 353
Tenant improvement overage	\$ 82	\$ 3,749
Acquisition of real estate investments with assumed mortgage loans payable, net of debt discount	\$ —	\$ 91,472
Reclassification of noncontrolling interests from mezzanine equity, net	\$ —	\$ 15,282
Distributions declared but not paid	\$ 42,266	\$ 34,145
Accrued offering costs	\$ 78	\$ 511
The following represents the net increase (decrease) in certain assets and liabilities in connection with our acquisitions and dispositions of investments:		
Accounts and other receivables	\$ (7)	\$ 343
Other assets, net	\$ (2,191)	\$ (3,749)
Accounts payable and accrued liabilities	\$ (2,393)	\$ 51
Security deposits and other liabilities	\$ (471)	\$ (236)

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the Three and Six Months Ended June 30, 2025 and 2024

The use of the words “we,” “us” or “our” refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

1. Organization and Description of Business

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed real estate investment trust, or REIT, that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, or SNFs, outpatient medical, or OM, buildings and other healthcare-related facilities. We have built a fully-integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom and the Isle of Man. We own and operate our integrated senior health campuses, or ISHC, and senior housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a “RIDEA” structure. We have also originated and acquired secured loans and may acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of June 30, 2025 and December 31, 2024, we owned 98.8% and 98.7%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 1.2% and 1.3% of the OP units, respectively, were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, the non-executive Chairman of our board of directors, or our board, Danny Prosky, our Chief Executive Officer, President and director, and Mathieu B. Streiff, one of our non-executive directors; and (ii) a wholly owned subsidiary of Griffin Capital Company, LLC. See Note 11, Redeemable Noncontrolling Interests, and Note 12, Equity — Noncontrolling Interests in Total Equity, for a further discussion of the ownership in our operating partnership.

Real Estate Investments Portfolio

We currently operate through four reportable business segments: ISHC, OM, SHOP and triple-net leased properties. As of June 30, 2025, we owned and/or operated 309 buildings and ISHC representing approximately 19,228,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of \$4,513,420,000. In addition, as of June 30, 2025, we also owned a real estate-related debt investment purchased for \$60,429,000.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our accompanying condensed consolidated financial statements. Such condensed consolidated financial statements and the accompanying notes thereto are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, or GAAP, in all material respects, and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our operating partnership, the wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries in which we have control, as well as any VIEs in which we are the primary beneficiary. The portion of equity in any subsidiary that is not wholly owned by us is presented in our accompanying condensed consolidated financial statements as a noncontrolling interest. We evaluate our ability to control an entity, and whether the entity is a VIE and we are the primary beneficiary, by considering substantive terms of the arrangement and identifying which enterprise has the power to direct the activities of the entity that most significantly impacts the entity’s economic performance.

We operate and intend to continue to operate in an umbrella partnership REIT structure in which our operating partnership, wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries of which we have

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

control will own substantially all of the interests in properties acquired on our behalf. We are the sole general partner of our operating partnership and as of June 30, 2025 and December 31, 2024, we owned a 98.8% and 98.7%, respectively, general partnership interest therein, and the remaining 1.2% and 1.3%, respectively, partnership interest was owned by the limited partners.

The accounts of our operating partnership are consolidated in our accompanying condensed consolidated financial statements because we are the sole general partner of our operating partnership and have unilateral control over its management and major operating decisions (even if additional limited partners are admitted to our operating partnership). All intercompany accounts and transactions are eliminated in consolidation.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the U.S. Securities and Exchange Commission, or SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to the SEC's rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments which are, in our view, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such full-year results may be less favorable.

In preparing our accompanying condensed consolidated financial statements, management has evaluated subsequent events through the financial statement issuance date. We believe that although the disclosures contained herein are adequate to prevent the information presented from being misleading, our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Use of Estimates

The preparation of our accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of our condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, the initial and recurring valuation of certain assets acquired and liabilities assumed through property acquisitions including through business combinations, goodwill and its impairment, revenues, allowance for credit losses, impairment of long-lived and intangible assets and contingencies. These estimates are made and evaluated on an on-going basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions.

Revenue Recognition — Resident Fees and Services Revenue

Disaggregation of Resident Fees and Services Revenue

The following tables disaggregate our resident fees and services revenue by line of business, according to whether such revenue is recognized at a point in time or over time, for the periods presented below (in thousands):

	Three Months Ended June 30,					
	2025			2024		
	ISHC	SHOP(1)	Total	ISHC	SHOP(1)	Total
Over time	\$ 351,321	\$ 75,314	\$ 426,635	\$ 325,618	\$ 62,654	\$ 388,272
Point in time	72,504	2,146	74,650	68,156	1,585	69,741
Total resident fees and services	\$ 423,825	\$ 77,460	\$ 501,285	\$ 393,774	\$ 64,239	\$ 458,013

AMERICAN HEALTHCARE REIT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	Six Months Ended June 30,					
	2025			2024		
	ISHC	SHOP(1)	Total	ISHC	SHOP(1)	Total
Over time	\$ 704,448	\$ 147,082	\$ 851,530	\$ 650,135	\$ 120,274	\$ 770,409
Point in time	142,741	4,190	146,931	136,761	2,961	139,722
Total resident fees and services	\$ 847,189	\$ 151,272	\$ 998,461	\$ 786,896	\$ 123,235	\$ 910,131

The following tables disaggregate our resident fees and services revenue by payor class, for the periods presented below (in thousands):

	Three Months Ended June 30,					
	2025			2024		
	ISHC	SHOP(1)	Total	ISHC	SHOP(1)	Total
Medicare	\$ 168,181	\$ 1,571	\$ 169,752	\$ 124,986	\$ 1,482	\$ 126,468
Private and other payors	159,256	65,714	224,970	179,586	53,797	233,383
Medicaid	96,388	10,175	106,563	89,202	8,960	98,162
Total resident fees and services	\$ 423,825	\$ 77,460	\$ 501,285	\$ 393,774	\$ 64,239	\$ 458,013

	Six Months Ended June 30,					
	2025			2024		
	ISHC	SHOP(1)	Total	ISHC	SHOP(1)	Total
Medicare	\$ 335,483	\$ 3,243	\$ 338,726	\$ 245,335	\$ 2,726	\$ 248,061
Private and other payors	321,218	127,496	448,714	363,908	104,972	468,880
Medicaid	190,488	20,533	211,021	177,653	15,537	193,190
Total resident fees and services	\$ 847,189	\$ 151,272	\$ 998,461	\$ 786,896	\$ 123,235	\$ 910,131

- (1) Includes fees for basic housing, as well as fees for assisted living or skilled nursing care. We record revenue when services are rendered at amounts billable to individual residents. Residency agreements are generally for a term of 30 days, with resident fees billed monthly in advance. For residents under reimbursement arrangements with third-party payors, including Medicaid, Medicare and private insurers, revenue is recorded based on contractually agreed-upon amounts or rates on a daily, per resident basis or as services are performed.

Accounts Receivable, Net — Resident Fees and Services Revenue

The beginning and ending balances of accounts receivable, net — resident fees and services are as follows (in thousands):

	Private and Other Payors	Medicare	Medicaid	Total
Beginning balance — January 1, 2025	\$ 69,198	\$ 57,807	\$ 39,966	\$ 166,971
Ending balance — June 30, 2025	67,869	65,310	44,344	177,523
(Decrease)/increase	\$ (1,329)	\$ 7,503	\$ 4,378	\$ 10,552

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Deferred Revenue — Resident Fees and Services Revenue

Deferred revenue is included in security deposits, prepaid rent and other liabilities in our accompanying condensed consolidated balance sheets. The beginning and ending balances of deferred revenue — resident fees and services, almost all of which relates to private and other payors, are as follows (in thousands):

	Total
Beginning balance — January 1, 2025	\$ 24,727
Ending balance — June 30, 2025	25,836
Increase	\$ 1,109

Resident and Tenant Receivables and Allowances

Resident receivables, which are related to resident fees and services revenue, are carried net of an allowance for credit losses. An allowance is maintained for estimated losses resulting from the inability of residents and payors to meet the contractual obligations under their lease or service agreements. Substantially all of such allowances are recorded as direct reductions of resident fees and services revenue as contractual adjustments provided to third-party payors or implicit price concessions in our accompanying condensed consolidated statements of operations and comprehensive income (loss). Our determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, the residents' financial condition, security deposits, cash collection patterns by payor and by state, current economic conditions, future expectations in estimating credit losses and other relevant factors. Tenant receivables, which are related to real estate revenue, and unbilled deferred rent receivables are reduced for amounts where collectability is not probable, which are recognized as direct reductions of real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income (loss).

The following is a summary of our adjustments to allowances for the periods presented below (in thousands):

	Six Months Ended June 30,	
	2025	2024
Beginning balance	\$ 22,582	\$ 17,037
Additional allowances	16,153	13,212
Write-offs	(6,132)	(10,680)
Recoveries collected or adjustments	(4,817)	(1,555)
Ending balance	\$ 27,786	\$ 18,014

Accounts Payable and Accrued Liabilities

As of June 30, 2025 and December 31, 2024, accounts payable and accrued liabilities primarily include reimbursement of payroll-related costs to the managers of our ISHC and SHOP of \$57,370,000 and \$45,438,000, respectively, insurance reserves of \$50,961,000 and \$47,578,000, respectively, accrued distributions of \$42,266,000 and \$40,375,000, respectively, accrued property taxes of \$22,926,000 and \$23,540,000, respectively, and accrued developments and capital expenditures of \$20,739,000 and \$22,644,000, respectively.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standard Board, or FASB, issued Accounting Standard Update, or ASU, 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, or ASU 2023-09, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively; however, retrospective application is permitted. We expect to include additional tax disclosures in the notes to our annual financial statements upon our adoption of ASU 2023-09 beginning with our 2025 Annual Report on Form 10-K, and no other changes to our existing disclosures or consolidated financial statements are expected to result from the adoption of such standard.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, or ASU 2024-03. Further, in January 2025, the FASB issued ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, or ASU 2025-01. ASU 2024-03 requires new financial statement disclosure to be provided in the notes to the financial statements in a tabular presentation related to the disaggregation of certain expense captions presented on the face of the income statement within continuing operations that include expense categories such as: (i) purchases of inventory; (ii) employee compensation; (iii) depreciation; and (iv) intangible asset amortization. ASU 2024-03 and ASU 2025-01 are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and may be applied retrospectively or prospectively. We are currently evaluating this guidance to determine the impact on our consolidated financial statement disclosures beginning with our 2027 Annual Report on Form 10-K.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, or ASU 2025-03. ASU 2025-03 amends the guidance Topic 805 and Topic 810, to improve the determination of the accounting acquirer in business combinations involving VIEs. Under the new guidance, entities are required to apply the general principles in Topic 805 to identify the accounting acquirer when the legal acquiree is a VIE that meets the definition of a business, and the transaction is primarily effected by exchanging equity interests. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted and should be applied prospectively to any acquisition transaction that occurs after the adoption date. We are currently evaluating this guidance to determine the impact on our consolidated financial statement and disclosures beginning with our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2027.

3. Real Estate Investments

Our real estate investments, net consisted of the following as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Building, improvements and construction in process	\$ 3,638,402	\$ 3,619,555
Land and improvements	346,232	353,317
Furniture, fixtures and equipment	272,637	262,742
	4,257,271	4,235,614
Less: accumulated depreciation	(911,150)	(868,966)
Total	\$ 3,346,121	\$ 3,366,648

Depreciation expense for the three months ended June 30, 2025 and 2024 was \$37,284,000 and \$36,866,000, respectively, and for the six months ended June 30, 2025 and 2024 was \$73,861,000 and \$74,001,000, respectively.

The following is a summary of our capital expenditures by reportable segment for the periods presented below (in thousands):

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
ISHC	\$ 16,316	\$ 31,526
SHOP	4,423	7,358
OM	1,836	4,531
Triple-net leased properties	266	266
Total	\$ 22,841	\$ 43,681

Included in the capital expenditure amounts above are costs for the development and expansion of our ISHC. For the three and six months ended June 30, 2025, we did not place in service any developments or expansions.

Acquisitions of Real Estate Investments

For the six months ended June 30, 2025, we acquired nine land parcels in Indiana for an aggregate contract purchase price of \$250,000, plus closing costs, for the future development of ISHC. For the six months ended June 30, 2025, using cash

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

and debt financing, we also acquired one previously leased real estate investment located in Indiana and one SHOP located in Virginia. The following is a summary of such acquisitions (in thousands):

Location	Type	Date Acquired	Contract Purchase Price	Line of Credit
Evansville, IN	ISHC	02/26/25	\$ 16,087	\$ 8,000
Fredericksburg, VA	SHOP	04/14/25	65,000	61,500
Total			<u>\$ 81,087</u>	<u>\$ 69,500</u>

We accounted for such acquisitions of land and real estate investments completed during the six months ended June 30, 2025 as asset acquisitions. The following table summarizes the purchase price of such assets acquired at the time of acquisition based on their relative fair values and adjusted for \$6,374,000 operating lease right-of-use assets and \$7,445,000 operating lease liabilities (in thousands):

	2025 Acquisitions
Building and improvements	\$ 69,587
Land	6,586
In-place leases	5,535
Total assets acquired	<u>\$ 81,708</u>

Dispositions of Real Estate Investments

For the six months ended June 30, 2025, we disposed of one SHOP, two ISHC, and three OM buildings. We recognized a total net loss on such dispositions of \$3,037,000. The following is a summary of such dispositions (dollars in thousands):

Location	Number of Buildings/Campuses	Type	Date Disposed	Contract Sales Price
Lansing, MI	1	SHOP	02/11/25	\$ 3,250
Greenville, OH	1	ISHC	03/01/25	6,700
King of Prussia, PA	1	OM	04/08/25	12,902
Chesterfield, MO	1	OM	05/01/25	6,777
Springfield, OH	1	ISHC	05/01/25	9,300
Crown Point, IN	1	OM	05/13/25	4,500
Total	<u>6</u>			<u>\$ 43,429</u>

Impairment of Real Estate Investments

As we continue to evaluate our properties based on their historical operating performance and our expected holding period, for the three and six months ended June 30, 2025, we recognized an aggregate impairment charge of \$12,659,000 and \$34,365,000, respectively, for five and six OM buildings, respectively. The fair value of each OM building was determined by the sales price of the respective executed purchase and sale agreement with a third-party buyer, which were considered a Level 2 measurement within the fair value hierarchy. For the three and six months ended June 30, 2024, we did not recognize any impairment of real estate investments.

Business Combination

On February 1, 2024, we acquired a portfolio of 14 senior housing properties in Oregon from an unaffiliated third party, which properties are included in our SHOP segment. These properties are part of the underlying collateral pool of real estate assets securing our debt security investment, as defined and described in Note 4, Debt Security Investment. We acquired such properties by assuming the outstanding principal balance of each related mortgage loan payable from one of the borrowers since such borrower was in default. The aggregated principal balance of such assumed mortgage loans payable was \$94,461,000 at the time of acquisition. No cash consideration was exchanged as part of the transaction; however, we incurred transaction costs of \$2,636,000 related to the acquisition of such properties. See Note 4, Debt Security Investment, for a further discussion. Based on quantitative and qualitative considerations, such business combination was not material to us and therefore, pro forma financial information was not provided.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

We did not complete any real estate acquisitions accounted for as business combinations for the six months ended June 30, 2025. The table below summarizes the acquisition date fair values of the assets acquired and liabilities assumed of our business combination during the six months ended June 30, 2024 (in thousands):

	2024 Acquisition
Building and improvements	\$ 64,350
Land	14,210
In-place leases	12,912
Accounts receivable	343
Other assets	9
Total assets acquired	91,824
Mortgage loans payable (including debt discount of \$2,989)	(91,472)
Accounts payable and accrued liabilities	(352)
Total liabilities assumed	(91,824)
Net assets acquired	\$ —

4. Debt Security Investment

Our investment in a commercial mortgage-backed debt security, or debt security, bears an interest rate on the stated principal amount thereof equal to 4.24% per annum, the terms of which security provide for monthly interest-only payments. The debt security was issued by an unaffiliated mortgage trust and represented an approximate 10.0% beneficial ownership interest in such mortgage trust. The debt security is subordinate to all other interests in the mortgage trust and is not guaranteed by a government-sponsored entity. The debt security was originally due to mature on August 25, 2025 at an aggregate stated amount of \$93,433,000.

On each of February 1, 2024 and September 3, 2024, we acquired a portfolio of 14 senior housing properties in Oregon and five senior housing properties in Washington, respectively, from unaffiliated third parties, which are included in the underlying collateral pool of real estate assets securing our debt security investment. We acquired such properties by assuming the outstanding principal balance of each related mortgage loan payable from one of the borrowers since such borrower was in default. Further, we extended the maturity dates of the related mortgage loans payable from August 25, 2025 to January 1, 2028, thereby extending the maturity date of our debt security investment.

As of June 30, 2025 and December 31, 2024, the carrying amount of the debt security investment was \$91,849,000 and \$91,264,000, respectively, net of unamortized closing costs of \$116,000 and \$165,000, respectively. Accretion on the debt security for the three months ended June 30, 2025 and 2024 was \$163,000 and \$1,154,000, respectively, and for the six months ended June 30, 2025 and 2024 was \$634,000 and \$2,279,000, respectively, which is recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income (loss). Amortization expense of closing costs for the three months ended June 30, 2025 and 2024 was \$12,000 and \$80,000, respectively, and for the six months ended June 30, 2025 and 2024 was \$49,000 and \$156,000, respectively, which is recorded as a decrease to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income (loss). We evaluated credit quality indicators such as the agency ratings and the underlying collateral of such investment in order to determine expected future credit loss. For the three and six months ended June 30, 2025 and 2024, we did not record a credit loss.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

5. Identified Intangible Assets and Liabilities

Identified intangible assets, net and identified intangible liabilities, net consisted of the following as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Amortized intangible assets:		
In-place leases, net of accumulated amortization of \$33,030 and \$41,764 as of June 30, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 5.8 years and 5.9 years as of June 30, 2025 and December 31, 2024, respectively)	\$ 26,684	\$ 28,906
Above-market leases, net of accumulated amortization of \$8,075 and \$8,309 as of June 30, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 6.7 years and 6.9 years as of June 30, 2025 and December 31, 2024, respectively)	11,053	12,700
Unamortized intangible assets:		
Certificates of need	97,882	99,600
Trade names	20,267	20,267
Total identified intangible assets, net	\$ 155,886	\$ 161,473
Amortized intangible liabilities:		
Below-market leases, net of accumulated amortization of \$2,711 and \$2,442 as of June 30, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 4.6 years and 5.0 years as of June 30, 2025 and December 31, 2024, respectively)	\$ 2,618	\$ 3,001
Total identified intangible liabilities, net	\$ 2,618	\$ 3,001

Amortization expense on identified intangible assets for the three months ended June 30, 2025 and 2024 was \$4,463,000 and \$8,428,000, respectively, which included \$547,000 and \$691,000, respectively, of amortization recorded as a decrease to real estate revenue for above-market leases in our accompanying condensed consolidated statements of operations and comprehensive income (loss). Amortization expense on identified intangible assets for the six months ended June 30, 2025 and 2024 was \$8,890,000 and \$14,141,000, respectively, which included \$1,151,000 and \$1,407,000, respectively, of amortization recorded as a decrease to real estate revenue for above-market leases in our accompanying condensed consolidated statements of operations and comprehensive income (loss).

Amortization expense on below-market leases for the three months ended June 30, 2025 and 2024 was \$192,000 and \$272,000, respectively, and for the six months ended June 30, 2025 and 2024 was \$383,000 and \$562,000, respectively, which is recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income (loss).

The aggregate weighted average remaining life of the identified intangible assets was 6.0 years and 6.2 years as of June 30, 2025 and December 31, 2024, respectively. The aggregate weighted average remaining life of the identified intangible liabilities was 4.6 years and 5.0 years as of June 30, 2025 and December 31, 2024, respectively. As of June 30, 2025, estimated amortization expense on the identified intangible assets and liabilities for the remaining six months ending December 31, 2025 and for each of the next four years ending December 31, and thereafter was as follows (in thousands):

Year	Amortization Expense	
	Intangible Assets	Intangible Liabilities
2025	\$ 6,587	\$ (343)
2026	8,658	(609)
2027	5,535	(594)
2028	4,490	(478)
2029	3,840	(338)
Thereafter	8,627	(256)
Total	\$ 37,737	\$ (2,618)

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

6. Other Assets

Other assets, net consisted of the following as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Deferred rent receivables	\$ 48,759	\$ 47,520
Prepaid expenses, deposits, other assets and deferred tax assets, net	34,830	29,859
Inventory — finished goods	19,428	19,477
Lease commissions, net of accumulated amortization of \$8,927 and \$8,270 as of June 30, 2025 and December 31, 2024, respectively	16,749	17,680
Investments in unconsolidated entities	11,198	13,924
Deferred financing costs, net of accumulated amortization of \$1,359 and \$9,224 as of June 30, 2025 and December 31, 2024, respectively	2,479	3,760
Lease inducement, net of accumulated amortization of \$3,071 and \$2,895 as of June 30, 2025 and December 31, 2024, respectively (with a weighted average remaining life of 5.5 years and 5.9 years as of June 30, 2025 and December 31, 2024, respectively)	1,929	2,105
Derivative financial instruments	524	1,013
Total	<u>\$ 135,896</u>	<u>\$ 135,338</u>

Deferred financing costs included in other assets were related to the Trilogy Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, as well as the senior unsecured revolving credit facility portions of the 2024 Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, and our previous credit facility. In March 2025, in connection with the termination of the Trilogy Credit Facility, we incurred a loss on extinguishment of \$533,000 primarily consisting of the write-off of unamortized deferred financing costs associated with the Trilogy Credit Facility. In February 2024, in connection with the replacement of our previous credit facility with the 2024 Credit Facility, we incurred an aggregate loss on extinguishment of \$565,000 due to the partial write-off of unamortized deferred financing costs related to the senior unsecured revolving credit facility portion of our previous credit facility. Loss on extinguishment of debt is recorded as an increase to interest expense in our accompanying condensed consolidated statements of operations and comprehensive income (loss). See Note 8, Lines of Credit and Term Loan, for further discussion of our lines of credit. Amortization expense on lease inducement for the three months ended June 30, 2025 and 2024 was \$89,000 and \$88,000, respectively, and for both the six months ended June 30, 2025 and 2024 was \$176,000, which is recorded as a decrease to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income (loss).

7. Mortgage Loans Payable

Mortgage loans payable, net consisted of the following as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Fixed-rate debt (87 and 89 loans as of June 30, 2025 and December 31, 2024, respectively)	\$ 1,004,016	\$ 1,004,724
Less: deferred financing costs, net	(10,153)	(10,007)
Add: premium	78	103
Less: discount	(10,431)	(12,749)
Mortgage loans payable, net	<u>\$ 983,510</u>	<u>\$ 982,071</u>

Based on interest rates in effect as of June 30, 2025 and December 31, 2024, effective interest rates on mortgage loans payable ranged from 2.21% to 5.99% per annum, with a weighted average effective interest rate of 3.73% and 3.67%, respectively. We are required by the terms of certain loan documents to meet certain reporting requirements and covenants, such as net worth ratios, fixed charge coverage ratios and leverage ratios.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

The following table reflects the changes in the carrying amount of mortgage loans payable, net for the periods presented below (in thousands):

	Six Months Ended June 30,	
	2025	2024
Beginning balance	\$ 982,071	\$ 1,302,396
Additions:		
Borrowings under mortgage loans payable	30,000	27,204
Assumption of mortgage loans payable due to acquisition of real estate investments, net	—	91,472
Amortization of deferred financing costs	869	1,566
Amortization of discount/premium on mortgage loans payable, net	2,291	2,776
Deductions:		
Scheduled principal payments on mortgage loans payable	(15,454)	(10,115)
Early payoff of mortgage loans payable	—	(184,445)
Payoff of mortgage loans payable due to dispositions of real estate investments	(15,254)	—
Deferred financing costs	(1,013)	(2,257)
Ending balance	<u>\$ 983,510</u>	<u>\$ 1,228,597</u>

Amortization of deferred financing costs and amortization of discount/premium on mortgage loans payable is included in interest expense in our accompanying condensed consolidated statements of operations and comprehensive income (loss). For both the three and six months ended June 30, 2025, we incurred a loss on the early extinguishment of a mortgage loan payable of \$1,273,000, which is recorded as an increase to interest expense in our accompanying condensed consolidated statements of operations and comprehensive income (loss). Such loss was related to the payoff of a mortgage loan payable due to the disposition of the underlying real estate investment in May 2025. For the three and six months ended June 30, 2024, we incurred an aggregate loss on the early extinguishment of a mortgage loan payable of \$0 and \$715,000. Such aggregate loss was primarily related to the payoff of approximately \$176,145,000 of mortgage loans payable using the net proceeds from the February 2024 Offering, as defined and described in Note 12, Equity.

As of June 30, 2025, the principal payments due on our mortgage loans payable for the remaining six months ending December 31, 2025 and for each of the next four years ending December 31, and thereafter were as follows (in thousands):

Year	Amount
2025	\$ 17,392
2026	160,094
2027	56,611
2028	139,963
2029	16,963
Thereafter	612,993
Total	<u>\$ 1,004,016</u>

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

8. Lines of Credit and Term Loan***2024 Credit Facility***

We, through our operating partnership, as borrower, and certain of our subsidiaries, or the subsidiary guarantors, collectively, with us, as guarantors, are party to an amended loan agreement, or the 2024 Credit Agreement, with Bank of America, N.A., or Bank of America, KeyBank National Association, or KeyBank, Citizens Bank, National Association and a syndicate of other banks, as lenders, for a credit facility with an aggregate maximum principal amount up to \$1,150,000,000, or the 2024 Credit Facility. The 2024 Credit Facility consists of a senior unsecured revolving credit facility in the initial aggregate amount of \$600,000,000 and a senior unsecured term loan facility in the initial aggregate amount of \$550,000,000. The proceeds of loans made under the 2024 Credit Facility may be used for general corporate purposes including for working capital, capital expenditures, refinancing existing indebtedness and other corporate purposes not inconsistent with obligations under the 2024 Credit Agreement. We may also obtain up to \$25,000,000 in the form of standby letters of credit pursuant to the 2024 Credit Facility. Unless defined herein, all capitalized terms under this “2024 Credit Facility” subsection are defined in the 2024 Credit Agreement.

Under the terms of the 2024 Credit Agreement, the Revolving Loans mature on February 14, 2028, and may be extended for one 12-month period, subject to the satisfaction of certain conditions, including payment of an extension fee. The Term Loan matures on January 19, 2027, and may not be extended. The maximum principal amount of the 2024 Credit Facility may be increased by an aggregate incremental amount of \$600,000,000, subject to: (i) the terms of the 2024 Credit Agreement and (ii) at least five business days’ prior written notice to Bank of America.

At our option, the 2024 Credit Facility bears interest at varying rates based upon (i) Daily SOFR, plus the Applicable Rate for Daily SOFR Rate Loans or (ii) Term SOFR, plus the Applicable Rate for Term SOFR Rate Loans. If, under the terms of the 2024 Credit Agreement, there is an inability to determine the Daily SOFR or the Term SOFR, then the 2024 Credit Facility will bear interest at a rate per annum equal to the Base Rate plus the Applicable Rate for Base Rate Loans. The loans may be repaid in whole or in part without prepayment premium or penalty, subject to certain conditions.

We are required to pay a fee on the unused portion of the lenders’ commitments under the 2024 Credit Agreement computed at (a) 0.25% per annum if the actual daily Commitment Utilization Percentage for such quarter is less than or equal to 50% and (b) 0.20% per annum if the actual daily Commitment Utilization Percentage for such quarter is greater than 50%, which fee shall be computed on the actual daily amount of the Available Commitments during the period for which payment is made and payable in arrears on a quarterly basis.

The 2024 Credit Agreement requires us to add additional subsidiaries as guarantors in the event the value of the assets owned by the subsidiary guarantors falls below a certain threshold as set forth in the 2024 Credit Agreement. In the event of default, Bank of America has the right to terminate the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions under the 2024 Credit Agreement and to accelerate the payment on any unpaid principal amount of all outstanding loans and all interest accrued and unpaid thereon.

As of both June 30, 2025 and December 31, 2024, our aggregate borrowing capacity under the 2024 Credit Facility was \$1,150,000,000, excluding the \$25,000,000 standby letters of credit described above. As of June 30, 2025 and December 31, 2024, borrowings outstanding under the 2024 Credit Facility totaled \$550,000,000 (\$549,632,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2024 Credit Facility), and \$689,000,000 (\$688,502,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2024 Credit Facility), respectively, and the weighted average interest rate on such borrowings outstanding was 5.64% and 5.67% per annum, respectively.

Trilogy Credit Facility

We, through Trilogy RER, LLC, were party to an amended loan agreement, or the Trilogy Credit Agreement, by and among certain subsidiaries of Trilogy OpCo, LLC, Trilogy RER, LLC, and Trilogy Pro Services, LLC; KeyBank; CIT Bank, N.A.; Regions Bank; KeyBanc Capital Markets, Inc.; Regions Capital Markets; Bank of America; The Huntington National Bank; and a syndicate of other banks, as lenders named therein, with respect to a senior secured revolving credit facility that had an aggregate maximum principal amount of \$400,000,000, consisting of: (i) a \$365,000,000 secured revolver supported by real estate assets and ancillary business cash flow and (ii) a \$35,000,000 accounts receivable revolving credit facility supported by eligible accounts receivable, or the Trilogy Credit Facility.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

As of December 31, 2024, our aggregate borrowing capacity under the Trilogy Credit Facility was \$400,000,000 and borrowings outstanding totaled \$32,000 with a weighted average interest rate of 7.30% per annum. The Trilogy Credit Facility was originally due to mature on June 5, 2025. On March 3, 2025, we repaid all borrowings and terminated the Trilogy Credit Facility, and therefore as of June 30, 2025, we do not have any obligations under the Trilogy Credit Agreement.

9. Derivative Financial Instruments

We use derivative financial instruments to manage interest rate risk associated with variable-rate debt. We recorded such derivative financial instruments in our accompanying condensed consolidated balance sheets as either an asset or a liability, as applicable, measured at fair value. The following table lists the derivative financial instruments held by us as of June 30, 2025 and December 31, 2024, which were included in other assets and other liabilities in our accompanying condensed consolidated balance sheets (dollars in thousands):

Instrument	Notional Amount	Index	Interest Rate	Effective Date	Maturity Date	Fair Value	
						June 30, 2025	December 31, 2024
Swap	\$ 275,000	Daily SOFR	3.74%	02/01/23	01/19/26	\$ 524	\$ 1,013
Swap	\$ 275,000	Daily SOFR	4.41%	08/08/23	01/19/26	(502)	(909)
Swap	\$ 350,000	Daily SOFR	3.51%	01/20/26	01/19/27	(819)	—
Swap	\$ 200,000	Daily SOFR	3.52%	01/20/26	01/19/27	(478)	—
						<u>\$ (1,275)</u>	<u>\$ 104</u>

As of both June 30, 2025 and December 31, 2024, none of our derivative financial instruments were designated as hedges. Derivative financial instruments not designated as hedges are not speculative and are used to manage our exposure to interest rate movements, but do not meet the strict hedge accounting requirements. For the three months ended June 30, 2025 and 2024, we recorded a net (loss) gain in the fair value of derivative financial instruments of \$(629,000) and \$388,000, respectively, and for the six months ended June 30, 2025 and 2024, we recorded a net (loss) gain in the fair value of derivative financial instruments of \$(1,379,000) and \$6,805,000, respectively, as an (increase) decrease to total interest expense in our accompanying condensed consolidated statements of operations and comprehensive income (loss) related to the change in the fair value of our derivative financial instruments.

See Note 13, Fair Value Measurements, for a further discussion of the fair value of our derivative financial instruments.

10. Commitments and Contingencies**Litigation**

We are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which, if determined unfavorably to us, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow a policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our properties, we are not currently aware of any environmental liability with respect to our properties that would have a material adverse effect on our consolidated financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business, which include calls/puts to sell/acquire properties. In our view, these matters are not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

11. Redeemable Noncontrolling Interests

As of June 30, 2025 and December 31, 2024, we, through our direct and indirect subsidiaries, owned a 98.8% and 98.7%, respectively, general partnership interest in our operating partnership, and the remaining 1.2% and 1.3%, respectively, limited partnership interest in our operating partnership was owned by limited partners. Some of the limited partnership units outstanding had redemption features outside of our control and were accounted for as redeemable noncontrolling interests presented outside of permanent equity prior to February 9, 2024. As a result of the closing of the February 2024 Offering, as defined and described in Note 12, Equity, and listing of our Common Stock, as defined and described in Note 12, on the New York Stock Exchange, or NYSE, such redemption features are no longer outside of our control, and we reclassified the carrying amount of such interests as of such date to noncontrolling interests in total equity in our accompanying condensed consolidated balance sheet. See Note 12, Equity, for a further discussion.

As of December 31, 2024, we owned, through our operating partnership, approximately 98.0% of the joint venture with an affiliate of Meridian Senior Living, LLC, or Meridian, that owned Pinnacle Beaumont ALF and Pinnacle Warrenton ALF. The noncontrolling interests held by Meridian had redemption features outside of our control and were accounted for as redeemable noncontrolling interests in our accompanying condensed consolidated balance sheets. Effective June 30, 2025, we acquired Meridian's interest in the joint venture and now own 100% of such joint venture. There is no longer any redeemable noncontrolling interests recorded in our accompanying condensed consolidated balance sheets.

We recorded the carrying amount of redeemable noncontrolling interests at the greater of: (i) the initial carrying amount, increased or decreased for the noncontrolling interests' share of net income or loss and distributions or (ii) the redemption value. The changes in the carrying amount of redeemable noncontrolling interests consisted of the following for the periods presented below (in thousands):

	Six Months Ended June 30,	
	2025	2024
Beginning balance	\$ 220	\$ 33,843
Reclassification from equity	—	21
Reclassification to equity	—	(15,303)
Distributions	—	(3)
Redemption of redeemable noncontrolling interests	—	(10,771)
Adjustment to redemption value	(205)	(7,535)
Net loss attributable to redeemable noncontrolling interests	(15)	(32)
Ending balance	<u>\$ —</u>	<u>\$ 220</u>

12. Equity***Preferred Stock***

Pursuant to our charter, we are authorized to issue 200,000,000 shares of our preferred stock, \$0.01 par value per share. As of both June 30, 2025 and December 31, 2024, no shares of preferred stock were issued and outstanding.

Common Stock

Pursuant to our charter, as amended, we are authorized to issue 1,000,000,000 shares of our common stock, \$0.01 par value per share, whereby 200,000,000 shares are classified as Class T common stock, 100,000,000 shares are classified as Class I common stock and 700,000,000 shares are classified as Common Stock without any designation as to class or series.

Follow-on Public Offerings

On February 9, 2024, we closed our underwritten public offering, or the February 2024 Offering, and issued 64,400,000 shares of Common Stock for a total of \$772,800,000 in gross offering proceeds. In conjunction with the February 2024 Offering, such shares of Common Stock were listed on the NYSE, under the trading symbol "AHR" and began trading on February 7, 2024. We received \$724,625,000 in net offering proceeds, after deducting the underwriting discount, which was primarily used to repay \$176,145,000 of mortgage loans payable and \$545,010,000 on our lines of credit in February 2024.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Following the closing of the February 2024 Offering and until August 5, 2024, we presented our Common Stock, Class T common stock and Class I common stock, as separate classes of common stock within our condensed consolidated balance sheets and condensed consolidated statements of equity. Any references to Common Stock in this Quarterly Report on Form 10-Q refer to our NYSE-listed shares of common stock, whereas Class T common stock and Class I common stock refer to our historical non-listed shares of common stock. This applies to all historical periods presented herein. On August 5, 2024, 180 days after the listing of our Common Stock shares on the NYSE, each share of our Class T common stock and Class I common stock automatically, and without any stockholder action, converted into one share of our listed Common Stock.

On September 20, 2024, we closed our follow-on underwritten public offering, or the September 2024 Offering, and issued 20,010,000 shares of Common Stock for a total of \$471,236,000 in gross offering proceeds. We received \$451,207,000 in net offering proceeds, after deducting the underwriting discount, which was used to: (i) exercise our option to purchase our joint venture partner's 24.0% minority membership interest in Trilogy REIT Holdings LLC, or Trilogy REIT Holdings; (ii) repay \$116,000,000 of borrowings outstanding under the Trilogy Credit Facility; and (iii) repay \$78,000,000 of borrowings outstanding under the 2024 Credit Facility. See "Noncontrolling Interests in Total Equity – Membership Interest in Trilogy REIT Holdings" section below for a further discussion of the purchase of such joint venture interest.

ATM Direct Share Issuances

On November 18, 2024, we entered into a sales agreement and established an at-the-market equity offering program, or ATM Offering, pursuant to which we offered to sell shares of Common Stock, having an aggregate gross sales price of up to \$500,000,000. Shares sold through the ATM Offering were offered and sold in amounts determined by us from time to time, and are sold in negotiated transactions at market prices prevailing at the time of sale in accordance with Rule 415 under the Securities Act of 1933, as amended.

During the three and six months ended June 30, 2025, we issued an aggregate of 5,451,577 shares and 7,028,690 shares, respectively, of Common Stock under the ATM Offering for gross proceeds of \$188,634,000 and \$236,300,000, respectively, at an average gross price of \$34.60 per share and \$33.62 per share, respectively. As of June 30, 2025, the remaining amount available under the ATM Offering for future sales of Common Stock was \$15,671,000, which excludes unsettled shares pursuant to our forward sales agreement discussed below. In July 2025, we completed all remaining sales pursuant to the ATM Offering and issued an aggregate of 432,367 shares of Common Stock for gross proceeds of \$15,671,000, at an average gross price of \$36.25 per share, excluding shares issued pursuant to our forward sales agreement discussed below. Therefore, no shares of our Common Stock remain available for future sales under our ATM Offering.

ATM Forward Sales Agreements

The ATM Offering allowed us to enter into forward sales agreements, which gave us the ability to lock in a share price on the sale of Common Stock at or shortly after the time the forward sales agreement became effective, while postponing the receipt of proceeds from the sale of shares until a future date. Forward sales agreements generally have a maturity of one to two years. At any time during the term of a forward sales agreement, we were able to settle a forward sales agreement by delivery of physical shares of Common Stock to the forward purchaser or, at our election, subject to certain exceptions, we were able to settle in cash or by net share settlement. The forward sales price we expected to receive upon settlement of outstanding forward sales agreements was the initial forward price, net of commissions, established on or shortly after the effective date of the relevant forward sales agreement, subject to adjustments for accrued interest, the forward purchasers' stock borrowing costs, and certain fixed price reductions for expected dividends on our Common Stock during the term of the forward sales agreement.

On June 11, 2025, we entered into a forward sales agreement pursuant to the ATM Offering and began selling shares of our Common Stock having an aggregate gross sales price of up to \$166,000,000, which agreement would have matured on June 11, 2026. As of June 30, 2025, 3,554,525 shares of Common Stock, or approximately \$127,809,000 in gross proceeds, related to the agreement were unsettled. On July 1, 2025, we settled the entire amount of shares outstanding under our forward sales agreement and issued 3,554,525 shares of Common Stock for net proceeds of \$126,002,000, after commissions and fees.

*Noncontrolling Interests in Total Equity**Membership Interest in Trilogy REIT Holdings*

Prior to September 20, 2024, we were the indirect owner of a 76.0% interest in Trilogy REIT Holdings pursuant to an amended joint venture agreement with an indirect, wholly-owned subsidiary of NorthStar Healthcare Income, Inc., or NHI. NHI indirectly owned a 24.0% membership interest in Trilogy REIT Holdings, and as such, for the three and six months ended June 30, 2024, 24.0% of the net earnings of Trilogy REIT Holdings were allocated to noncontrolling interests.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

On September 20, 2024, using the net proceeds from the September 2024 Offering, we exercised our option pursuant to a membership interest purchase agreement to purchase NHI's 24.0% minority membership interest in Trilogy REIT Holdings that was owned by NHI, for a total all-cash purchase price of \$258,001,000. In connection with such purchase and as of September 20, 2024, we own 100% of Trilogy REIT Holdings and indirectly own 100% of Trilogy Investors, LLC.

Other Noncontrolling Interests

As of June 30, 2025, we own a 100% interest in a consolidated limited liability company that owned Lakeview IN Medical Plaza. We previously owned an 86.0% interest in such company until February 6, 2024, when we purchased the remaining 14.0% membership interest in such company from an unaffiliated third party for a contract purchase price of \$441,000. As such, from January 1, 2024 through February 5, 2024, 14.0% of the net earnings of Lakeview IN Medical Plaza were allocated to noncontrolling interests.

As discussed in Note 1, Organization and Description of Business, as of June 30, 2025 and December 31, 2024, we, through our direct and indirect subsidiaries, owned a 98.8% and 98.7%, respectively, general partnership interest in our operating partnership and the remaining 1.2% and 1.3%, respectively, of the OP units in our operating partnership were owned by limited partners. Some of the limited partnership units outstanding had redemption features outside of our control and were accounted for as redeemable noncontrolling interests presented outside of permanent equity prior to February 9, 2024. As a result of the closing of the February 2024 Offering and the listing of our Common Stock on the NYSE, such redemption features are no longer outside of our control and we reclassified the remaining carrying amount of such redeemable noncontrolling interests as of such date to noncontrolling interests in total equity. See Note 11, Redeemable Noncontrolling Interests, for a further discussion.

Equity Compensation Plans

AHR Incentive Plan

Pursuant to our Second Amended and Restated 2015 Incentive Plan, or the AHR Incentive Plan, our board (with respect to options and restricted shares of common stock granted to independent directors) or our compensation committee (with respect to any other award) may grant options, restricted shares of common stock, stock purchase rights, stock appreciation rights or other awards to our independent directors, officers, employees and consultants. The AHR Incentive Plan terminates on June 15, 2033, and the maximum number of shares of our common stock that may be issued pursuant to such plan is 4,000,000 shares.

Restricted common stock

Pursuant to the AHR Incentive Plan, through June 30, 2025, we granted an aggregate of 1,340,897 shares of our restricted common stock, or RSAs, as defined in the AHR Incentive Plan. RSAs were granted to our independent directors in connection with their initial election or re-election to our board or in consideration of their past services rendered, as well as to certain executive officers and key employees. RSAs generally have a vesting period between one to four years and are subject to continuous service through the vesting dates.

Restricted stock units

Pursuant to the AHR Incentive Plan, through June 30, 2025, we granted to our executive officers an aggregate 465,665 of performance-based restricted stock units, or PBUs, representing the right to receive shares of our common stock upon vesting. We also granted to our executive officers and certain employees 590,268 time-based restricted stock units, or TBUs, representing the right to receive shares of our common stock upon vesting. PBUs and TBUs are collectively referred to as RSUs. RSUs granted to executive officers and employees generally have a vesting period of up to three years and are subject to continuous service through the vesting dates and any performance conditions, as applicable.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

A summary of the status of our nonvested RSAs and RSUs as of June 30, 2025 and December 31, 2024, and the changes for the six months ended June 30, 2025 is presented below:

	Number of Nonvested RSAs	Weighted Average Grant Date Fair Value - RSAs	Number of Nonvested RSUs	Weighted Average Grant Date Fair Value - RSUs
Balance — December 31, 2024	1,002,153	\$ 13.53	650,352	\$ 19.36
Granted	24,336	\$ 36.16	327,120	\$ 34.21
Vested	(244,087) (1)	\$ 13.22	(158,889) (1)	\$ 24.10
Forfeited/cancelled	—	\$ —	(3,983)	\$ 37.16
Balance — June 30, 2025	<u>782,402</u>	<u>\$ 14.32</u>	<u>814,600</u>	<u>\$ 26.39</u>

- (1) Amount includes 80,379 shares of Common Stock that were withheld to satisfy employee tax minimum withholding requirements associated with the vesting of RSAs and RSUs during the six months ended June 30, 2025.

Stock compensation expense related to awards granted pursuant to the AHR Incentive Plan for the three months ended June 30, 2025 and 2024 was \$3,170,000 and \$2,765,000, respectively, and for the six months ended June 30, 2025 and 2024 was \$5,699,000 and \$4,679,000, respectively. Such expense was based on the grant date fair value for time-based awards and for performance-based awards that are probable of vesting. Stock compensation expense is included in general and administrative expenses in our accompanying condensed consolidated statements of operations and comprehensive income (loss).

Employee Stock Purchase Plan

In November 2024, we adopted the 2024 Employee Stock Purchase Plan, or the ESPP, pursuant to which eligible employees may purchase shares of our Common Stock at a purchase price equal to the lesser of 85.0% of the fair market value of a share on the applicable enrollment date for such offering period or on the applicable exercise date. The maximum number of shares of our Common Stock that may be issued pursuant to the ESPP is 1,000,000 shares. As of both June 30, 2025 and December 31, 2024, no shares were purchased or issued under the ESPP.

Manager Equity Plan

In June 2025, we adopted the 2025 Manager Equity Plan, or the Manager Plan, to align the incentives of our external third-party RIDEA managers with the overall success of our business by issuing equity-based incentives to such RIDEA managers. Pursuant to the Manager Plan, we may issue shares of our Common Stock to the RIDEA managers, which they may in turn issue to their directors, officers, employees, advisors or consultants. The maximum number of shares of our Common Stock that may be issued pursuant to the Manager Plan is 1,000,000 shares. The Manager Plan allows for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based awards. As of June 30, 2025, no shares have been issued under the Manager Plan.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

13. Fair Value Measurements

Assets and Liabilities Reported at Fair Value

The table below presents our assets and liabilities measured at fair value on a recurring basis as of June 30, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Derivative financial instrument	\$ —	\$ 524	\$ —	\$ 524
Total assets at fair value	\$ —	\$ 524	\$ —	\$ 524
Liabilities:				
Derivative financial instruments	\$ —	\$ (1,799)	\$ —	\$ (1,799)
Total liabilities at fair value	\$ —	\$ (1,799)	\$ —	\$ (1,799)

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2024, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Derivative financial instrument	\$ —	\$ 1,013	\$ —	\$ 1,013
Total assets at fair value	\$ —	\$ 1,013	\$ —	\$ 1,013
Liabilities:				
Derivative financial instrument	\$ —	\$ (909)	\$ —	\$ (909)
Total liabilities at fair value	\$ —	\$ (909)	\$ —	\$ (909)

There were no transfers into and out of fair value measurement levels during the six months ended June 30, 2025 and 2024.

Derivative Financial Instruments

We entered into interest rate swaps to manage interest rate risk associated with variable-rate debt. The valuation of these instruments was determined using widely accepted valuation techniques including a discounted cash flow analysis on the expected cash flows of each derivative. Such valuation reflected the contractual terms of the derivatives, including the period to maturity, and used observable market-based inputs, including interest rate curves, as well as option volatility. The fair values of our interest rate swaps were determined by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts were based on an expectation of future interest rates derived from observable market interest rate curves.

We incorporated credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although we determined that the majority of the inputs used to value our derivative financial instruments fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with this instrument utilized Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparty. However, as of June 30, 2025, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety were classified in Level 2 of the fair value hierarchy.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Financial Instruments Disclosed at Fair Value

Our accompanying condensed consolidated balance sheets include the following financial instruments: debt security investment, cash and cash equivalents, restricted cash, accounts and other receivables, accounts payable and accrued liabilities, mortgage loans payable and borrowings under our lines of credit and term loan.

We consider the carrying values of cash and cash equivalents, restricted cash, accounts and other receivables and accounts payable and accrued liabilities to approximate the fair value for these financial instruments based upon an evaluation of the underlying characteristics and market data, in light of the short period of time between origination of the instruments and their expected realization. The fair values of such financial instruments are classified in Level 2 of the fair value hierarchy.

The fair value of our debt security investment is estimated using a discounted cash flow analysis using interest rates available to us for investments with similar terms and maturities. The fair values of our mortgage loans payable and our lines of credit and term loan are estimated using discounted cash flow analyses using borrowing rates available to us for debt instruments with similar terms and maturities. We have determined that the valuations of our debt security investment, mortgage loans payable and lines of credit and term loan are classified in Level 2 within the fair value hierarchy. The carrying amounts and estimated fair values of such financial instruments as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025		December 31, 2024	
	Carrying Amount(1)	Fair Value	Carrying Amount(1)	Fair Value
Financial Assets:				
Debt security investment	\$ 91,849	\$ 92,876	\$ 91,264	\$ 93,369
Financial Liabilities:				
Mortgage loans payable	\$ 983,510	\$ 877,934	\$ 982,071	\$ 858,102
Lines of credit and term loan	\$ 547,153	\$ 550,062	\$ 684,774	\$ 688,945

(1) Carrying amount is net of any discount/premium and unamortized deferred financing costs.

14. Income Taxes

As a REIT, we generally will not be subject to U.S. federal income tax on taxable income that we distribute to our stockholders. We have elected to treat certain of our consolidated subsidiaries as taxable REIT subsidiaries, or TRS, pursuant to the Code. TRS may participate in services that would otherwise be considered impermissible for REITs and are subject to federal and state income tax at regular corporate tax rates.

Current Income Tax

Federal and state income taxes are generally a function of the level of income recognized by our TRS. Foreign income taxes are generally a function of our income on our real estate located in the United Kingdom, or UK, and Isle of Man.

Deferred Taxes

Deferred income tax is generally a function of the period's temporary differences (primarily basis differences between tax and financial reporting for real estate assets and equity investments) and generation of tax net operating loss that may be realized in future periods depending on sufficient taxable income.

We recognize the effects of an uncertain tax position on the financial statements, when it is more likely than not, based on the technical merits of the tax position, that such a position will be sustained upon examination by the relevant tax authorities. If the tax benefit meets the "more likely than not" threshold, the measurement of the tax benefit will be based on our estimate of the ultimate tax benefit to be sustained if audited by the taxing authority. As of both June 30, 2025 and December 31, 2024, we did not have any tax benefits or liabilities for uncertain tax positions that we believe should be recognized in our accompanying condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

We assess the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A valuation allowance is established if we believe it is more likely than not that all or a portion of the deferred tax assets are not realizable. As of both June 30, 2025 and December 31, 2024, our valuation allowance fully reserves the net deferred tax assets due to historical losses and inherent uncertainty of future income. We will continue to monitor industry and economic conditions and our ability to generate taxable income based on our business plan and available tax planning strategies, which would allow us to utilize the tax benefits of the net deferred tax assets and thereby allow us to reverse all, or a portion of, our valuation allowance in the future.

15. Leases*Lessor*

We have operating leases with tenants that expire at various dates through 2050. For the three months ended June 30, 2025 and 2024, we recognized \$40,546,000 and \$45,207,000, respectively, of revenues related to operating lease payments, of which \$9,085,000 and \$9,143,000, respectively, was for variable lease payments. For the six months ended June 30, 2025 and 2024, we recognized \$83,053,000 and \$91,213,000, respectively, of revenues related to operating lease payments, of which \$18,825,000 and \$18,800,000, respectively, was for variable lease payments. As of June 30, 2025, the following table sets forth the undiscounted cash flows for future minimum base rents due under operating leases for the remaining six months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter for properties that we wholly own (in thousands):

Year	Amount
2025	\$ 58,458
2026	113,118
2027	107,185
2028	95,721
2029	83,356
Thereafter	467,240
Total	\$ 925,078

Lessee

We lease certain land, buildings, campus, office equipment and automobiles. We have lease agreements with lease and non-lease components, which are generally accounted for separately. Most leases include one or more options to renew, with renewal terms that generally can extend at various dates through 2107, excluding extension options. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. As of June 30, 2025, we had future lease payments of \$4,467,000 for an operating lease that had not yet commenced. Such operating lease will commence in fiscal year 2025 with a lease term up to 11 years.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain of our lease agreements include rental payments that are adjusted periodically based on the United States Bureau of Labor Statistics' Consumer Price Index and may also include other variable lease costs (i.e., common area maintenance, property taxes and insurance). Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

AMERICAN HEALTHCARE REIT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

The components of lease costs were as follows (in thousands):

Lease Cost	Classification	Three Months Ended June 30,	
		2025	2024
Operating lease cost(1)	Property operating expenses, rental expenses or general and administrative expenses	\$ 8,708	\$ 9,376
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	16	555
Interest on lease liabilities	Interest expense	3	151
Sublease income	Resident fees and services revenue or other income	(95)	(148)
Total lease cost		\$ 8,632	\$ 9,934

Lease Cost	Classification	Six Months Ended June 30,	
		2025	2024
Operating lease cost(1)	Property operating expenses, rental expenses or general and administrative expenses	\$ 17,649	\$ 20,152
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	32	1,116
Interest on lease liabilities	Interest expense	7	308
Sublease income	Resident fees and services revenue or other income	(236)	(293)
Total lease cost		\$ 17,452	\$ 21,283

(1) Includes short-term leases and variable lease costs, which are immaterial.

Additional information related to our leases for the periods presented below was as follows (dollars in thousands):

Lease Term and Discount Rate	June 30, 2025	December 31, 2024
Weighted average remaining lease term (in years):		
Operating leases	11.2	11.0
Finance leases	3.6	3.8
Weighted average discount rate:		
Operating leases	5.85 %	5.85 %
Finance leases	10.87 %	10.60 %

Supplemental Disclosure of Cash Flows Information	Six Months Ended June 30,	
	2025	2024
Operating cash outflows related to finance leases	\$ 7	\$ 308
Financing cash outflows related to finance leases	\$ 29	\$ 21
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 1,281	\$ 3,400

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Operating Leases

As of June 30, 2025, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining six months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter, as well as the reconciliation of those cash flows to operating lease liabilities on our accompanying condensed consolidated balance sheet (in thousands):

Year	Amount
2025	\$ 14,673
2026	29,619
2027	30,555
2028	30,471
2029	28,215
Thereafter	93,578
Total undiscounted operating lease payments	227,111
Less: interest	78,896
Present value of operating lease liabilities	\$ 148,215

Finance Leases and Financing Obligations

As of June 30, 2025, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining six months ending December 31, 2025 and for each of the next four years ending December 31 and thereafter, as well as a reconciliation of those cash flows to finance lease liabilities and financing obligations (in thousands):

Year	Amount
2025	\$ 2,113
2026	4,167
2027	3,905
2028	3,556
2029	32,095
Thereafter	91
Total undiscounted payments	45,927
Less: interest	(11,563)
Present value of finance lease liabilities and financing obligations	\$ 34,364

16. Segment Reporting

Our chief operating decision maker, or CODM, who is our Chief Executive Officer and President, evaluates our business and makes resource allocations based on four operating segments: ISHC, OM, SHOP and triple-net leased properties. These operating segments are also our reportable segments.

Our ISHC each provide a range of independent living, assisted living, memory care, skilled nursing services and certain ancillary businesses that are owned and operated utilizing a RIDEA structure. Our OM buildings are typically leased to multiple tenants under separate leases, thus requiring active management and responsibility for many of the associated operating expenses (much of which are, or can effectively be, passed through to the tenants). Our SHOP segment includes senior housing, which may provide assisted living care, independent living, memory care or skilled nursing services that are owned and operated utilizing a RIDEA structure. Our triple-net leased properties segment includes senior housing, skilled nursing facilities and hospital investments, which are single-tenant properties for which we lease the properties to unaffiliated tenants under triple-net and generally master leases that transfer the obligation for all property operating costs (including maintenance, repairs, taxes, insurance and capital expenditures) to the tenant. In addition, our triple-net leased properties segment includes our debt security investment.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Our CODM evaluates the performance of our combined properties in each reportable segment and determines how to allocate resources to those segments, primarily based on net operating income, or NOI, for each segment. NOI excludes certain items that are not associated with the operations of our properties. Our CODM also primarily uses NOI for each segment in the annual budget and forecasting process. Further, our CODM considers budget-to-actual variances in NOI on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. We define segment NOI as total revenues, less property operating expenses and rental expenses, which excludes depreciation and amortization, general and administrative expenses, business acquisition expenses, net interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense for each segment. We believe that segment NOI serves as an appropriate supplemental performance measure to net income (loss) because it allows investors and our management to measure unlevered property-level operating results and to compare our operating results to the operating results of other real estate companies and between periods on a consistent basis. We also believe that NOI is a widely accepted measure of comparative operating performance in the real estate community. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this performance measure.

Interest expense, depreciation and amortization and other expenses not attributable to individual properties are not allocated to individual segments for purposes of assessing segment performance. Non-segment assets primarily consist of corporate assets, including cash and cash equivalents, deferred financing costs, operating lease right-of-use asset and other assets not attributable to individual properties.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Summary information for our reportable segments, including a summary of segment operating expenses, during the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	ISHC	SHOP	OM	Triple-Net Leased Properties	Three Months Ended June 30, 2025
Revenues:					
Resident fees and services	\$ 423,825	\$ 77,460	\$ —	\$ —	\$ 501,285
Real estate revenue	—	—	31,254	9,964	41,218
Total revenues	423,825	77,460	31,254	9,964	542,503
Less(1):					
Compensation expense	214,682	37,888	—	—	
Controllable expenses(2)	131,492	21,123	—	—	
Non-controllable expenses(3)	10,305	3,517	—	—	
Facility rental expense(4)	7,278	—	—	—	
Other segment items(5)	—	—	12,192	798	
Segment net operating income	\$ 60,068	\$ 14,932	\$ 19,062	\$ 9,166	\$ 103,228
General and administrative					\$ 14,943
Business acquisition expenses					(79)
Depreciation and amortization					41,941
Interest expense:					
Interest expense, net					(22,632)
Loss in fair value of derivative financial instruments					(629)
Loss on dispositions of real estate investments					(2,676)
Impairment of real estate investments					(12,659)
Loss from unconsolidated entities					(1,238)
Foreign currency gain					2,742
Other income, net					1,480
Income before income taxes					10,811
Income tax expense					(732)
Net income					\$ 10,079

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Three Months Ended June 30, 2024
Revenues:					
Resident fees and services	\$ 393,774	\$ 64,239	\$ —	\$ —	\$ 458,013
Real estate revenue	—	—	33,682	12,886	46,568
Total revenues	393,774	64,239	33,682	12,886	504,581
Less(1):					
Compensation expense	205,724	32,599	—	—	
Controllable expenses(2)	125,538	17,354	—	—	
Non-controllable expenses(3)	9,315	4,145	—	—	
Facility rental expense(4)	7,889	—	—	—	
Other segment items(5)	—	—	12,671	652	
Segment net operating income	\$ 45,308	\$ 10,141	\$ 21,011	\$ 12,234	\$ 88,694
General and administrative					\$ 11,746
Business acquisition expenses					15
Depreciation and amortization					45,264
Interest expense:					
Interest expense, net					(30,596)
Gain in fair value of derivative financial instruments					388
Loss on dispositions of real estate investments, net					(2)
Loss from unconsolidated entities					(1,035)
Foreign currency gain					82
Other income, net					3,106
Income before income taxes					3,612
Income tax expense					(686)
Net income					\$ 2,926

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Six Months Ended June 30, 2025
Revenues:					
Resident fees and services	\$ 847,189	\$ 151,272	\$ —	\$ —	\$ 998,461
Real estate revenue	—	—	64,448	20,197	84,645
Total revenues	847,189	151,272	64,448	20,197	1,083,106
Less(1):					
Compensation expense	430,512	74,843	—	—	
Controllable expenses(2)	266,710	42,256	—	—	
Non-controllable expenses(3)	22,405	7,205	—	—	
Facility rental expense(4)	14,777	—	—	—	
Other segment items(5)	—	—	24,877	1,756	
Segment net operating income	\$ 112,785	\$ 26,968	\$ 39,571	\$ 18,441	\$ 197,765
General and administrative					\$ 28,098
Business acquisition expenses					1,758
Depreciation and amortization					83,055
Interest expense:					
Interest expense, net					(45,577)
Loss in fair value of derivative financial instruments					(1,379)
Loss on dispositions of real estate investments					(3,035)
Impairment of real estate investments					(34,365)
Loss from unconsolidated entities					(3,086)
Foreign currency gain					4,158
Other income, net					3,005
Income before income taxes					4,575
Income tax expense					(1,336)
Net income					\$ 3,239

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Six Months Ended June 30, 2024
Revenues:					
Resident fees and services	\$ 786,896	\$ 123,235	\$ —	\$ —	\$ 910,131
Real estate revenue	—	—	67,749	26,234	93,983
Total revenues	786,896	123,235	67,749	26,234	1,004,114
Less(1):					
Compensation expense	412,918	63,930	—	—	
Controllable expenses(2)	251,550	34,630	—	—	
Non-controllable expenses(3)	18,411	8,025	—	—	
Facility rental expense(4)	16,729	—	—	—	
Other segment items(5)	—	—	25,760	1,290	
Segment net operating income	<u>\$ 87,288</u>	<u>\$ 16,650</u>	<u>\$ 41,989</u>	<u>\$ 24,944</u>	<u>\$ 170,871</u>
General and administrative					\$ 23,574
Business acquisition expenses					2,797
Depreciation and amortization					88,031
Interest expense:					
Interest expense, net					(67,034)
Gain in fair value of derivative financial instruments					6,805
Gain on dispositions of real estate investments, net					2,261
Loss from unconsolidated entities					(2,240)
Foreign currency loss					(344)
Other income, net					4,969
Income before income taxes					886
Income tax expense					(964)
Net loss					<u>\$ (78)</u>

- (1) The significant expense categories and amounts below align with the segment-level information that is regularly provided to our CODM.
- (2) Controllable expenses include utilities, food, repairs and maintenance, and other operating expenses.
- (3) Non-controllable expenses include property taxes and insurance.
- (4) Facility rental expense relates to properties operated, but not owned.
- (5) Other segment items for the following reportable segments primarily includes:
- OM — property taxes, insurance, utilities, management fees and certain overhead expenses.
 - Triple-Net Leased Properties — property taxes and insurance.

AMERICAN HEALTHCARE REIT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Total assets by reportable segment as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025	December 31, 2024
ISHC	\$ 2,217,073	\$ 2,202,582
OM	1,066,612	1,140,785
SHOP	777,825	729,466
Triple-net leased properties	402,703	401,782
Other	42,437	13,442
Total assets	<u>\$ 4,506,650</u>	<u>\$ 4,488,057</u>

As of both June 30, 2025 and December 31, 2024, goodwill of \$168,177,000, \$47,812,000 and \$18,953,000 was allocated to our ISHC, OM and triple-net leased properties segments, respectively.

Our portfolio of properties and other investments are located in the United States, the UK and Isle of Man. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for our operations for the periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
United States	\$ 540,854	\$ 503,038	\$ 1,079,903	\$ 1,000,684
International	1,649	1,543	3,203	3,430
Total	<u>\$ 542,503</u>	<u>\$ 504,581</u>	<u>\$ 1,083,106</u>	<u>\$ 1,004,114</u>

The following is a summary of real estate investments, net by geographic regions as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Real estate investments, net:		
United States	\$ 3,301,363	\$ 3,324,982
International	44,758	41,666
Total	<u>\$ 3,346,121</u>	<u>\$ 3,366,648</u>

17. Concentration of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk are primarily our debt security investment, cash and cash equivalents, restricted cash and accounts and other receivables. We are exposed to credit risk with respect to our debt security investment, but we believe collection of the outstanding amount is probable. Cash and cash equivalents are generally invested in investment-grade, short-term instruments with a maturity of three months or less when purchased. We have cash and cash equivalents in financial institutions that are insured by the Federal Deposit Insurance Corporation, or FDIC. As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents in excess of FDIC insured limits. We believe this risk is not significant. Concentration of credit risk with respect to accounts receivable from tenants and residents is limited. We perform credit evaluations of prospective tenants and security deposits are obtained at the time of property acquisition and upon lease execution.

Based on leases as of June 30, 2025, properties in two states in the United States accounted for 10.0% or more of our total consolidated property portfolio's annualized base rent or annualized NOI, which is based on contractual base rent from leases in effect for our non-RIDEA properties and annualized NOI for our ISHC and SHOP as of June 30, 2025. Properties located in Indiana and Ohio accounted for 40.9% and 15.3%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI. Accordingly, there is a geographic concentration of risk subject to fluctuations in each state's economy.

Based on leases in effect as of June 30, 2025, our ISHC, OM, SHOP and triple-net leased properties accounted for 58.0%, 21.0%, 13.6% and 7.4%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

NOI. As of June 30, 2025, none of our tenants at our properties accounted for 10.0% or more of our total consolidated property portfolio's annualized base rent or annualized NOI.

18. Earnings Per Share

The following table presents the amounts used in computing our basic and diluted earnings per share (in thousands, except share and per share amounts):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Numerator:				
Net income (loss) attributable to controlling interest — basic	\$ 9,908	\$ 1,979	\$ 3,104	\$ (1,913)
Adjustment for net loss attributable to nonvested restricted stock awards	(2)	(1)	(4)	—
Net income (loss) attributable to controlling interest — diluted	<u>\$ 9,906</u>	<u>\$ 1,978</u>	<u>\$ 3,100</u>	<u>\$ (1,913)</u>
Denominator:				
Denominator for basic earnings per share — weighted average shares	160,499,581	130,532,144	158,721,080	117,413,643
Effect of dilutive securities: nonvested restricted stock awards	643,975	157,745	597,423	—
Denominator for diluted earnings per share — adjusted weighted average shares	<u>161,143,556</u>	<u>130,689,889</u>	<u>159,318,503</u>	<u>117,413,643</u>
Basic earnings per share:				
Net income (loss) attributable to controlling interest	<u>\$ 0.06</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>
Diluted earnings per share:				
Net income (loss) attributable to controlling interest	<u>\$ 0.06</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>

Basic earnings (loss) per share for all periods presented are computed by dividing net income (loss) applicable to common stock by the weighted average number of shares of our common stock outstanding during the period. Diluted earnings (loss) per share are computed based on the weighted average number of shares of our common stock and all dilutive securities, if any. TBUs, RSAs, limited OP units, as well as common stock issued pursuant to the ESPP, the Manager Plan and forward sales agreements, give rise to potentially dilutive shares of our common stock.

The following securities were excluded from the computation of diluted earnings (loss) per share because such securities were anti-dilutive during the periods presented below:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Nonvested TBUs	—	341,098	48,571	341,098
Nonvested RSAs	24,336	121,418	24,336	121,418
OP units	2,004,216	3,501,976	2,004,216	3,501,976
Forward sales agreements	3,554,525	—	3,554,525	—

For both the three and six months ended June 30, 2025 and 2024, 424,788 and 309,256 nonvested PBUs, respectively, were treated as contingently issuable shares pursuant to Accounting Standards Codification Topic 718, Compensation — Stock Compensation. Such contingently issuable shares were excluded from the computation of diluted earnings (loss) per share because they were anti-dilutive during the period.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The use of the words “we,” “us” or “our” refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations is intended to promote understanding of our results of operations and financial condition. Such discussion is provided as a supplement to, and should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and in our 2024 Annual Report on Form 10-K, as filed with the United States Securities and Exchange Commission, or SEC, on February 28, 2025. Such condensed consolidated financial statements and information have been prepared to reflect our financial position as of June 30, 2025 and December 31, 2024, together with our results of operations for the three and six months ended June 30, 2025 and 2024 and cash flows for the six months ended June 30, 2025 and 2024. Our results of operations and financial condition, as reflected in the accompanying condensed consolidated financial statements and related notes, are subject to management’s evaluation and interpretation of business conditions, changing capital market conditions, and other factors that could affect the ongoing operations and occupancy of our tenants and residents.

Forward-Looking Statements

Certain statements contained in this report, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995 (collectively with the “Securities Act and Exchange Act, or the Acts”). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Acts. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “can,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” “possible,” “initiatives,” “focus,” “seek,” “objective,” “goal,” “strategy,” “plan,” “potential,” “potentially,” “preparing,” “projected,” “future,” “long-term,” “once,” “should,” “could,” “would,” “might,” “uncertainty,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the SEC.

Any such forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of, and assumptions made by, our management and involve uncertainties that could significantly affect our financial results. Such statements include, but are not limited to: (i) statements about our plans, strategies, initiatives and prospects, including any future capital-raising initiatives and planned or future acquisitions or dispositions of properties and other assets; and (ii) statements about our future results of operations, capital expenditures and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation: changes in economic conditions generally and the real estate market specifically; legislative and regulatory changes, including changes to laws governing the taxation of real estate investment trusts, or REITs, and regulations or proposed regulations governing the operations and sales of health care properties; the availability of capital; our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; changes in interest rates, and foreign currency risk; competition in the real estate industry; changes in accounting principles generally accepted in the United States of America, or GAAP, policies and guidelines applicable to REITs; the success of our investment strategy; cybersecurity incidents and information technology failures, including unauthorized access to our computer systems and/or our vendors’ computer systems and our third-party management companies’ computer systems and/or their vendors’ computer systems; our ability to retain our executive officers and key employees; unexpected labor costs and inflationary pressures; changing macroeconomic, domestic legal and fiscal policies and geopolitical conditions; and those risks identified in Item 1A, Risk Factors in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, this Quarterly Report on Form 10-Q, and any future filings we make with the SEC. These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements. Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date on which such statements are made, and undue reliance should not be placed on such statements. We undertake no obligation to update any such statements that may become untrue because of subsequent events. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed REIT that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, or SNFs, outpatient medical, or OM, buildings, and other healthcare-related facilities. We have built a fully-integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom and the Isle of Man. We own and operate our integrated senior health campuses, or ISHC, and senior-housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a “RIDEA” structure. We have also originated and acquired secured loans and may acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of June 30, 2025 and December 31, 2024, we owned 98.8% and 98.7%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 1.2% and 1.3% of the OP units, respectively, were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, the non-executive Chairman of our board of directors, or our board, Danny Prosky, our Chief Executive Officer, President and director, and Mathieu B. Streiff, one of our non-executive directors; and (ii) a wholly owned subsidiary of Griffin Capital Company, LLC. See Note 11, Redeemable Noncontrolling Interests, and Note 12, Equity — Noncontrolling Interests in Total Equity, to our accompanying condensed consolidated financial statements for a further discussion of the ownership in our operating partnership.

Real Estate Investments Portfolio

We currently operate through four reportable business segments: ISHC, OM, SHOP and triple-net leased properties. As of June 30, 2025, we owned and/or operated 309 buildings and ISHC, representing approximately 19,228,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of \$4,513,420,000. In addition, as of June 30, 2025, we also owned a real estate-related debt investment purchased for \$60,429,000.

Critical Accounting Estimates

Our accompanying condensed consolidated financial statements are prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying footnotes. These estimates are made and evaluated on an ongoing basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions. The complete listing of our Critical Accounting Estimates was previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, and there have been no material changes to our Critical Accounting Estimates as disclosed therein, except as included within Note 2, Summary of Significant Accounting Policies, to our accompanying condensed consolidated financial statements.

Interim Unaudited Financial Data

For a discussion of interim unaudited financial data, see Note 2, Summary of Significant Accounting Policies — Interim Unaudited Financial Data, to our accompanying condensed consolidated financial statements. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Acquisitions and Dispositions in 2025

For a discussion of our acquisitions and dispositions of investments in 2025, see Note 3, Real Estate Investments, to our accompanying condensed consolidated financial statements.

Factors Which May Influence Results of Operations

Other than the effects of inflation discussed below, as well as other national economic conditions affecting real estate generally, and as otherwise disclosed in our risk factors, we are not aware of any material trends or uncertainties that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, disposition, management and operation of our properties. For a further discussion of these and other factors that could impact our future results or performance, see “Forward-Looking Statements” above and Part II, Item 1A, Risk Factors, of this Quarterly Report on Form 10-Q and those Risk Factors previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Inflation

During the six months ended June 30, 2025 and 2024, inflation has affected our operations. The annual rate of inflation in the United States was 2.7% in June 2025 and 3.0% in June 2024, as measured by the Consumer Price Index. We believe inflation has impacted our operations such that we have experienced, and continue to experience, increases in the cost of labor, services, energy and supplies, and therefore continued inflationary pressures on our ISHC and SHOP could continue to impact our profitability in future periods. To offset the impact of inflation on the cost of labor and services, we had our RIDEA managers bill higher than average annual rent and care fee increases for existing residents in 2024 and 2025, as compared to prior years, while adjusting market rates as frequently as needed based on competitor pricing and market conditions. We believe this practice will improve operating performance in our ISHC and SHOP, as well as increase rent coverage and the stability of our real estate revenue in our triple-net leased properties over time.

For properties that are not operated under a RIDEA structure, there are provisions in the majority of our tenant leases that help us mitigate the impact of inflation. These provisions include negotiated rental increases, which historically range from 2% to 3% per year, reimbursement billings for operating expense pass-through charges and real estate tax and insurance reimbursements. However, due to the long-term nature of existing leases, among other factors, the leases may not reset frequently enough to cover inflation.

In addition, inflation has also caused an increase in the cost of our variable-rate debt due to historically rising interest rates. See Item 3, Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk, of this Quarterly Report on Form 10-Q for a further discussion.

Scheduled Lease Expirations

Excluding our ISHC and SHOP, as of June 30, 2025, our properties were 89.0% leased, and, during the remainder of 2025, 5.6% of the leased GLA is scheduled to expire. Our leasing strategy focuses on negotiating renewals for leases scheduled to expire during the next 12 months. In the future, if we are unable to negotiate renewals, we will try to identify new tenants or collaborate with existing tenants who are seeking additional space to occupy. As of June 30, 2025, our remaining weighted average lease term was 6.8 years, excluding our ISHC and SHOP.

Our combined ISHC and SHOP were 88.7% leased as of June 30, 2025. Substantially all of our leases with residents at such properties are for a term of one year or less.

Results of Operations

Comparison of Three and Six Months Ended June 30, 2025 and 2024

Our operating results are primarily comprised of income derived from our portfolio of properties and expenses in connection with the acquisition and operation of such properties. Our primary sources of revenue include rent generated by our leased, non-RIDEA properties and resident fees and services revenue from our RIDEA properties. Our primary expenses include property operating expenses and rental expenses. In general, we expect such revenues and expenses related to our portfolio of RIDEA properties to increase in the future due to an overall increase in occupancies, resident fees and pricing of care services provided.

We segregate our operations into reporting segments in order to assess the performance of our business in the same way that management reviews our performance and makes operating decisions. As of June 30, 2025, we operated through four reportable business segments: ISHC, OM, SHOP and triple-net leased properties.

The most significant drivers behind changes in our consolidated results of operations for the three and six months ended June 30, 2025 compared to the corresponding periods in 2024 were primarily due to: our increase in resident occupancies and billing rates; the adverse impact of inflation, which resulted in increases in the cost of labor, services, energy and supplies; and our acquisitions and dispositions of investments. Additional information behind the changes in our consolidated results of operations is discussed in more detail below. See Note 3, Real Estate Investments, to our accompanying condensed consolidated financial statements for a further discussion of our acquisitions and dispositions during 2025. As of June 30, 2025 and 2024, we owned and/or operated the following types of properties (dollars in thousands):

	June 30,					
	2025			2024		
	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)
ISHC	124	\$ 2,011,503	89.4 %	126	\$ 2,012,932	87.0 %
OM	81	1,143,645	86.1 %	86	1,239,845	88.5 %
SHOP	84	985,107	87.0 %	78	889,928	85.5 %
Triple-net leased properties	20	373,165	100 %	28	469,965	100 %
Total/weighted average(2)	309	\$ 4,513,420	89.0 %	318	\$ 4,612,670	91.3 %

- (1) Leased percentage includes all third-party leased space at our non-RIDEA properties (including master leases), except for our ISHC and SHOP where leased percentage represents resident occupancy of the available units/beds therein.
- (2) Weighted average leased percentage excludes our ISHC and SHOP.

Revenues

Our primary sources of revenue include resident fees and services revenue generated by our RIDEA properties and rent from our leased, non-RIDEA properties. For the three and six months ended June 30, 2025 and 2024, resident fees and services revenue primarily consisted of rental fees related to resident leases, extended health care fees and other ancillary services, and real estate revenue primarily consisted of base rent and expense recoveries. The amount of revenues generated by our RIDEA properties depends principally on our ability to maintain resident occupancy rates. The amount of revenues generated by our non-RIDEA properties is dependent on our ability to maintain tenant occupancy rates of currently leased space and to lease available space at the then existing rental rates. Revenues by reportable segment consisted of the following for the periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Resident Fees and Services Revenue				
ISHC	\$ 423,825	\$ 393,774	\$ 847,189	\$ 786,896
SHOP	77,460	64,239	151,272	123,235
Total resident fees and services revenue	501,285	458,013	998,461	910,131
Real Estate Revenue				
OM	31,254	33,682	64,448	67,749
Triple-net leased properties	9,964	12,886	20,197	26,234
Total real estate revenue	41,218	46,568	84,645	93,983
Total revenues	\$ 542,503	\$ 504,581	\$ 1,083,106	\$ 1,004,114

Resident Fees and Services Revenue

For our ISHC segment, we increased resident fees and services revenue by \$30,051,000 and \$60,293,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, primarily due to increased resident occupancy and higher resident fees as a result of an increase in billing rates and levels of care service.

For our SHOP segment, resident fees and services revenue increased \$13,221,000 and \$28,037,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, primarily due to: (i) an increase of \$4,933,000 and \$9,703,000, respectively, due to the acquisition of five senior housing properties in Washington in September 2024; (ii) an increase of \$2,640,000 due to the acquisition of one senior housing property in Virginia in April 2025; (iii) an increase of \$946,000 and \$1,989,000, respectively, due to the acquisition of one senior housing property in Georgia in October 2024; and (iv) an increase of \$3,503,000 and \$7,297,000, respectively, due to increased resident occupancy

and higher resident fees as a result of an increase in billing rates. In addition, SHOP revenue increased by \$4,836,000 for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, due to the acquisition of 14 senior housing properties in Oregon in February 2024.

Real Estate Revenue

For our triple-net leased properties segment, real estate revenue decreased \$2,922,000 and \$6,037,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, primarily due to the disposition of eight triple-net leased properties in Missouri in December 2024.

Real estate revenue for our OM segment decreased \$2,428,000 and \$3,301,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, primarily due to dispositions of OM buildings in 2024 and 2025.

Property Operating Expenses and Rental Expenses

ISHC and SHOP typically have a higher percentage of direct operating expenses to revenue than OM buildings and triple-net leased properties due to the nature of RIDEA-type facilities where we conduct day-to-day operations. Property operating expenses and property operating expenses as a percentage of resident fees and services revenue, as well as rental expenses and rental expenses as a percentage of real estate revenue, by reportable segment consisted of the following for the periods presented below (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
<i>Property Operating Expenses</i>								
ISHC	\$ 363,757	85.8 %	\$ 348,466	88.5 %	\$ 734,404	86.7 %	\$ 699,608	88.9 %
SHOP	62,528	80.7 %	54,098	84.2 %	124,304	82.2 %	106,585	86.5 %
Total property operating expenses	\$ 426,285	85.0 %	\$ 402,564	87.9 %	\$ 858,708	86.0 %	\$ 806,193	88.6 %
<i>Rental Expenses</i>								
OM	\$ 12,192	39.0 %	\$ 12,671	37.6 %	\$ 24,877	38.6 %	\$ 25,760	38.0 %
Triple-net leased properties	798	8.0 %	652	5.1 %	1,756	8.7 %	1,290	4.9 %
Total rental expenses	\$ 12,990	31.5 %	\$ 13,323	28.6 %	\$ 26,633	31.5 %	\$ 27,050	28.8 %

For our ISHC segment, total property operating expenses increased by \$15,291,000 and \$34,796,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, predominately due to increased resident occupancy and levels of care services at the facilities within such segment, thereby increasing labor costs and other operating expenses.

For our SHOP segment, total property operating expenses increased by \$8,430,000 and \$17,719,000, respectively, for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, primarily due to: (i) an increase of \$3,690,000 and \$7,377,000, respectively, due to the acquisition of five senior housing properties in Washington in September 2024; (ii) an increase of \$1,479,000 and \$2,131,000, respectively, due to higher operating expenses as a result of increased occupancy; (iii) an increase of \$899,000 and \$1,804,000, due to the acquisition of one senior housing property in Georgia in October 2024; and (iv) an increase of \$1,396,000 due to the acquisition of one senior housing property located in Virginia in April 2025. In addition, SHOP expenses increased by \$5,052,000 for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, due to the acquisition of 14 senior housing properties in Oregon in February 2024.

Interest Expense

Interest expense, including gain or loss in fair value of derivative financial instruments, consisted of the following for the periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense:				
Lines of credit and term loan and derivative financial instruments	\$ 9,155	\$ 13,714	\$ 18,805	\$ 30,924
Mortgage loans payable	10,529	13,219	21,176	27,695
Amortization of deferred financing costs:				
Lines of credit and term loan	304	731	930	1,364
Mortgage loans payable	470	786	870	1,566
Amortization of debt discount/premium, net	503	1,402	1,020	2,776
Loss (gain) in fair value of derivative financial instruments	629	(388)	1,379	(6,805)
Loss on debt extinguishments	1,298	—	1,806	1,280
Interest on finance lease liabilities	3	151	7	308
Interest expense on financing obligations and other liabilities	715	664	1,405	1,326
Capitalized interest	(345)	(71)	(442)	(205)
Total	\$ 23,261	\$ 30,208	\$ 46,956	\$ 60,229

The decrease in total interest expense for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, was primarily due to the \$7,249,000 and \$18,638,000, respectively, decrease in interest expense related to a decrease in debt balances. Such decrease in debt balances was predominantly a result of the payoff of our variable-rate mortgage loans payable and paydown of our variable-rate lines of credit using net proceeds raised from our equity offerings, since February 2024. The decrease in total interest expense for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024, was partially offset by a \$1,298,000 loss on extinguishment of debt primarily due to debt payoff of one of our fixed-rate mortgage loans payable in May 2025 and a \$1,017,000 change from gain to loss in fair value of derivative financial instruments. The decrease in total interest expense for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was partially offset by the \$8,184,000 change from gain to loss in fair value of derivative financial instruments.

Gain or Loss on Dispositions of Real Estate Investments

For the three months ended June 30, 2025, we recognized an aggregate net loss on disposition of \$2,676,000 primarily related to the sale of three OM buildings and one ISHC. For the six months ended June 30, 2025, we recognized an aggregate net loss on disposition of \$3,035,000 primarily related to the sale of one SHOP, two ISHC and three OM buildings. See Note 3, Real Estate Investments — Dispositions of Real Estate Investments, to our accompanying condensed consolidated financial statements for a further discussion.

For the three months ended June 30, 2024, we did not have any real estate investment dispositions. For the six months ended June 30, 2024, we recognized an aggregate net gain on dispositions of our real estate investments of \$2,261,000 related to the sale of two OM buildings and one SHOP.

Impairment of Real Estate Investments

As we continued to evaluate our properties based on their historical operating performance and our expected holding period, for the three and six months ended June 30, 2025, we recognized an aggregate impairment charge of \$12,659,000 and \$34,365,000, respectively, for five and six OM buildings, respectively. See Note 3, Real Estate Investments — Impairment of Real Estate Investments, to our accompanying condensed consolidated financial statements for a further discussion. For the three and six months ended June 30, 2024, we did not recognize any impairment charges on real estate investments.

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations, net proceeds from the issuances of equity securities, including through our ATM Offering (as defined and described at Note 12, Equity — Common Stock, to our accompanying condensed consolidated financial statements), borrowings under our line of credit and proceeds from the dispositions of real estate investments. For the next 12 months, our principal liquidity needs are to: (i) fund property operating expenses and general and administrative expenses; (ii) meet our debt service requirements (including principal and interest); (iii) fund the acquisition of real estate investments, development activities and capital expenditures; and (iv) make distributions to our stockholders, as required for us to continue to qualify as a REIT. We believe that the sources of liquidity described above will be sufficient to satisfy our cash requirements for the next 12 months and thereafter. We do not have any material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

Material Cash Requirements

Capital Improvement Expenditures

A capital plan for each investment is established upon acquisition that contemplates the estimated capital needs of that investment, including costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan also sets forth the anticipated sources of the necessary capital, which may include operating cash generated by the investment, capital reserves, a line of credit or other loan established with respect to the investment, other borrowings or additional equity investments from us and joint venture partners. The capital plan for each investment is adjusted through ongoing, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs. As of June 30, 2025, we had \$11,902,000 of restricted cash in loan impounds and reserve accounts to fund a portion of such capital expenditures. Based on the budget for the properties we owned as of June 30, 2025, we estimate that expenditures for capital and tenant improvements as of such date are approximately \$45,260,000 for the remaining six months of 2025, although actual expenditures are predominantly discretionary and are dependent on many factors which are not presently known.

Contractual Obligations

The following table provides information with respect to: (i) the maturity and scheduled principal repayment of our secured mortgage loans payable and line of credit and term loan; (ii) interest payments on our mortgage loans payable and line of credit and term loan, excluding the effect of our interest rate swaps; (iii) operating lease obligations; and (iv) financing and other obligations as of June 30, 2025 (in thousands):

	Payments Due by Period				Total
	2025	2026-2027	2028-2029	Thereafter	
Principal payments — fixed-rate debt	\$ 17,392	\$ 216,705	\$ 156,926	\$ 612,993	\$ 1,004,016
Interest payments — fixed-rate debt	18,670	65,427	48,165	320,407	452,669
Principal payments — variable-rate debt	—	550,000	—	—	550,000
Interest payments — variable-rate debt (based on rates in effect as of June 30, 2025)	15,855	33,002	—	—	48,857
Operating lease obligations	14,673	60,174	58,686	93,578	227,111
Financing and other obligations	2,113	8,072	35,651	91	45,927
Total	\$ 68,703	\$ 933,380	\$ 299,428	\$ 1,027,069	\$ 2,328,580

Distributions

For information on distributions, see the “Distributions” section below.

Credit Facility

We are party to a credit agreement, as amended, with an aggregate maximum principal amount up to \$1,150,000,000, or the 2024 Credit Facility. See Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements for a further discussion.

As of June 30, 2025, our borrowing capacity under the 2024 Credit Facility was \$1,150,000,000. As of June 30, 2025, our borrowings outstanding under such credit facility was \$550,000,000, and we had \$600,000,000 available on such facility. We believe that such resource will be sufficient to satisfy our cash requirements for the next 12 months and the longer term thereafter.

Cash Flows

The following table sets forth changes in cash flows (in thousands):

	Six Months Ended June 30,	
	2025	2024
Cash, cash equivalents and restricted cash — beginning of period	\$ 123,301	\$ 90,782
Net cash provided by operating activities	132,091	53,448
Net cash used in investing activities	(94,862)	(65,534)
Net cash provided by financing activities	9,348	18,935
Effect of foreign currency translation on cash, cash equivalents and restricted cash	113	(29)
Cash, cash equivalents and restricted cash — end of period	\$ 169,991	\$ 97,602

The following summary discussion of our changes in our cash flows is based on our accompanying condensed consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Operating Activities

For the six months ended June 30, 2025 and 2024, cash flows from operating activities were primarily related to property operations, offset by payments of general and administrative expenses and interest payments on our outstanding indebtedness. In general, cash flows from operating activities are affected by the timing of cash receipts and payments, and have increased since 2024 primarily due to improved resident occupancy and expense management at our properties operated under a RIDEA structure. The increase in net cash provided by operating activities for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was primarily driven by the increase in operating performance of our real estate investments in our ISHC and SHOP segments, as well as a decrease in interest paid on our outstanding indebtedness as a result of mortgage loan payoffs and paydowns on our lines of credit using net proceeds from our equity offerings in 2024 and 2025. See the “Results of Operations” section above for a further discussion.

Investing Activities

For the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, the increase in net cash used in investing activities was primarily due to a \$35,458,000 increase in cash paid to acquire real estate investments, a \$9,702,000 increase in developments and capital expenditures, a \$4,110,000 decrease in net principal repayments on real estate notes receivable and a \$1,606,000 increase in deposits paid in pursuit of future real estate investments, partially offset by a \$21,908,000 increase in proceeds from dispositions of real estate investments.

Financing Activities

For the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, the decrease in net cash provided by financing activities was primarily due to a \$536,500,000 decrease in gross equity offering proceeds and a \$29,831,000 increase in distributions paid. Such amounts were partially offset by a \$467,839,000 decrease in net payments on our lines of credit and mortgage loans payable primarily using the net proceeds from equity offerings, a \$47,156,000 decrease in the payment of offering costs, a \$36,083,000 decrease in cash paid to redeem certain equity interests owned in Trilogy Investors, LLC, as well as a \$6,856,000 decrease in deferred financing costs paid.

Distributions

Our board shall authorize distributions, if any, on a quarterly basis, in such amounts as our board shall determine, and each quarterly record date for the purposes of such distributions shall be determined and authorized by our board in the last month of each calendar quarter until such time as our board changes our distribution policy. Our board has authorized a quarterly distribution equal to \$0.25 per share to holders of our common stock, which we expect will continue to be paid in the future, though we cannot guarantee that our distributions will continue at the current value or at all. Such quarterly distributions were equal to an annualized distribution rate of \$1.00 per share and paid in cash, only from legally available funds.

The amount of the quarterly distributions paid to our common stockholders was determined by our board and was dependent on a number of factors, including funds available for payment of distributions, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our qualification as a REIT under the Code. As of June 30, 2025, any distributions of amounts in excess of our current and accumulated earnings and profits have resulted in a return of capital to our stockholders, and some portion of a distribution to our stockholders may have been paid from borrowings.

Mortgage Loans Payable, Net

For a discussion of our mortgage loans payable, see Note 7, Mortgage Loans Payable, to our accompanying condensed consolidated financial statements.

Lines of Credit and Term Loan

For a discussion of our lines of credit and term loan, see Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

REIT Requirements

In order to maintain our qualification as a REIT for U.S. federal income tax purposes, we are required to distribute to our stockholders a minimum of 90.0% of our REIT taxable income. Existing Internal Revenue Service, or IRS, guidance includes a safe harbor pursuant to which publicly offered REITs can satisfy the distribution requirement by distributing a combination of cash and stock to stockholders. In general, to qualify under the safe harbor, each stockholder must elect to receive either cash or stock, and the aggregate cash component of the distribution to stockholders must represent at least 20.0% of the total distribution. In the event that there is a shortfall in net cash available due to factors including, without limitation, the timing of such distributions or the timing of the collection of receivables, we may seek to obtain capital to make distributions by means of unsecured and secured debt financing through one or more unaffiliated third parties. We may also make distributions with cash from capital transactions including, without limitation, the sale of one or more of our properties.

Commitments and Contingencies

For a discussion of our commitments and contingencies, see Note 10, Commitments and Contingencies, to our accompanying condensed consolidated financial statements.

Debt Service Requirements

A significant liquidity need is the payment of principal and interest on our outstanding indebtedness. As of June 30, 2025, we had \$1,004,016,000 of fixed-rate mortgage loans payable outstanding secured by our properties. As of June 30, 2025, we had \$550,000,000 outstanding, and \$600,000,000 remained available under our line of credit. The weighted average effective interest rate on our outstanding debt, factoring in our interest rate swaps, was 4.33% per annum as of June 30, 2025. See Note 7, Mortgage Loans Payable, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

We are required by the terms of certain loan documents to meet various financial and non-financial covenants, such as leverage ratios, net worth ratios, debt service coverage ratios and fixed charge coverage ratios. As of June 30, 2025, we were in compliance with all such covenants and requirements on our mortgage loans payable and our line of credit and term loan. If any future covenants are violated, we anticipate seeking a waiver or amending the debt covenants with the lenders when and if such event should occur. However, there can be no assurances that management will be able to effectively achieve such plans.

Funds from Operations and Normalized Funds from Operations

Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as funds from operations, a non-GAAP financial measure, which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. The use of funds from operations is recommended by the REIT industry as a supplemental performance measure, and our management uses FFO to evaluate our performance over time. FFO is not equivalent to our net income (loss) as determined under GAAP.

We define FFO, a non-GAAP financial measure, consistent with the standards established by the White Paper on funds from operations approved by the Board of Governors of NAREIT, or the White Paper. The White Paper defines funds from operations as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of certain real estate assets, gains or losses upon consolidation of a previously held equity interest, and impairment writedowns of certain real estate assets and investments, plus depreciation and amortization related to real estate, and after adjustments for unconsolidated partnerships and joint ventures. While impairment charges are excluded from the calculation of FFO as described above, investors are cautioned that impairments are based on estimated future undiscounted cash flows. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations. Our FFO calculation complies with NAREIT's policy described above.

Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate-related depreciation and amortization and impairments, provides a further understanding of our operating performance to investors, industry analysts and our management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, which may not be immediately apparent from net income (loss).

We define normalized FFO attributable to controlling interest, or Normalized FFO, as FFO further adjusted for the following items included in the determination of GAAP net income (loss): expensed acquisition fees and costs, which we refer to as business acquisition expenses; amounts relating to changes in deferred rent and amortization of above- and below-market leases; the non-cash impact of changes to our equity instruments; non-cash or non-recurring income or expense; the non-cash effect of income tax benefits or expenses; capitalized interest; impairment of intangible assets and goodwill; amortization of closing costs on debt security investments; mark-to-market adjustments included in net income (loss); gains or losses included in net income (loss) from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan; and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect Normalized FFO on the same basis.

However, FFO and Normalized FFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) as an indicator of our operating performance, GAAP cash flows from operations as an indicator of our liquidity or indicative of funds available to fund our cash needs, including our ability to make distributions to our stockholders. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and Normalized FFO measures and the adjustments to GAAP in calculating FFO and Normalized FFO. Presentation of this information is intended to provide useful information to investors, industry analysts and management as they compare the operating performance used by the REIT industry, although it should be noted that not all REITs calculate funds from operations and normalized funds from operations the same way, so comparisons with other REITs may not be meaningful. FFO and Normalized FFO should be reviewed in conjunction with other measurements as an indication of our performance. None of the SEC, NAREIT, or any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or Normalized FFO. In the future, the SEC, NAREIT, or another regulatory body may decide to standardize the allowable adjustments across the REIT industry and we would have to adjust our calculation and characterization of FFO or Normalized FFO.

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The following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to FFO and Normalized FFO for the periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 10,079	\$ 2,926	\$ 3,239	\$ (78)
Depreciation and amortization related to real estate — consolidated properties	41,850	45,226	82,865	87,955
Depreciation and amortization related to real estate — unconsolidated entities	506	186	1,003	372
Impairment of real estate investments — consolidated properties	12,659	—	34,365	—
Loss (gain) on dispositions of real estate investments, net — consolidated properties	2,676	2	3,035	(2,261)
Net income attributable to noncontrolling interests	(171)	(947)	(135)	(1,835)
Depreciation, amortization, impairments and net gain/loss on dispositions — noncontrolling interests	(803)	(5,647)	(1,695)	(11,109)
NAREIT FFO attributable to controlling interest	<u>\$ 66,796</u>	<u>\$ 41,746</u>	<u>\$ 122,677</u>	<u>\$ 73,044</u>
Business acquisition expenses	\$ (79)	\$ 15	\$ 1,758	\$ 2,797
Amortization of above- and below-market leases	355	419	768	845
Amortization of closing costs — debt security investment	12	80	49	156
Change in deferred rent	(720)	(556)	(1,392)	(1,145)
Non-cash impact of changes to equity instruments	3,190	2,765	5,741	4,700
Capitalized interest	(345)	(71)	(442)	(205)
Loss on debt extinguishments	1,298	—	1,806	1,280
Loss (gain) in fair value of derivative financial instruments	629	(388)	1,379	(6,805)
Foreign currency (gain) loss	(2,742)	(82)	(4,158)	344
Adjustments for unconsolidated entities	5	(138)	5	(248)
Adjustments for noncontrolling interests	(22)	(50)	(72)	75
Normalized FFO attributable to controlling interest	<u>\$ 68,377</u>	<u>\$ 43,740</u>	<u>\$ 128,119</u>	<u>\$ 74,838</u>

Net Operating Income

Net operating income, or NOI, is a non-GAAP financial measure that is defined as net income (loss), computed in accordance with GAAP, generated from properties before general and administrative expenses, business acquisition expenses, depreciation and amortization, interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense.

NOI is not equivalent to our net income (loss) as determined under GAAP and may not be a useful measure in measuring operational income or cash flows. Furthermore, NOI should not be considered as an alternative to net income (loss) as an indication of our operating performance or as an alternative to cash flows from operations as an indication of our liquidity. NOI should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss). NOI should be reviewed in conjunction with other measurements as an indication of our performance.

We believe that NOI is an appropriate supplemental performance measure to reflect the performance of our operating assets because NOI excludes certain items that are not associated with the operations of our properties. We believe that NOI is a widely accepted measure of comparative operating performance in the real estate community and is useful to investors in understanding the profitability and operating performance of our property portfolio. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

To facilitate understanding of this financial measure, the following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to NOI for the periods presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 10,079	\$ 2,926	\$ 3,239	\$ (78)
General and administrative	14,943	11,746	28,098	23,574
Business acquisition expenses	(79)	15	1,758	2,797
Depreciation and amortization	41,941	45,264	83,055	88,031
Interest expense	22,632	30,596	45,577	67,034
Loss (gain) in fair value of derivative financial instruments	629	(388)	1,379	(6,805)
Loss (gain) on dispositions of real estate investments, net	2,676	2	3,035	(2,261)
Impairment of real estate investments	12,659	—	34,365	—
Loss from unconsolidated entities	1,238	1,035	3,086	2,240
Foreign currency (gain) loss	(2,742)	(82)	(4,158)	344
Other income, net	(1,480)	(3,106)	(3,005)	(4,969)
Income tax expense	732	686	1,336	964
Net operating income	\$ 103,228	\$ 88,694	\$ 197,765	\$ 170,871

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk. There were no material changes in our market risk exposures, or in the methods we use to manage market risk, from those that were provided for in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025.

Interest Rate Risk

We are exposed to the effects of interest rate changes primarily as a result of long-term debt used to acquire and develop properties and other investments. Our interest rate risk is monitored using a variety of techniques. Our interest rate risk management objectives are to limit the impact of interest rate increases on earnings, prepayment penalties and cash flows and to lower overall borrowing costs while taking into account variable interest rate risk. To achieve our objectives, we may borrow or lend at fixed or variable rates.

We have entered into, and may continue to enter into, derivative financial instruments, such as interest rate swaps and interest rate caps, in order to mitigate our interest rate risk on a related financial instrument. We have not elected, and may continue to not elect, to apply hedge accounting treatment to these derivatives; therefore, changes in the fair value of interest rate derivative financial instruments were recorded as a component of interest expense in gain or loss in fair value of derivative financial instruments in our accompanying condensed consolidated statements of operations and comprehensive income (loss). As of June 30, 2025, our interest rate swaps are recorded in other assets and other liabilities in our accompanying condensed consolidated balance sheet at their aggregate fair value of \$524,000 and \$(1,799,000), respectively. We do not enter into derivative transactions for speculative purposes. For information on our interest rate swaps, see Note 9, Derivative Financial Instruments, and Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for a further discussion.

As of June 30, 2025, the table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes, excluding the effect of our interest rate swaps (dollars in thousands):

	Expected Maturity Date							Total	Fair Value
	2025	2026	2027	2028	2029	Thereafter			
Assets									
Debt security held-to-maturity	\$ —	\$ —	\$ —	\$ 93,433	\$ —	\$ —	\$ 93,433	\$ 92,876	
Weighted average interest rate on maturing fixed-rate debt security	— %	— %	— %	4.24 %	— %	— %	4.24 %	—	
Liabilities									
Fixed-rate debt — principal payments	\$ 17,392	\$ 160,094	\$ 56,611	\$ 139,963	\$ 16,963	\$ 612,993	\$ 1,004,016	\$ 877,934	
Weighted average interest rate on maturing fixed-rate debt	3.63 %	3.04 %	3.52 %	4.40 %	3.36 %	3.79 %	3.73 %	—	
Variable-rate debt — principal payments	\$ —	\$ —	\$ 550,000	\$ —	\$ —	\$ —	\$ 550,000	\$ 550,062	
Weighted average interest rate on maturing variable-rate debt (based on rates in effect as of June 30, 2025)	— %	— %	5.64 %	— %	— %	— %	5.64 %	—	

Debt Security Investment, Net

As of June 30, 2025, the net carrying value of our debt security investment was \$91,849,000. As we expect to hold our debt security investment to maturity and the amounts due under such debt security investment are limited to the outstanding principal balance and any accrued and unpaid interest, we do not expect that fluctuations in interest rates, and the resulting change in fair value of our debt security investment, would have a significant impact on our operations. See Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for a discussion of the fair value of our investment in a held-to-maturity debt security. The effective interest rate on our debt security investment was 4.24% per annum as of June 30, 2025.

Mortgage Loans Payable, Net and Lines of Credit and Term Loan

Mortgage loans payable were \$1,004,016,000 (\$983,510,000, net of discount/premium and deferred financing costs) as of June 30, 2025. As of June 30, 2025, we had 87 fixed-rate mortgage loans payable with effective interest rates ranging from 2.21% to 5.99% per annum and a weighted average effective interest rate of 3.73%. In addition, as of June 30, 2025, we had \$550,000,000 (\$549,632,000, net of deferred financing fees) outstanding under our line of credit and term loan, at a weighted average interest rate of 5.64% per annum.

As of June 30, 2025, the weighted average effective interest rate on our outstanding debt, factoring in our fixed-rate interest rate swaps, was 4.33% per annum. An increase in the variable interest rate on our variable-rate line of credit and term loan constitutes a market risk. As of June 30, 2025, a 0.50% increase in the market rates of interest would have no impact on our overall annualized interest expense as all variable-rate loan balances as of June 30, 2025 have interest rate swap arrangements in place. See Note 7, Mortgage Loans Payable, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

Other Market Risk

In addition to changes in interest rates and foreign currency exchange rates, the value of our future investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants and residents, which may affect our ability to refinance our debt if necessary.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily are required to apply our judgment in evaluating whether the benefits of the controls and procedures that we adopt outweigh their costs.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of June 30, 2025 was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of June 30, 2025, were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of our legal proceedings, see Note 10, Commitments and Contingencies — Litigation, to our accompanying condensed consolidated financial statements.

Item 1A. Risk Factors.

There were no material changes from the risk factors previously disclosed in our 2024 Annual Report on Form 10-K, as filed with the SEC on February 28, 2025, other than as set forth below.

The use of, or inability to use, artificial intelligence by us, our operators, our tenants and our vendors presents risks and challenges that may adversely impact our business and operating results or the business and operating results of our operators and tenants or may adversely impact the demand for properties.

We may use generative artificial intelligence and/or machine learning, or AI, tools in our operations. If our peers use AI tools to optimize operations and we fail to utilize AI tools in a comparable manner, we may be competitively disadvantaged. However, while AI tools may facilitate optimization and operational efficiencies, they also have the potential for inaccuracy, bias, infringement or misappropriation of intellectual property, and risks related to data privacy and cybersecurity. The use of AI tools may introduce errors or inadequacies that are not easily detectable, including deficiencies, inaccuracies or biases in the data used for AI training, or in the content, analyses or recommendations generated by AI applications. The results of such errors or inadequacies may adversely affect our business, financial condition and results of operations. The legal requirements relating to AI continue to evolve and remain uncertain, including how legal developments could impact our business and ability to enforce our proprietary rights or protect against infringement of those rights.

Cybersecurity threat actors may utilize AI tools to automate and enhance cybersecurity attacks against us. We utilize software and platforms designed to detect such cybersecurity threats, including AI-based tools, but these threats could become more sophisticated and harder to detect and counteract, which may pose significant risks to our data security and systems. Such cybersecurity attacks, if successful, could lead to data breaches, loss of confidential or sensitive information and financial or reputational harm.

Our vendors may use AI tools in their products or services without our knowledge, and the providers of these tools may not meet the evolving regulatory or industry standards for privacy and data protection. Consequently, this may inhibit our or our vendors' ability to uphold an appropriate level of service and data privacy. If we, our vendors or other third parties with which we conduct business experience an actual or perceived breach of privacy or security incident due to the use of AI, we may be adversely impacted, lose valuable intellectual property or confidential information and incur harm to our reputation and the public perception of the effectiveness of our security measures.

In addition, investors, analysts and other market participants may use AI tools to process, summarize or interpret our financial information or other data about us. The use of AI tools in financial and market analysis may introduce risks similar to those described above, including an inaccurate interpretation of our financial or operational performance or market trends or conditions, which in turn could result in inaccurate conclusions or investment recommendations.

Changes in federal, state or local laws or regulations may limit our opportunities to participate in the ownership of, or investment in, healthcare real estate.

Changes in federal, state, or local laws or regulations, including changes limiting REIT investment in the healthcare sector, reducing healthcare-related tax benefits for REITs, or requiring additional approvals for healthcare entities to transact with REITs, could have a material adverse effect on our ability to participate in the ownership of or invest in healthcare providers and healthcare real estate. Such legislation or similar laws or regulations, if enacted, could have a material adverse impact on our business.

On July 4, 2025, President Trump signed into law the legislation known as the One Big Beautiful Bill Act, or the OBBBA. The OBBBA made significant changes to the U.S. federal income tax laws in various areas. Among the notable changes, the OBBBA permanently extended certain provisions that were enacted in the Tax Cuts and Jobs Act of 2017, most of which were set to expire after December 31, 2025. Such extensions included the permanent extension of the 20% deduction for “qualified REIT dividends” for individuals and other non-corporate taxpayers as well as the permanent extension of the limitation on non-corporate taxpayers using “excess business losses” to offset other income. The OBBBA also increased the percentage limit under the REIT asset test applicable to taxable REIT subsidiaries, or TRSs, from 20% to 25% for taxable years beginning after December 31, 2025. As a result, for taxable years beginning after December 31, 2025, the aggregate value of all securities of TRSs held by a REIT may not exceed 25% of the value of its gross assets.

Furthermore, the OBBBA includes an estimated \$1 trillion in cuts to Medicaid spending, implemented through Medicaid work requirements, patient cost-sharing, and a phasedown of Medicaid provider taxes and state-directed payments. Such reductions in Medicaid spending could potentially adversely impact financial performance.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

In April 2025, we acquired 16,708 shares of our Common Stock, for an aggregate of \$513,000, at a weighted average price of \$30.73 per share in order to satisfy employee tax withholding requirements associated with the vesting of restricted stock awards issued pursuant to our Second Amended and Restated 2015 Incentive Plan. The value of the shares withheld is based on the closing price of our Common Stock on the day prior to the vesting date, or if such date is not a trading day, the immediately preceding trading day. In May and June 2025, we did not acquire any shares of our Common Stock.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the period covered by this report, none of our directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the period ended June 30, 2025 (and are numbered in accordance with Item 601 of Regulation S-K).

3.1	Fourth Articles of Amendment and Restatement of Griffin-American Healthcare REIT IV, Inc., dated October 1, 2021 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed October 1, 2021 and incorporated herein by reference)
3.2	Articles of Amendment (Reverse Stock Split) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.3	Articles of Amendment (Par Value Decrease) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.2 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.4	Articles Supplementary (Common Stock Reclassification) of American Healthcare REIT, Inc., dated January 26, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed January 30, 2024 and incorporated herein by reference)
3.5	Articles Supplementary (Subtitle 8 Opt-Out) of American Healthcare REIT, Inc., dated February 7, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 12, 2024 and incorporated herein by reference)
3.6	Second Amended and Restated Bylaws of American Healthcare REIT, Inc. (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 24, 2025 and incorporated herein by reference)
10.1*	American Healthcare REIT, Inc. 2025 Manager Equity Plan, effective as of June 25, 2025
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith. In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Healthcare REIT, Inc.
(Registrant)

August 8, 2025
Date

By: /s/ DANNY PROSKY
Danny Prosky
Chief Executive Officer, President and Director
(Principal Executive Officer)

August 8, 2025
Date

By: /s/ BRIAN S. PEAY
Brian S. Peay
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

AMERICAN HEALTHCARE REIT, INC.
2025 MANAGER EQUITY PLAN

1. Purpose; Types of Awards.

The purpose of the American Healthcare REIT, Inc. 2025 Manager Equity Plan (the “Plan”) is to further align the Manager’s efforts with the overall success of the Company’s business by issuing equity-based incentives to Managers (as defined below), which may in turn issue incentives to the directors, officers, employees of, or advisors or consultants to, the applicable Manager or an Affiliate (as defined in Section 2) of such Manager. The Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based awards.

2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

- a. “Administrator” means the Board or, to the extent permitted by applicable law, a committee of the Board or committee of officers of the Company selected by the Board to administer the Plan.
 - b. “Affiliate” means any domestic or foreign individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or governmental entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a Person.
 - c. “Award” means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award granted under the Plan.
 - d. “Award Agreement” means any written agreement, contract or other instrument or document evidencing an Award.
 - e. “Board” means the Board of Directors of the Company.
 - f. “Change in Control” means the occurrence of any one of the following events:
 - i. any “person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act, other than the Company or an Affiliate or the Company or Affiliate employee benefit plan, including any trustee of such plan acting as trustee, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company’s then outstanding securities entitled to vote;
 - ii. merger, reverse merger or other business combination or consolidation of the Company or the Operating Partnership (as defined below) with any other corporation other than an Affiliate, other than a merger or consolidation which would result in the Company’s common stockholders of record outstanding immediately prior thereto continuing to hold, directly or indirectly, at least fifty percent (50%) of the total voting power of the surviving entity immediately after such merger, reverse merger, business combination or consolidation;
 - iii. during any 12-month period, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company or any successor company to effect a transaction described in subsections (i) or (ii)) whose election by the Board or nomination for election by stockholders of the Company (or any successor company) was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof;
-

- iv. a sale or disposition (other than to an Affiliate) of all or substantially all of the Company's assets in any single transaction or series of related transactions;
- v. the sale or disposition, directly or indirectly, of more than 50% of the Company's interest in the Operating Partnership; or
- vi. the stockholders of the Company or the Board adopts a plan of liquidation of the Company; or the general partner of the Operating Partnership adopts a plan of liquidation of the Operating Partnership.

Notwithstanding the foregoing, if a Change in Control constitutes or triggers the right to a payment event with respect to an amount that provides for the deferral of compensation that is subject to Section 409A, then, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described above shall only constitute a Change in Control if such transaction also constitutes a "change in control event" (within the meaning of Section 409A) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder.

- g. "Common Stock" means shares of common stock, par value \$0.01 per share, of the Company.
- h. "Company" means American Healthcare REIT, Inc., a Maryland corporation, or any successor corporation.
- i. "Effective Date" means June 25, 2025, the date on which the Plan was approved by the Company's stockholders.
- j. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.
- k. "Fair Market Value" of a share of Common Stock as of a given date shall be a price that is based on the opening, closing, actual, high, low, or average selling prices of a share of Common Stock reported on the principal stock exchange on which the shares are principally traded on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Administrator in its discretion. Unless the Administrator determines otherwise, Fair Market Value shall be deemed to be equal to (a) the closing price of a share of Common Stock on the principal exchange on which shares of Common Stock are then trading, if any (or as reported on any composite index which includes such principal exchange), on the trading day previous to such date, or if shares were not traded on the trading day previous to such date, then on the next preceding date on which a trade occurred, or (b) if Common Stock is not traded on an exchange but is quoted on Nasdaq or a successor quotation system, the mean between the closing representative bid and asked prices for the Common Stock on the trading day previous to such date as reported by Nasdaq or such successor quotation system, or (c) if Common Stock is not publicly traded on an exchange and not quoted on Nasdaq or a successor quotation system, the Fair Market Value of a share of Common Stock as established by the Administrator in its complete and absolute discretion.
- l. "Management Agreement" means the management agreement entered into between the Company or one of its Affiliates and the applicable Manager, which governs the Manager's management of the day-to-day operations of certain assets owned by the Company or its Affiliate or a portion of the Company's business, each as such may be amended from time to time.
- m. "Manager(s)" means the external third party managers of the day-to-day operations at real property assets owned by the Company or its Subsidiaries.
- n. "Operating Partnership" means American Healthcare REIT Holdings, L.P.
- o. "Option" means a right, granted to a Manager under Section 6(b)(i), to purchase shares of Common Stock.
- p. "Other Stock-Based Award" means a right or other interest granted to a Manager that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, including but not limited to unrestricted shares of Stock or dividend equivalent rights.

- q. “Person” means any natural person, corporation, partnership, association, limited liability company, estate, trust, joint venture, any federal, state or municipal government or any bureau, department or agency thereof or any other legal entity and any fiduciary acting in such capacity on behalf of the foregoing.
- r. “Restricted Stock” means an Award of shares of Common Stock to a Manager under Section 6(b)(iii) that may be subject to certain restrictions and to a risk of forfeiture.
- s. “Restricted Stock Unit” or “RSU” means a right granted to a Manager under Section 6(b)(iv) to receive Stock, cash or other property at the end of a specified period, which right may be conditioned on the satisfaction of specified performance or other criteria.
- t. “Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.
- u. “Stock Appreciation Right” or “SAR” means the right granted to a Manager under Section 6(b)(ii) to be paid an amount measured by the appreciation in the Fair Market Value of the Common Stock from the date of grant to the date of exercise of the right.
- v. “Subsidiary” means any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. “Subsidiary” shall also mean any partnership or limited liability company in which the Company, or any Subsidiary, owns a partnership or membership interest representing fifty percent (50%) or more of the capital or profit interests of such partnership or limited liability company.

3. Administration.

The Plan shall be administered by the Administrator. The Administrator may delegate to one or more agents such administrative duties as it may deem advisable, and the person or persons to whom the Administrator has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Administrator or person may have under the Plan. To the maximum extent permitted by applicable law, the Administrator shall not be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

The Administrator shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to: (i) grant Awards; (ii) determine the type and number of Awards to be granted, the number of shares of Common Stock to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; (iii) determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, accelerated, or surrendered; (iv) make adjustments in the terms and conditions of Awards; (v) construe and interpret the Plan and any Award; (vi) prescribe, amend and rescind rules and regulations relating to the Plan; (vii) determine the terms and provisions of the Award Agreements (which need not be identical for each grant); (viii) make determinations related to the payment and/or accrual of dividends or dividend equivalents related to any Award; and (ix) make all other determinations deemed necessary or advisable for the administration of the Plan. All decisions, determinations and interpretations of the Administrator shall be final and binding on all persons, including but not limited to the Company, any Subsidiary or any parent of the Company, the Managers (or any person claiming any rights under the Plan from or through the Managers) and any stockholder. Notwithstanding any provision of the Plan or any Award Agreement to the contrary, except as provided in the second paragraph of Section 5, the Administrator shall not, without obtaining the approval of the Company’s stockholders, (a) reduce the purchase or base price of any previously granted Option or SAR, (b) cancel any previously granted Option or SAR in exchange for another Option or SAR with a lower purchase or base price or (c) cancel any previously granted Option or SAR in exchange for cash or another award if the purchase or base price of such Option or SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case other than in connection with a Change in Control.

4. Eligibility.

Awards under the Plan may be granted only to a Manager. In determining the type of Award to be granted and the terms and conditions of such Award (including the number of shares to be covered by such Award), the Administrator shall take into account such factors as the Administrator shall deem relevant in connection with accomplishing the purposes of the Plan.

5. Stock Subject to the Plan.

The maximum number of shares of Common Stock reserved for the grant of Awards under the Plan shall be equal to 1,000,000, subject to adjustment as provided herein. Common Stock issued under the Plan may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any Award under the Plan expires, terminates or is canceled without having been fully exercised or vested or is exercised or settled in whole or in part for cash as permitted by the Plan, the number of shares subject to such Award but as to which such Award or other right was not exercised or settled prior to its expiration, termination, cancellation or exercise or settlement may again be optioned, granted or awarded hereunder. Shares of Common Stock which are delivered by a Manager or withheld by the Company upon the exercise or settlement of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, shall no longer be available for Awards under this Plan.

In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation, or any successor or replacement accounting standard) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the number and class of securities available under this Plan, the terms of each outstanding Option and SAR (including the number and class of securities subject to each outstanding Option or SAR and the purchase price or base price per share), the terms of each outstanding Restricted Stock award and Restricted Stock Unit award (including the number and class of securities subject thereto), and the terms of each outstanding Other Stock-Based Award (including the number and class of securities subject thereto) shall be appropriately adjusted by the Administrator, such adjustments to be made in the case of outstanding Options and SARs in accordance with Section 409A of the Code.

In the event of any other equity restructuring, including a Change in Control or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate of the Company, or the financial statements of the Company or any Affiliate of the Company, or of changes in applicable laws, regulations or accounting principles, the Administrator, in its sole and absolute discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles: (1) to provide for either the purchase of any such Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the applicable Manager's rights had such Award been currently exercisable or payable or fully vested or the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; (2) to provide that the Award cannot vest, be exercised or become payable after such event; (3) to provide that such Award shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or such Award; (4) to provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; (5) to make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards and/or in the terms and conditions of outstanding Awards and Awards which may be granted in the future; and (6) to provide that, for a specified period of time prior to such event, the restrictions imposed under an Award Agreement may be terminated, and, in the case of Restricted Stock, some or all shares of such Restricted Stock may cease to be subject to forfeiture after such event; and (7) to allow for accelerated vesting of outstanding Awards immediately and/or upon the occurrence of certain conditions. The Administrator shall have the right to take such actions related to each outstanding Award and, for the avoidance of doubt, may take different actions with respect to each outstanding Award.

The existence of the Plan, the Award Agreement and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the

Company, any issue of Common Stock or of Options, warrants or rights to purchase Common Stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

6. Terms of Awards.

- a. General. The term of each Award shall be for such period as may be determined by the Administrator. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company upon the grant, vesting, maturation or exercise of an Award may be made in such forms as the Administrator shall determine at the date of grant or thereafter, including, without limitation, cash, Common Stock or other property, and may be made in a single payment or transfer, in installments or on a deferred basis. The Administrator may make rules relating to installment or deferred payments with respect to Awards, including the rate of interest to be credited with respect to such payments. In addition to the foregoing, the Administrator may impose on any Award or the exercise thereof, at the date of grant or thereafter, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Administrator shall determine.
- b. Terms of Specified Awards. The Administrator is authorized to grant the Awards described in this Section 6(b), under such terms and conditions as deemed by the Administrator to be consistent with the purposes of the Plan. Such Awards may be granted with vesting, value and/or and payment contingent upon attainment of one or more performance goals. Except as otherwise set forth herein or as may be determined by the Administrator, each Award granted under the Plan shall be evidenced by an Award Agreement containing such terms and conditions applicable to such Award as the Administrator shall determine at the date of grant or thereafter.
 - i. Options. The Administrator is authorized to grant Options to the Managers on the following terms and conditions:
 - A. Exercise Price. The exercise price per share of Common Stock purchasable under an Option shall be determined by the Administrator, but in no event shall the per share exercise price of any Option be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such Option. The exercise price for Common Stock subject to an Option may be paid (i) in cash or by an exchange of Common Stock previously owned by the applicable Manager, (ii) by authorizing the Company to withhold whole shares of Common Stock otherwise issuable pursuant to the exercise of such Option, (iii) through a “broker cashless exercise” procedure approved by the Board (to the extent permitted by law) or (iv) a combination of the above, in any case in an amount having a combined value equal to such exercise price. An Award Agreement may provide that the applicable Manager may pay all or a portion of the aggregate exercise price by having shares of Common Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price withheld by the Company.
 - B. Term and Exercisability of Options. The date on which the Administrator adopts a resolution expressly granting an Option shall be considered the day on which such Option is granted. Options shall be exercisable over the exercise period (which shall not exceed ten years from the date of grant), at such times and upon such conditions as the Administrator may determine, as reflected in the Award Agreement; provided, that the Administrator shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate. An Option may be exercised to the extent of any or all full shares of Common Stock as to which the Option has become exercisable, by giving written notice of such exercise to the Secretary of the Company, as well as providing any other representations or documents as the Administrator, in its absolute discretion, deems necessary or advisable to effect compliance with applicable laws and regulations.

- C. Other Provisions. Options may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such Options, as the Administrator may prescribe in its discretion or as may be required by applicable law.
- ii. Stock Appreciation Rights. The Administrator is authorized to grant SARs to the Managers on the following terms and conditions:
- A. In General. Unless the Administrator determines otherwise, an SAR granted in tandem with an Option may be granted at the time of grant of the related Option or at any time thereafter. An SAR granted in tandem with an Option shall be exercisable only to the extent the underlying Option is exercisable, and may be granted to the Managers for no more than the number of shares subject to the corresponding Option. Payment of an SAR may be made in cash, Common Stock, or a combination thereof as specified in the Award or determined by the Administrator.
- B. Right Conferred. An SAR shall confer on the applicable Manager a right to receive an amount with respect to each share subject thereto, upon exercise thereof, equal to the excess of (1) the Fair Market Value of one share of Common Stock on the date of exercise over (2) the base price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the underlying Option, and which in the case of any other SAR shall be such price as the Administrator may determine, provided it is no less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR).
- C. Term and Exercisability of SARs. The date on which the Administrator adopts a resolution expressly granting an SAR shall be considered the day on which such SAR is granted. SARs shall be exercisable over the exercise period (which shall not exceed the lesser of ten years from the date of grant or, in the case of a tandem SAR, the expiration of its related Award), at such times and upon such conditions as the Administrator may determine, as reflected in the Award Agreement; provided, that the Administrator shall have the authority to accelerate the exercisability of any outstanding SAR at such time and under such circumstances as it, in its sole discretion, deems appropriate. An SAR may be exercised to the extent of any or all full shares of Common Stock as to which the SAR (or, in the case of a tandem SAR, its related Award) has become exercisable, by giving written notice of such exercise to the Administrator or its designated agent.
- D. Other Provisions. SARs may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such SARs, as the Administrator may prescribe in its discretion or as may be required by applicable law.
- iii. Restricted Stock. The Administrator is authorized to grant Restricted Stock to the Managers on the following terms and conditions:
- A. Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Administrator may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Administrator may determine. The Administrator may place restrictions on Restricted Stock that shall lapse, in whole or in part, only upon the attainment of one or more performance goals. Unless otherwise determined by the Administrator, following a grant of Restricted Stock, the applicable Manager shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon.
- B. Certificates for Stock. If desired by the Administrator, the Secretary of the Company or such other escrow holder as the Administrator may appoint shall retain physical custody of each certificate representing Restricted Stock until all of the restrictions imposed under the Award Agreement with respect to the shares evidenced by such certificate expire or shall

have been removed. With respect to shares of Restricted Stock granted or awarded to a Manager, upon the expiration or removal of such restrictions, the Secretary of the Company, or other escrow holder, shall transfer the shares to such Manager. In order to enforce the restrictions imposed upon shares of Restricted Stock hereunder, the Administrator shall cause a legend or legends to be placed on certificates representing all shares of Restricted Stock that are still subject to restrictions under Award Agreements, which legend or legends shall make appropriate reference to the conditions imposed thereby.

- iv. Restricted Stock Units. The Administrator is authorized to grant RSUs to the Managers, subject to the following terms and conditions:
 - A. Award and Restrictions. Delivery of Common Stock, cash or other property, as determined by the Administrator, will occur upon expiration of the period specified for RSUs by the Administrator during which forfeiture conditions apply, or such later date as the Administrator shall determine as set forth in the Award Agreement. The Administrator may place restrictions, conditions or contingencies on RSUs that shall lapse, in whole or in part upon the attainment of one or more performance goals, and/or upon other terms as the Administrator shall establish, including without limitation, the passage of time.
 - B. Dividend Equivalents. The Administrator is authorized to grant to the Managers the right to receive dividend equivalent payments and/or distribution equivalent payments for the period prior to settlement of the RSU. Dividend equivalents or distribution equivalents may be paid currently or credited to an account for the applicable Manager and to be paid on a future date, and may be settled in cash or Common Stock, as determined by the Administrator. Any such settlements, and any such crediting of dividend equivalents or distribution equivalents or reinvestment in Common Stock, may be subject to such conditions, restrictions and contingencies as the Administrator shall establish, including the reinvestment of such credited amounts in Common Stock equivalents. Unless otherwise determined by the Administrator, any such dividend equivalents or distribution equivalents shall be paid or credited, as applicable, on the dividend payment date to the applicable Manager as though each RSU held by such Manager were a share of outstanding Common Stock.
- v. Other Stock-Based Awards. The Administrator is authorized to grant Awards to the Managers in the form of Other Stock-Based Awards, as deemed by the Administrator to be consistent with the purposes of the Plan. Awards granted pursuant to this paragraph may be granted with vesting, value and/or payment contingent upon, in whole or part, the attainment of one or more performance goals. The Administrator shall determine the terms and conditions of such Awards at the date of grant or thereafter. Without limiting the generality of this paragraph, Other Stock-Based Awards may include grants of shares of Common Stock that are not subject to any restrictions or a substantial risk of forfeiture.

7. General Provisions.

- a. Nontransferability. Prior to the settlement of the Award in shares of Common Stock, cash or other property or, in the case of Restricted Stock, prior to vesting, Awards granted to the Managers under the Plan shall not be transferable by the Managers and shall be exercisable only by the Managers, unless approved by the Administrator.
- b. No Right to Continued Service. Nothing in the Plan or in any Award, any Award Agreement or other agreement entered into pursuant hereto shall confer upon the Managers the right to continue to provide services to the Company, any Subsidiary or any parent of the Company or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement or other agreement or to interfere with or limit in any way the right of the Company to terminate the Management Agreement in accordance with its terms.
- c. Taxes. The Company, any Subsidiary or any parent of the Company is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Common Stock, or any

other payment to the Managers, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Administrator may deem advisable to enable the Company and the Managers to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award.

d. Effective Date; Amendment and Termination.

- i. The Plan shall take effect upon the Effective Date, subject to the approval of the Company's stockholders.
- ii. The Board may at any time and from time to time terminate, amend, modify or suspend the Plan in whole or in part; provided, however, that unless otherwise determined by the Board, an amendment that requires stockholder approval in order for the Plan to comply with any law, regulation or stock exchange requirement shall not be effective unless approved by the requisite vote of stockholders. The Administrator may at any time and from time to time amend any outstanding Award in whole or in part. Notwithstanding the foregoing sentence of this clause (ii), no amendment or modification to or suspension or termination of the Plan or amendment of any Award shall materially impair the rights of the Managers, without the applicable Manager's consent, under any Award theretofore granted under the Plan.

e. Expiration of Plan. Unless earlier terminated by the Administrator pursuant to the provisions of the Plan, the Plan shall expire on the tenth anniversary of the Effective Date. No Awards shall be granted under the Plan after such expiration date. The expiration of the Plan shall not affect adversely any of the rights of the Managers, without the applicable Manager's consent, under any Award theretofore granted. Notwithstanding the expiration of the Plan, Administrator shall have all rights set forth under the Plan with respect to any Award granted prior to the expiration of the Plan.

f. No Rights to Awards; No Stockholder Rights. The Managers shall have no claim to be granted any Award under the Plan. Each Award may be subject to different terms and conditions, as determined by the Administrator. Except as provided specifically herein, the Managers shall have no rights as stockholders with respect to any shares covered by an Award until the date of the issuance of a stock certificate to the applicable Manager for such shares.

g. Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to the Managers pursuant to an Award, nothing contained in the Plan or any Award shall give the applicable Manager any rights that are greater than those of a general creditor of the Company.

h. No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award. The Administrator shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

i. Regulations and Other Approvals.

- i. The obligation of the Company to sell or deliver Common Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Administrator.
- ii. Each Award is subject to the requirement that, if at any time the Administrator determines, in its absolute discretion, that the listing, registration or qualification of Common Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Common Stock, no such Award shall be granted or payment made or Common Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Administrator.

- iii. In the event that the disposition of Common Stock acquired pursuant to the Plan is not covered by a then-current registration statement under the Securities Act and is not otherwise exempt from such registration, such Common Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Administrator may require the Manager receiving Common Stock pursuant to the Plan, as a condition precedent to receipt of such Common Stock, to represent to the Company in writing that the Common Stock acquired by such Manager is acquired for investment only and not with a view to distribution.
- iv. The Administrator may require a Manager, as a condition precedent to receipt of an Award or of shares of Common Stock, to enter into a stockholder agreement or “lock-up” agreement in such form as the Administrator shall determine is necessary or desirable to further the Company’s interests.
- j. Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of Maryland without giving effect to the conflict of laws principles thereof.
- k. REIT Status. This Plan shall be interpreted and construed in a manner consistent with the Company’s status as a real estate investment trust (“REIT”), within the meaning of Code §§856 through 860. No Award shall be granted or awarded, and with respect to an Award already granted under the Plan, such Award shall not vest, or be exercisable, distributable or payable if, in the discretion of the Administrator, such Award could impair the Company’s status as a REIT or would violate the Company’s Charter or Bylaws.
- l. Effect of Plan upon Options and Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company (a) to establish any other forms of incentives or compensation for the Managers, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.
- m. Section 409A. It is intended that the payments and benefits under the Plan comply with, or as applicable, constitute a short-term deferral or otherwise be exempt from, the provisions of Section 409A of the Code. The Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Plan or any Award to fail to satisfy Section 409A of the Code will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A of the Code).

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Danny Prosky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2025

Date

By: /s/ DANNY PROSKY

Danny Prosky

Chief Executive Officer, President and Director

(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian S. Peay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2025

Date

By: /s/ BRIAN S. PEAY

Brian S. Peay
Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2025

Date

By: /s/ DANNY PROSKY

Danny Prosky

Chief Executive Officer, President and Director

(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2025

Date

By: /s/ BRIAN S. PEAY

Brian S. Peay

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)