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DELTA REPORT

10-Q

WELLTOWER INC.

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1076
CHANGES	214
DELETIONS	611
ADDITIONS	251

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 March 31, June 30, 2023

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: 1-8923

WELLTOWER INC.

(Exact name of registrant as specified in its charter)

Delaware	**34-1096634**
(State or other jurisdiction of Incorporation)	(IRS Employer Identification No.)
4500 Dorr Street Toledo, Ohio	**43615**
(Address of principal executive office)	(Zip Code)

(419) - 247-2800

(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, $1.00 par value per share	WELL	New York Stock Exchange
Guarantee of 4.800% Notes due 2028 issued by Welltower OP LLC	WELL/28	New York Stock Exchange
Guarantee of 4.500% Notes due 2034 issued by Welltower OP LLC	WELL/34	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically, if any, 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 and post such files). Yes þ 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	þ	Accelerated filer	¨	Non-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 þ

As of April 28, 2023 July 28, 2023, Welltower Inc. had 497,031,161 518,729,078 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS
WELLTOWER INC. AND SUBSIDIARIES

(In thousands)

	March 31, 2023 (Unaudited)	December 31, 2022 (Note)	June 30, 2023 (Unaudited)	December 31, 2022 (Note)

Assets:	Assets:			Assets:		
Real estate investments:	Real estate investments:			Real estate investments:		
Real property owned:	Real property owned:			Real property owned:		
Land and land improvements	Land and land improvements	$ 4,324,541	$ 4,249,834	Land and land improvements	$ 4,262,745	$ 4,249,834
Buildings and improvements	Buildings and improvements	34,161,466	33,651,336	Buildings and improvements	34,127,012	33,651,336
Acquired lease intangibles	Acquired lease intangibles	1,990,830	1,945,458	Acquired lease intangibles	1,950,349	1,945,458
Real property held for sale, net of accumulated depreciation	Real property held for sale, net of accumulated depreciation	215,583	133,058	Real property held for sale, net of accumulated depreciation	404,071	133,058
Construction in progress	Construction in progress	1,121,446	1,021,080	Construction in progress	1,108,773	1,021,080
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	(8,417,151)	(8,075,733)	Less accumulated depreciation and amortization	(8,599,622)	(8,075,733)
Net real property owned	Net real property owned	33,396,715	32,925,033	Net real property owned	33,253,328	32,925,033
Right of use assets, net	Right of use assets, net	322,896	323,942	Right of use assets, net	322,316	323,942
Real estate loans receivable, net of credit allowance	Real estate loans receivable, net of credit allowance	954,156	890,844	Real estate loans receivable, net of credit allowance	965,509	890,844
Net real estate investments	Net real estate investments	34,673,767	34,139,819	Net real estate investments	34,541,153	34,139,819
Other assets:	Other assets:			Other assets:		
Investments in unconsolidated entities	Investments in unconsolidated entities	1,596,413	1,499,790	Investments in unconsolidated entities	1,650,133	1,499,790
Goodwill	Goodwill	68,321	68,321	Goodwill	68,321	68,321
Cash and cash equivalents	Cash and cash equivalents	571,902	631,681	Cash and cash equivalents	2,203,788	631,681
Restricted cash	Restricted cash	66,894	90,611	Restricted cash	95,281	90,611
Straight-line rent receivable	Straight-line rent receivable	357,359	322,173	Straight-line rent receivable	389,381	322,173
Receivables and other assets	Receivables and other assets	1,159,233	1,140,838	Receivables and other assets	1,116,078	1,140,838
Total other assets	Total other assets	3,820,122	3,753,414	Total other assets	5,522,982	3,753,414
Total assets	Total assets	$ 38,493,889	$ 37,893,233	Total assets	$ 40,064,135	$ 37,893,233
Liabilities and equity	Liabilities and equity			Liabilities and equity		
Liabilities:	Liabilities:			Liabilities:		
Unsecured credit facility and commercial paper	Unsecured credit facility and commercial paper	$ —	$ —	Unsecured credit facility and commercial paper	$ —	$ —
Senior unsecured notes	Senior unsecured notes	12,486,229	12,437,273	Senior unsecured notes	13,530,788	12,437,273
Secured debt	Secured debt	2,474,837	2,110,815	Secured debt	2,460,349	2,110,815
Lease liabilities	Lease liabilities	415,169	415,824	Lease liabilities	348,770	415,824
Accrued expenses and other liabilities	Accrued expenses and other liabilities	1,521,499	1,535,325	Accrued expenses and other liabilities	1,531,114	1,535,325
Total liabilities	Total liabilities	16,897,734	16,499,237	Total liabilities	17,871,021	16,499,237

Redeemable noncontrolling interests	Redeemable noncontrolling interests	392,195	384,443	Redeemable noncontrolling interests	369,191	384,443
Equity:	Equity:			Equity:		
Common stock	Common stock	497,928	491,919	Common stock	509,805	491,919
Capital in excess of par value	Capital in excess of par value	27,160,014	26,742,750	Capital in excess of par value	28,085,297	26,742,750
Treasury stock	Treasury stock	(112,925)	(111,001)	Treasury stock	(112,032)	(111,001)
Cumulative net income	Cumulative net income	8,830,623	8,804,950	Cumulative net income	8,933,663	8,804,950
Cumulative dividends	Cumulative dividends	(15,815,926)	(15,514,097)	Cumulative dividends	(16,116,698)	(15,514,097)
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	(111,559)	(119,707)	Accumulated other comprehensive income (loss)	(95,594)	(119,707)
Total Welltower Inc. stockholders' equity	Total Welltower Inc. stockholders' equity	20,448,155	20,294,814	Total Welltower Inc. stockholders' equity	21,204,441	20,294,814
Noncontrolling interests	Noncontrolling interests	755,805	714,739	Noncontrolling interests	619,482	714,739
Total equity	Total equity	21,203,960	21,009,553	Total equity	21,823,923	21,009,553
Total liabilities and equity	Total liabilities and equity	$ 38,493,889	$ 37,893,233	Total liabilities and equity	$ 40,064,135	$ 37,893,233

Note: The consolidated balance sheet at December 31, 2022 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands, except per share data)

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Revenues:	Revenues:			Revenues:				
Resident fees and services	Resident fees and services	$ 1,131,685	$ 994,335	Resident fees and services	$ 1,159,449	$ 1,009,999	$ 2,291,134	$ 2,004,334
Rental income	Rental income	384,059	356,390	Rental income	383,439	361,411	767,498	717,801
Interest income	Interest income	36,405	38,994	Interest income	38,710	37,140	75,115	76,134
Other income	Other income	8,580	5,985	Other income	83,880	63,986	92,460	69,971
Total revenues	Total revenues	1,560,729	1,395,704	Total revenues	1,665,478	1,472,536	3,226,207	2,868,240
Expenses:	Expenses:			Expenses:				
Property operating expenses	Property operating expenses	957,753	853,669	Property operating expenses	958,672	854,083	1,916,425	1,707,752
Depreciation and amortization	Depreciation and amortization	339,112	304,088	Depreciation and amortization	341,945	310,295	681,057	614,383
Interest expense	Interest expense	144,403	121,696	Interest expense	152,337	127,750	296,740	249,446
General and administrative expenses	General and administrative expenses	44,371	37,706	General and administrative expenses	44,287	36,554	88,658	74,260

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Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	930	2,578	Loss (gain) on derivatives and financial instruments, net	1,280	(1,407)	2,210	1,171
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	5	(12)	Loss (gain) on extinguishment of debt, net	1	603	6	591
Provision for loan losses, net	Provision for loan losses, net	777	(804)	Provision for loan losses, net	2,456	165	3,233	(639)
Impairment of assets	Impairment of assets	12,629	—	Impairment of assets	1,086	—	13,715	—
Other expenses	Other expenses	22,745	26,069	Other expenses	11,069	35,166	33,814	61,235
Total expenses	Total expenses	1,522,725	1,344,990	Total expenses	1,513,133	1,363,209	3,035,858	2,708,199
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	38,004	50,714	Income (loss) from continuing operations before income taxes and other items	152,345	109,327	190,349	160,041
Income tax (expense) benefit	Income tax (expense) benefit	(3,045)	(5,013)	Income tax (expense) benefit	(3,503)	(3,065)	(6,548)	(8,078)
Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	(7,071)	(2,884)	Income (loss) from unconsolidated entities	(40,332)	(7,058)	(47,403)	(9,942)
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	747	22,934	Gain (loss) on real estate dispositions, net	(2,168)	(3,532)	(1,421)	19,402
Income (loss) from continuing operations	Income (loss) from continuing operations	28,635	65,751	Income (loss) from continuing operations	106,342	95,672	134,977	161,423
Net income (loss)	Net income (loss)	28,635	65,751	Net income (loss)	106,342	95,672	134,977	161,423
Less: Net income (loss) attributable to noncontrolling interests[1]	Less: Net income (loss) attributable to noncontrolling interests[1]	2,962	3,826	Less: Net income (loss) attributable to noncontrolling interests[1]	3,302	5,888	6,264	9,714
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	$ 25,673	$ 61,925	Net income (loss) attributable to common stockholders	$ 103,040	$ 89,784	$ 128,713	$ 151,709
Weighted average number of common shares outstanding:	Weighted average number of common shares outstanding:			Weighted average number of common shares outstanding:				
Basic	Basic	492,061	447,379	Basic	499,023	454,327	495,561	450,865
Diluted	Diluted	494,494	449,802	Diluted	501,970	457,082	498,305	453,455
Earnings per share:	Earnings per share:			Earnings per share:				
Basic:	Basic:			Basic:				
Income (loss) from continuing operations	Income (loss) from continuing operations	$ 0.06	$ 0.15	Income (loss) from continuing operations	$ 0.21	$ 0.21	$ 0.27	$ 0.36
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	$ 0.05	$ 0.14	Net income (loss) attributable to common stockholders	$ 0.21	$ 0.20	$ 0.26	$ 0.34
Diluted:	Diluted:			Diluted:				
Income (loss) from continuing operations	Income (loss) from continuing operations	$ 0.06	$ 0.15	Income (loss) from continuing operations	$ 0.21	$ 0.21	$ 0.27	$ 0.36
Net income (loss) attributable to common stockholders[2]	Net income (loss) attributable to common stockholders[2]	$ 0.05	$ 0.14	Net income (loss) attributable to common stockholders[2]	$ 0.20	$ 0.20	$ 0.26	$ 0.33

Dividends declared and paid per common share	Dividends declared and paid per common share	$ 0.61	$ 0.61	Dividends declared and paid per common share	$ 0.61	$ 0.61	$ 1.22	$ 1.22

(1) Includes amounts attributable to redeemable noncontrolling interests.

(2) Includes adjustment to the numerator for income (loss) attributable to OP Units and DownREIT Units.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

		Three Months Ended March 31, 2023	Three Months Ended March 31, 2022		Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net income (loss)	Net income (loss)	$ 28,635	$ 65,751	Net income (loss)	$ 106,342	$ 95,672	$ 134,977	$ 161,423
Other comprehensive income (loss):	Other comprehensive income (loss):			Other comprehensive income (loss):				
Foreign currency translation gain (loss)	Foreign currency translation gain (loss)	80,765	(66,948)	Foreign currency translation gain (loss)	119,519	(306,723)	200,284	(373,671)
Derivative and financial instruments designated as hedges gain (loss)	Derivative and financial instruments designated as hedges gain (loss)	(69,738)	51,940	Derivative and financial instruments designated as hedges gain (loss)	(85,884)	284,081	(155,622)	336,021
Total other comprehensive income (loss)	Total other comprehensive income (loss)	11,027	(15,008)	Total other comprehensive income (loss)	33,635	(22,642)	44,662	(37,650)
Total comprehensive income (loss)	Total comprehensive income (loss)	39,662	50,743	Total comprehensive income (loss)	139,977	73,030	179,639	123,773
Less: Total comprehensive income (loss) attributable to noncontrolling interests(1)	Less: Total comprehensive income (loss) attributable to noncontrolling interests(1)	5,841	5,974	Less: Total comprehensive income (loss) attributable to noncontrolling interests(1)	8,286	(10,031)	14,127	(4,057)
Total comprehensive income (loss) attributable to common stockholders	Total comprehensive income (loss) attributable to common stockholders	$ 33,821	$ 44,769	Total comprehensive income (loss) attributable to common stockholders	$ 131,691	$ 83,061	$ 165,512	$ 127,830

(1) Includes amounts attributable to redeemable noncontrolling interests. (1) Includes amounts attributable to redeemable noncontrolling interests. (1) Includes amounts attributable to redeemable noncontrolling interests.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

		Three Months Ended March 31, 2023							
		Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2023	Balances at January 1, 2023	$491,919	$26,742,750	$(111,001)	$8,804,950	$(15,514,097)	$ (119,707)	$ 714,739	$21,009,553
Comprehensive income:	Comprehensive income:								
Net income (loss)	Net income (loss)				25,673			2,688	28,361
Other comprehensive income (loss)	Other comprehensive income (loss)						8,148	3,023	11,171
Total comprehensive income	Total comprehensive income								39,532
Net change in noncontrolling interests	Net change in noncontrolling interests		(8,304)					29,648	21,344
Adjustment to members' interest from change in ownership in Welltower OP	Adjustment to members' interest from change in ownership in Welltower OP		(6,139)					6,139	—
Redemption of OP Units and DownREIT Units	Redemption of OP Units and DownREIT Units	272	17,515					(432)	17,355
Amounts related to stock incentive plans, net of forfeitures	Amounts related to stock incentive plans, net of forfeitures	134	9,330	(1,924)					7,540
Net proceeds from issuance of common stock	Net proceeds from issuance of common stock	5,603	404,862						410,465
Dividends paid:	Dividends paid:								
Common stock dividends	Common stock dividends					(301,829)			(301,829)
Balances at March 31, 2023	Balances at March 31, 2023	$497,928	$27,160,014	$(112,925)	$8,830,623	$(15,815,926)	$ (111,559)	$ 755,805	$21,203,960

Comprehensive income:
Net income (loss)
Other comprehensive income (loss)
Total comprehensive income
Net change in noncontrolling interests
Adjustment to members' interest from change in ownership in Welltower OP
Redemption of OP Units and DownREIT Units
Amounts related to stock incentive plans, net of forfeitures

	Six Months Ended June 30, 2023					
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)
Balances at January 1, 2023	$491,919	$26,742,750	$(111,001)	$8,804,950	$(15,514,097)	$ (119,707)
Comprehensive income:						
Net income (loss)				25,673		
Other comprehensive income (loss)						8,148
Total comprehensive income						
Net change in noncontrolling interests		(8,304)				
Adjustment to members' interest from change in ownership in Welltower OP		(6,139)				
Redemption of OP Units and DownREIT Units	272	17,515				
Amounts related to stock incentive plans, net of forfeitures	134	9,330	(1,924)			
Net proceeds from issuance of common stock	5,603	404,862				
Dividends paid:						
Common stock dividends					(301,829)	
Balances at March 31, 2023	$497,928	$27,160,014	$(112,925)	$8,830,623	$(15,815,926)	$ (111,559)
Comprehensive income:						
Net income (loss)				103,040		
Other comprehensive income (loss)						28,651
Total comprehensive income						
Net change in noncontrolling interests		8,579				(12,686)
Adjustment to members' interest from change in ownership in Welltower OP		(4,794)				
Redemption of OP Units and DownREIT Units	1	18				
Amounts related to stock incentive plans, net of forfeitures	43	11,088	893			

Net proceeds from issuance of common stock
Dividends paid:
Common stock dividends
Balances at June 30, 2023

Net proceeds from issuance of common stock	11,833	910,392				
Dividends paid:						
Common stock dividends					(300,772)	
Balances at June 30, 2023	$509,805	$28,085,297	$(112,032)	$8,933,663	$(16,116,698)	$ (95,594)

	Three Months Ended March 31, 2022							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2022	$ 448,605	$ 23,133,641	$ (107,750)	$ 8,663,736	$ (14,380,915)	$ (121,316)	$ 960,578	$ 18,596,579
Comprehensive income:								
Net income (loss)				61,925			2,752	64,677
Other comprehensive income (loss)						(17,156)	1,465	(15,691)
Total comprehensive income								48,986
Net change in noncontrolling interests		(63,026)					(128,305)	(191,331)
Amounts related to stock incentive plans, net of forfeitures	166	7,279	(4,768)					2,677
Net proceeds from issuance of common stock	6,605	542,218						548,823
Dividends paid:								
Common stock dividends					(273,668)			(273,668)
Balances at March 31, 2022	$ 455,376	$ 23,620,112	$ (112,518)	$ 8,725,661	$ (14,654,583)	$ (138,472)	$ 836,490	$ 18,732,066

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

	Six Months Ended June 30, 2022							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2022	$ 448,605	$ 23,133,641	$ (107,750)	$ 8,663,736	$ (14,380,915)	$ (121,316)	$ 960,578	$ 18,596,579
Comprehensive income:								
Net income (loss)				61,925			2,752	64,677
Other comprehensive income (loss)						(17,156)	1,465	(15,691)
Total comprehensive income								48,986
Net change in noncontrolling interests		(63,026)					(128,305)	(191,331)
Amounts related to stock incentive plans, net of forfeitures	166	7,279	(4,768)					2,677
Net proceeds from issuance of common stock	6,605	542,218						548,823
Dividends paid:								
Common stock dividends					(273,668)			(273,668)
Balances at March 31, 2022	$ 455,376	$ 23,620,112	$ (112,518)	$ 8,725,661	$ (14,654,583)	$ (138,472)	$ 836,490	$ 18,732,066
Comprehensive income:								
Net income (loss)				89,785			4,409	94,194
Other comprehensive income (loss)						(6,724)	(15,116)	(21,840)

Total comprehensive income								72,354
Net change in noncontrolling interests		(6,760)					118,793	112,033
Adjustment to members' interest from change in ownership in Welltower OP		46,861					(46,861)	—
Amounts related to stock incentive plans, net of forfeitures	20	6,551	827					7,398
Net proceeds from issuance of common stock	9,382	798,277						807,659
Dividends paid:								
Common stock dividends					(277,615)			(277,615)
Balances at June 30, 2022	$ 464,778	$ 24,465,041	$ (111,691)	$ 8,815,446	$ (14,932,198)	$ (145,196)	$ 897,715	$ 19,453,895

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

		Three Months Ended March 31,			Six Months Ended June 30,	
		2023	2022		2023	2022
Operating activities:	Operating activities:			Operating activities:		
Net income	Net income	$ 28,635	$ 65,751	Net income	$ 134,977	$ 161,423
Adjustments to reconcile net income to net cash provided from (used in) operating activities:	Adjustments to reconcile net income to net cash provided from (used in) operating activities:			Adjustments to reconcile net income to net cash provided from (used in) operating activities:		
Depreciation and amortization	Depreciation and amortization	339,112	304,088	Depreciation and amortization	681,057	614,383
Other amortization expenses	Other amortization expenses	9,792	5,592	Other amortization expenses	20,086	11,433
Provision for loan losses, net	Provision for loan losses, net	777	(804)	Provision for loan losses, net	3,233	(639)
Impairment of assets	Impairment of assets	12,629	—	Impairment of assets	13,715	—
Stock-based compensation expense	Stock-based compensation expense	9,456	7,445	Stock-based compensation expense	19,960	13,466
Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	930	2,578	Loss (gain) on derivatives and financial instruments, net	2,210	1,171
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	5	(12)	Loss (gain) on extinguishment of debt, net	6	591
Loss (income) from unconsolidated entities	Loss (income) from unconsolidated entities	7,071	2,884	Loss (income) from unconsolidated entities	47,403	9,942
Rental income less than (in excess of) cash received	Rental income less than (in excess of) cash received	(36,827)	(22,215)	Rental income less than (in excess of) cash received	(71,997)	(51,445)
Amortization related to above (below) market leases, net	Amortization related to above (below) market leases, net	(82)	(419)	Amortization related to above (below) market leases, net	(248)	(803)
Loss (gain) on real estate dispositions, net	Loss (gain) on real estate dispositions, net	(747)	(22,934)	Loss (gain) on real estate dispositions, net	1,421	(19,402)
Loss (gain) on loss of control of subsidiary				Loss (gain) on loss of control of subsidiary	(65,485)	—
Distributions by unconsolidated entities	Distributions by unconsolidated entities	3,418	6,982	Distributions by unconsolidated entities	6,895	9,590
Increase (decrease) in accrued expenses and other liabilities	Increase (decrease) in accrued expenses and other liabilities	(4,503)	(23,416)	Increase (decrease) in accrued expenses and other liabilities	(9,380)	7,234
Decrease (increase) in receivables and other assets	Decrease (increase) in receivables and other assets	6,392	(1,000)	Decrease (increase) in receivables and other assets	8,450	(37,613)
Net cash provided from (used in) operating activities	Net cash provided from (used in) operating activities	376,058	324,520	Net cash provided from (used in) operating activities	792,303	719,331
Investing activities:	Investing activities:			Investing activities:		
Cash disbursed for acquisitions, net of cash acquired	Cash disbursed for acquisitions, net of cash acquired	(402,719)	(601,410)	Cash disbursed for acquisitions, net of cash acquired	(424,094)	(1,471,767)

Cash disbursed for capital improvements to existing properties	Cash disbursed for capital improvements to existing properties	(91,339)	(90,229)	Cash disbursed for capital improvements to existing properties	(204,978)	(200,069)
Cash disbursed for construction in progress	Cash disbursed for construction in progress	(226,226)	(138,141)	Cash disbursed for construction in progress	(474,115)	(286,427)
Capitalized interest	Capitalized interest	(10,335)	(5,479)	Capitalized interest	(22,205)	(11,866)
Investment in loans receivable	Investment in loans receivable	(54,831)	(39,201)	Investment in loans receivable	(76,397)	(117,565)
Principal collected on loans receivable	Principal collected on loans receivable	15,592	89,207	Principal collected on loans receivable	46,493	161,180
Other investments, net of payments	Other investments, net of payments	(80,548)	2,401	Other investments, net of payments	(95,819)	3,919
Contributions to unconsolidated entities	Contributions to unconsolidated entities	(112,822)	(115,249)	Contributions to unconsolidated entities	(206,160)	(307,513)
Distributions by unconsolidated entities	Distributions by unconsolidated entities	4,800	5,882	Distributions by unconsolidated entities	125,176	13,641
Proceeds from (payments on) derivatives	Proceeds from (payments on) derivatives	3,933	10,104	Proceeds from (payments on) derivatives	3,933	27,302
Proceeds from sales of real property	Proceeds from sales of real property	21,658	73,568	Proceeds from sales of real property	1,950	103,904
Net cash provided from (used in) investing activities	Net cash provided from (used in) investing activities	(932,837)	(808,547)	Net cash provided from (used in) investing activities	(1,326,216)	(2,085,261)
Financing activities:	Financing activities:			Financing activities:		
Net increase (decrease) under unsecured credit facility and commercial paper	Net increase (decrease) under unsecured credit facility and commercial paper	—	(24,967)	Net increase (decrease) under unsecured credit facility and commercial paper	—	29,065
Net proceeds from issuance of senior unsecured notes	Net proceeds from issuance of senior unsecured notes	—	545,082	Net proceeds from issuance of senior unsecured notes	1,011,427	1,040,232
Net proceeds from the issuance of secured debt	Net proceeds from the issuance of secured debt	362,900	5,385	Net proceeds from the issuance of secured debt	373,462	10,344
Payments on secured debt	Payments on secured debt	(39,573)	(116,789)	Payments on secured debt	(101,277)	(226,854)
Net proceeds from the issuance of common stock	Net proceeds from the issuance of common stock	411,032	549,346	Net proceeds from the issuance of common stock	1,333,908	1,357,561
Payments for deferred financing costs and prepayment penalties	Payments for deferred financing costs and prepayment penalties	(6,444)	(69)	Payments for deferred financing costs and prepayment penalties	(6,958)	(4,081)
Contributions by noncontrolling interests[1]	Contributions by noncontrolling interests[1]	83,480	4,101	Contributions by noncontrolling interests[1]	181,272	38,065
Distributions to noncontrolling interests[1]	Distributions to noncontrolling interests[1]	(35,664)	(177,979)	Distributions to noncontrolling interests[1]	(80,672)	(214,288)
Cash distributions to stockholders	Cash distributions to stockholders	(300,195)	(273,045)	Cash distributions to stockholders	(603,597)	(549,842)
Other financing activities	Other financing activities	(5,066)	(5,960)	Other financing activities	(5,254)	(6,586)
Net cash provided from (used in) financing activities	Net cash provided from (used in) financing activities	470,470	505,105	Net cash provided from (used in) financing activities	2,102,311	1,473,616
Effect of foreign currency translation on cash and cash equivalents and restricted cash	Effect of foreign currency translation on cash and cash equivalents and restricted cash	2,813	(790)	Effect of foreign currency translation on cash and cash equivalents and restricted cash	8,379	(12,190)
Increase (decrease) in cash, cash equivalents and restricted cash	Increase (decrease) in cash, cash equivalents and restricted cash	(83,496)	20,288	Increase (decrease) in cash, cash equivalents and restricted cash	1,576,777	95,496
Cash, cash equivalents and restricted cash at beginning of period	Cash, cash equivalents and restricted cash at beginning of period	722,292	346,755	Cash, cash equivalents and restricted cash at beginning of period	722,292	346,755
Cash, cash equivalents and restricted cash at end of period	Cash, cash equivalents and restricted cash at end of period	$ 638,796	$ 367,043	Cash, cash equivalents and restricted cash at end of period	$ 2,299,069	$ 442,251
Supplemental cash flow information:	Supplemental cash flow information:			Supplemental cash flow information:		
Interest paid	Interest paid	$ 148,399	$ 123,012	Interest paid	$ 273,979	$ 207,031
Income taxes paid (received), net	Income taxes paid (received), net	325	631	Income taxes paid (received), net	1,157	5,462

[1] Includes amounts attributable to redeemable noncontrolling interests.

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1. Business

Welltower Inc., an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. We invest with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower Inc., a real estate investment trust ("REIT"), owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

As of May 24, 2022, we are structured as an umbrella partnership REIT under which substantially all of our business is conducted through Welltower OP LLC, the day-to-day management of which is exclusively controlled by Welltower Inc. Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP. Welltower's weighted average ownership in Welltower OP was 99.735% 99.729% for the three six months ended March 31, 2023 June 30, 2023. As of March 31, 2023 June 30, 2023, Welltower owned 99.721% 99.727% of the issued and outstanding units of Welltower OP, with other investors owning the remaining 0.279% 0.273% of outstanding units. We adjust the noncontrolling members' interest at the end of each period to reflect their interest in the net assets of Welltower OP.

2. Accounting Policies and Related Matters

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (such as normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three six months ended March 31, 2023 June 30, 2023 are not necessarily an indication of the results that may be expected for the year ending December 31, 2023. For further information, refer to the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

Impact of COVID-19 Pandemic & Government Grants

The extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants in the future is uncertain and cannot be predicted with confidence. We have received government grants under the CARES Act, as well as under similar programs programs in the U.K. and Canada, primarily to cover increased expenses and lost revenue during the COVID-19 pandemic. We recognized $4,136,000 $11,019,000 and $5,760,000 $15,155,000 during the three and six months ended March 31, 2023 June 30, 2023, respectively, as compared to $21,804,000 and 2022, $27,564,000 during the three and six ended June 30, 2022, respectively. These grants represent a reduction to property operating expenses in our our Consolidated Statements of Comprehensive Income. The amount of qualifying expenditures and lost revenue exceeded grant income recognized and we believe we have complied and will continue to comply with all grant conditions. In the event of non-compliance, all such amounts are subject to recapture.

New Accounting Standards

In March 2020, the FASB issued an amendment to the reference rate reform standard, which provides the option for a limited period of time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on contract modifications and hedge accounting. An example of such reform is the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. Entities that make this optional expedient election would not have to remeasure the contracts at the modification date or reassess the accounting treatment if certain criteria are met and would continue applying hedge accounting for relationships affected by reference rate reform. In December 2022, the FASB extended the date for which this guidance can be applied from December 31, 2022 to December 31, 2024. We continue to monitor developments related to the LIBOR transition and identification of an alternative, market-accepted rate.

3. Real Property Acquisitions and Development

The total purchase price for all properties acquired has been allocated to the tangible and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. The results of operations for these acquisitions have been included in our consolidated results of operations since the date of acquisition and are a component of the appropriate segments. Transaction costs primarily represent costs incurred with acquisitions, including due diligence costs, fees for legal and valuation services, termination of pre-existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs. Transaction costs related to asset acquisitions are capitalized as a component of purchase price and all other non-capitalizable costs are reflected in other expenses on our Consolidated Statements of Comprehensive Income.

WELLTOWER INC.
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The following is a summary of our real property investment activity by segment for the periods presented (in thousands):

		Three Months Ended									Six Months Ended						
		March 31, 2023				March 31, 2022					June 30, 2023				June 30,		
		Seniors Housing Operating	Triple-net	Outpatient Medical	Totals	Seniors Housing Operating	Triple-net	Outpatient Medical	Totals		Seniors Housing Operating	Triple-net	Outpatient Medical	Totals	Seniors Housing Operating	Triple-net	Ou M
Land and land improvements	Land and land improvements	$ 2,517	$ 7,370	$ 60,527	$ 70,414	$ 43,897	$ —	$ 240	$ 44,137	Land and land improvements	$ 4,426	$ 7,370	$ 60,527	$ 72,323	$ 130,282	$ —	$
Buildings and improvements	Buildings and improvements	16,434	74,289	255,706	346,429	402,342	171	131,412	533,925	Buildings and improvements	50,172	74,289	256,190	380,651	1,249,982	171	2

Acquired lease intangibles	Acquired lease intangibles	865	—	39,090	39,955	31,366	—	16,978	48,344	Acquired lease intangibles	970	—	39,090	40,060	77,705	—	
Construction in progress										Construction in progress	—	—	—	—	108,141	—	
Right of use assets, net	Right of use assets, net	—	—	927	927	—	—	3,852	3,852	Right of use assets, net	—	—	927	927	169	—	
Total net real estate assets	Total net real estate assets	19,816	81,659	356,250	457,725	477,605	171	152,482	630,258	Total net real estate assets	55,568	81,659	356,734	493,961	1,566,279	171	
Receivables and other assets	Receivables and other assets	234	—	358	592	1,630	—	—	1,630	Receivables and other assets	2,089	—	358	2,447	6,091	—	
Total assets acquired (1)	Total assets acquired (1)	20,050	81,659	356,608	458,317	479,235	171	152,482	631,888	Total assets acquired (1)	57,657	81,659	357,092	496,408	1,572,370	171	
Secured debt	Secured debt	(5,501)	—	(40,953)	(46,454)	—	—	—	—	Secured debt	(21,767)	—	(40,953)	(62,720)	(219,067)	—	
Lease liabilities	Lease liabilities	—	—	(953)	(953)	—	—	(3,852)	(3,852)	Lease liabilities	—	—	(953)	(953)	—	—	
Accrued expenses and other liabilities	Accrued expenses and other liabilities	(120)	—	(8,071)	(8,191)	(4,154)	—	—	(4,154)	Accrued expenses and other liabilities	(570)	—	(8,071)	(8,641)	(11,937)	—	
Total liabilities acquired	Total liabilities acquired	(5,621)	—	(49,977)	(55,598)	(4,154)	—	(3,852)	(8,006)	Total liabilities acquired	(22,337)	—	(49,977)	(72,314)	(231,004)	—	
Noncontrolling interests (1) (2)	Noncontrolling interests (1) (2)	—	—	—	—	(20,348)	(4)	—	(20,352)	Noncontrolling interests (1) (2)	—	—	—	—	(101,885)	(4)	
Non-cash acquisition related activity (2) (3)	Non-cash acquisition related activity (2) (3)	—	—	—	—	(2,120)	—	—	(2,120)	Non-cash acquisition related activity (2) (3)	—	—	—	—	(25,795)	—	
Cash disbursed for acquisitions	Cash disbursed for acquisitions	14,429	81,659	306,631	402,719	452,613	167	148,630	601,410	Cash disbursed for acquisitions	35,320	81,659	307,115	424,094	1,213,686	167	
Construction in progress additions	Construction in progress additions	131,944	4,995	101,609	238,548	113,407	20,756	9,642	143,805	Construction in progress additions	295,120	25,646	190,164	510,930	229,044	45,939	
Less: Capitalized interest	Less: Capitalized interest	(7,950)	(1,248)	(1,137)	(10,335)	(4,179)	(1,089)	(211)	(5,479)	Less: Capitalized interest	(16,761)	(2,416)	(3,028)	(22,205)	(9,305)	(2,031)	
Accruals (3) (4)	Accruals (3) (4)	2,303	—	(4,290)	(1,987)	(1,963)	—	1,778	(185)	Accruals (3) (4)	746	(9,384)	(5,972)	(14,610)	(3,479)	—	
Cash disbursed for construction in progress	Cash disbursed for construction in progress	126,297	3,747	96,182	226,226	107,265	19,667	11,209	138,141	Cash disbursed for construction in progress	279,105	13,846	181,164	474,115	216,260	43,908	
Capital improvements to existing properties	Capital improvements to existing properties	69,783	4,427	17,129	91,339	68,612	8,294	13,323	90,229	Capital improvements to existing properties	165,187	11,784	28,007	204,978	146,052	25,016	
Total cash invested in real property, net of cash acquired	Total cash invested in real property, net of cash acquired	$ 210,509	$89,833	$ 419,942	$720,284	$ 628,490	$28,128	$ 173,162	$829,780	Total cash invested in real property, net of cash acquired	$ 479,612	$107,289	$ 516,286	$1,103,187	$1,575,998	$69,091	$

(1) Excludes $5,491,000 of unrestricted and restricted cash acquired during the six months ended June 30, 2022.

(2) Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests. For the six months ended June 30, 2022, 1,145,000 Welltower OP units were issued as a component of funding for certain transactions.

(2) (3) Relates to the acquisition of assets recognized as investments in unconsolidated entities.

(3) (4) Represents non-cash accruals for amounts to be paid in future periods for properties that converted, offset by amounts paid in the current period.

Effective on April 1, 2022, our leasehold interest relating to the master lease with National Health Investors, Inc. ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. The lease termination was part of an agreement to resolve outstanding litigation with NHI. In conjunction with the agreement, a wholly owned subsidiary and the lessee on the master lease agreed to release $6,883,000 of cash to the landlord, which represents the net cash flow generated from the properties since we assumed the leasehold interest. Additionally, in connection with the lease termination, during the three months ended June 30, 2022, we recognized $58,621,000 in other income on our Consolidated Statements of Comprehensive Income from the derecognition of the right of use asset and related lease liability.

Construction Activity

The following is a summary of the construction projects that were placed into service and began generating revenues during the periods presented (in thousands):

		Three Months Ended			Six Months Ended	
		March 31, 2023	March 31, 2022		June 30, 2023	June 30, 2022
Development projects:	Development projects:			Development projects:		
Seniors Housing Operating	Seniors Housing Operating	$ 26,712	$ 73,458	Seniors Housing Operating	$ 140,865	$ 134,562
Triple-net				Triple-net	141,142	—
Outpatient Medical	Outpatient Medical	9,351	—	Outpatient Medical	21,173	—
Total development projects	Total development projects	36,063	73,458	Total development projects	303,180	134,562
Expansion projects	Expansion projects	17,245	—	Expansion projects	26,125	—
Total construction in progress conversions	Total construction in progress conversions	$ 53,308	$ 73,458	Total construction in progress conversions	$ 329,305	$ 134,562

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4. Real Estate Intangibles

The following is a summary of our real estate intangibles, excluding those related to ground leases or classified as held for sale, as of the dates indicated (dollars in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Assets:	Assets:			Assets:		
In place lease intangibles	In place lease intangibles	$ 1,846,945	$ 1,817,580	In place lease intangibles	$ 1,802,091	$ 1,817,580
Above market tenant leases	Above market tenant leases	66,354	57,203	Above market tenant leases	66,354	57,203
Lease commissions	Lease commissions	77,531	70,675	Lease commissions	81,904	70,675
Gross historical cost	Gross historical cost	1,990,830	1,945,458	Gross historical cost	1,950,349	1,945,458
Accumulated amortization	Accumulated amortization	(1,543,457)	(1,484,048)	Accumulated amortization	(1,552,953)	(1,484,048)
Net book value	Net book value	$ 447,373	$ 461,410	Net book value	$ 397,396	$ 461,410
Liabilities:	Liabilities:			Liabilities:		
Below market tenant leases	Below market tenant leases	$ 82,084	$ 77,985	Below market tenant leases	$ 82,084	$ 77,985
Accumulated amortization	Accumulated amortization	(54,872)	(52,701)	Accumulated amortization	(56,784)	(52,701)
Net book value	Net book value	$ 27,212	$ 25,284	Net book value	$ 25,300	$ 25,284

The following is a summary of real estate intangible amortization income (expense) for the periods presented (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Rental income related to (above)/below market tenant leases, net	Rental income related to (above)/below market tenant leases, net	$ 45	$ 385	Rental income related to (above)/below market tenant leases, net	$ 130	$ 351	$ 175	$ 736

Amortization related to in place lease intangibles and lease commissions	Amortization related to in place lease intangibles and lease commissions	(56,151)	(47,994)	Amortization related to in place lease intangibles and lease commissions	(53,774)	(50,194)	(109,925)	(98,188)

5. Dispositions, Real Property Held for Sale and Impairment

We periodically sell properties for various reasons, including favorable market conditions, the exercise of tenant purchase options or reduction of concentrations (i.e., property type, relationship or geography). At March 31, 2023June 30, 2023, five18 Seniors Housing Operating properties, sevenone Triple-net propertiesproperty and one Outpatient Medical property with an aggregate real estate balance of $215,583,000$404,071,000 were classified as held for sale. In addition to the real property balances, lease liabilitiessecured debt balances of $66,530,000$171,711,000 and net other assets and (liabilities) of $6,095,000$26,950,000 are included in the Consolidated Balance Sheets related to the held for sale properties. Expected gross sales proceeds related to the held for sale properties are approximately $292,623,000.$456,859,000.

During the threesix months ended March 31, 2023June 30, 2023, we recorded $12,629,000$13,715,000 of impairment charges related to threetwo Seniors Housing Operating properties and one Triple-net property classified as held for sale for which the carrying value exceeded the estimated fair value less costs to sell and one Seniors Housing Operating property classified as held for use for which the carrying value exceeded the estimated fair value. We did not record any impairment charges during the threesix months ended March 31, 2022June 30, 2022.

The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2023	March 31, 2022
Real estate dispositions:		
Seniors Housing Operating	$ 18,572	$ —
Triple-net	2,028	52,661
Total dispositions	20,600	52,661
Gain (loss) on real estate dispositions, net	747	22,934
Net other assets/(liabilities) disposed	311	(2,027)
Proceeds from real estate dispositions	$ 21,658	$ 73,568

Operating results attributable to properties sold or classified as held for sale which do not meet the definition of discontinued operations are not reclassified on our Consolidated Statements of Comprehensive Income. We recognized income (loss) from continuing operations before income taxes and other items from properties sold or classified as held for sale as of March 31, 2023June 30, 2023 of $(11,733,000)$65,362,000 and $1,337,000$54,381,000 for the three monthand six months ended June 30, 2023 and $1,588,000 and $2,602,000 for the same periods ended March 31, 2023 andin 2022, respectively.

The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Six Months Ended	
	June 30, 2023	June 30, 2022
Real estate dispositions:		
Seniors Housing Operating	$ 243,695	$ 13,470
Triple-net	2,028	70,571
Total dispositions	245,723	84,041
Gain (loss) on real estate dispositions, net	(1,421)	19,402
Net other assets/(liabilities) disposed	(624)	461
Non-cash consideration	(241,728)	—
Cash proceeds from real estate dispositions	$ 1,950	$ 103,904

Strategic Dissolution of Revera Joint Ventures

During the three months ended June 30, 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera while simultaneously selling interests in 31 properties to Revera.

During the second quarter, we closed the U.K. portfolio portion of the transaction through the acquisition of the remaining ownership interest in 29 properties previously held in two separate consolidated joint venture structures in which we owned 75% and 90% of the interests in exchange for the disposition to Revera of our interests in four properties. In addition, we received cash from Revera of $107,341,000 relating to the net settlement of loans previously made to the joint ventures. Operations for the 29 retained properties were transitioned to Avery Healthcare.

Total proceeds related to the four properties disposed were $222,521,000, which included non-cash consideration from Revera of $241,728,000, comprised of the fair value of interests received by us of $198,837,000 and an allocation of Revera's noncontrolling interests of $42,891,000, partially offset by $9,049,000 of transaction-related expenses as well as the $10,158,000 of cash paid to equalize the value exchanged between the parties. We disposed of net real property owned of $224,208,000, resulting in a loss of $1,687,000 recognized within gain (loss) on real estate dispositions, net within our Consolidated Statements of Comprehensive Income. Consideration transferred to acquire the additional interests in the 29 properties was comprised of the fair value of interests transferred by us of $198,837,000 and $5,776,000 of cash paid for transaction-related expenses. We derecognized $180,497,000 of noncontrolling interests and $22,270,000 of liabilities previously due to Revera with an adjustment of $1,846,000 recognized in capital in excess of par value. The non-cash investing activity with respect to the sale of the four properties and non-cash financing activity with respect to the acquisition of Revera's interests in the 29 properties has been excluded from our Consolidated Statement of Cash Flows.

In July, we closed transactions related primarily to our U.S portfolio through (i) the acquisition of ten properties currently under development or recently developed by Sunrise Senior Living, previously held 34% by us/66% by Revera within an equity method joint venture for an additional investment of approximately $286 million, (ii) the disposition of our minority interests in 12 U.S. properties and one Canadian development project for approximately $216 million, and (iii) the disposition of our 34% interest in the Sunrise Senior Living management company. During the three months ended June 30, 2023, we recognized an impairment charge of $27,708,000 in income from unconsolidated entities on our Consolidated Statements of Comprehensive Income based on estimated sales proceeds for the sale of the Sunrise Senior Living management company. Operations for two of the now wholly-owned properties, along with operations for 26 existing wholly-owned properties, transitioned to Oakmont Management Group.

We anticipate closing the remainder of the transaction related to our Canadian portfolio before December 31, 2023. The Canadian portfolio consists of 85 properties in a joint venture owned 75% by us and 25% by Revera. As a part of the transaction we intend to acquire Revera's interest in 71 properties and sell our interests in the remaining 14 properties.

Genesis HealthCare

As part of the substantial exit of the Genesis HealthCare operating relationship, which we disclosed on March 2, 2021, we transitioned the sublease of a portfolio of seven facilities from Genesis HealthCare to Complete Care Management in the second quarter of 2021. As part of the March 2021 transaction, we entered into a forward sale agreement for the seven properties valued at $182,618,000, which was expected to close when the Welltower-held purchase option became exercisable. As of March 31, 2023, the right of use assets related to the properties were $115,359,000 and were reflected as held for sale with the corresponding lease liabilities of $66,530,000 on our Consolidated Balance Sheet.

On May 1, 2023, we executed a series of transactions that included the assignment of the leasehold interest to a newly formed tri-party unconsolidated joint venture with Aurora Health Network, Peace Capital (an affiliate of Complete Care Management) and us, and culminated with the closing of the purchase option by the joint venture. The transactions resulted in net cash proceeds to us of $104,240,000 (excluded from the dispositions table above) after our retained interest of $11,571,000 in the joint venture and a gain from the loss of control and derecognition of the leasehold interest of $65,485,000, which we recorded in other income within our Consolidated Statements of Comprehensive Income.

6. Leases

We lease land, buildings, office space and certain equipment. Many of our leases include a renewal option to extend the term from one to 25 years or more. Renewal options that we are reasonably certain to exercise are recognized in our right-of-use assets and lease liabilities.

The components of lease expense were as follows for the periods presented (in thousands):

			Three Months Ended				Six Months Ended	
		Classification	March 31, 2023	March 31, 2022		Classification	June 30, 2023	June 30, 2022
Operating lease cost: (1)	Operating lease cost: (1)				Operating lease cost: (1)			
Real estate lease expense	Real estate lease expense	Property operating expenses	$ 5,520	$ 5,816	Real estate lease expense	Property operating expenses	$ 11,093	$ 11,209
Non-real estate investment lease expense	Non-real estate investment lease expense	General and administrative expenses	1,863	978	Non-real estate investment lease expense	General and administrative expenses	3,586	2,101
Finance lease cost:	Finance lease cost:				Finance lease cost:			
Amortization of leased assets	Amortization of leased assets	Property operating expenses	2,284	1,156	Amortization of leased assets	Property operating expenses	3,628	3,171
Interest on lease liabilities	Interest on lease liabilities	Interest expense	1,427	1,618	Interest on lease liabilities	Interest expense	1,980	2,937
Sublease income	Sublease income	Rental income	(2,950)	(2,715)	Sublease income	Rental income	(3,933)	(5,587)
Total	Total		$ 8,144	$ 6,853	Total		$ 16,354	$ 13,831

(1) Includes short-term leases which are immaterial.

Supplemental balance sheet information related to leases in which we are the lessee is as follows (in thousands):

Classification	March 31, 2023	December 31, 2022	Classification	June 30, 2023	December 31, 2022

Right of use assets:	Right of use assets:				Right of use assets:			
Operating leases - real estate	Operating leases - real estate	Right of use assets, net	$ 287,275	$ 287,984	Operating leases - real estate	Right of use assets, net	$ 284,601	$ 287,984
Finance leases - real estate	Finance leases - real estate	Right of use assets, net	35,621	35,958	Finance leases - real estate	Right of use assets, net	37,715	35,958
Real estate right of use assets, net	Real estate right of use assets, net		322,896	323,942	Real estate right of use assets, net		322,316	323,942
Operating leases - non-real estate investments	Operating leases - non-real estate investments	Receivables and other assets	9,281	10,119	Operating leases - non-real estate investments	Receivables and other assets	8,433	10,119
Finance leases - held for sale (1)	Finance leases - held for sale (1)	Real property held for sale, net of accumulated depreciation	115,359	116,453	Finance leases - held for sale (1)	Real property held for sale, net of accumulated depreciation	—	116,453
Total right of use assets, net	Total right of use assets, net		$ 447,536	$ 450,514	Total right of use assets, net		$ 330,749	$ 450,514
Lease liabilities:	Lease liabilities:				Lease liabilities:			
Operating leases	Operating leases		$ 301,915	$ 302,360	Operating leases		$ 299,377	$ 302,360
Financing leases	Financing leases		113,254	113,464	Financing leases		49,393	113,464
Total	Total		$ 415,169	$ 415,824	Total		$ 348,770	$ 415,824

(1) At March 31, 2023, finance leases at seven properties were classified as held for sale.

(1) During the quarter ended June 30, 2023, we contributed finance leases at seven properties which was previously classified as held for sale into a newly formed unconsolidated joint venture, which recognized the purchase option within the leases. See Note 5 for further discussion.

(1) During the quarter ended June 30, 2023, we contributed finance leases at seven properties which was previously classified as held for sale into a newly formed unconsolidated joint venture, which recognized the purchase option within the leases. See Note 5 for further discussion.

Substantially all of our operating leases in which we are the lessor contain escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period.

Leases in our Triple-net and Outpatient Medical portfolios recognized under ASC 842, "Leases" (ASC 842), typically include some form of operating expense reimbursement by the tenant. For the three six months ended March 31, 2023June 30, 2023, we recognized $384,059,000 $767,498,000 of rental income related to operating leases, of which $53,794,000 $108,566,000 was for variable lease payments that primarily represents the reimbursement of operating costs such as common area maintenance expenses, utilities, insurance and real estate taxes. For the three six months ended March 31, 2022 June 30, 2022, we recognized $356,390,000 717,801,000 of rental income related to operating leases, of which $48,074,000 96,309,000 was for variable lease payments.

For the majority of our Seniors Housing Operating segment, revenue from resident fees and services is predominantly service-based, and as such, resident agreements are accounted for under ASC 606, "Revenue from Contracts with Customers." Within that reportable segment, we also recognize revenue from residential seniors apartment leases in accordance with ASC 842. The amount of revenue related to these leases was $108,915,000 $222,452,000 and $94,827,000 $198,052,000 for the three six months ended March 31, 2023 June 30, 2023 and 2022, respectively.

7. Loans Receivable

Loans receivable are recorded on our Consolidated Balance Sheets in real estate loans receivable, net of allowance for credit losses, or for non-real estate loans receivable, in receivables and other assets. Real estate loans receivable consists of mortgage loans and other real estate loans which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment of the partnership interest in, the related properties, as well as corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. Interest income on loans is recognized as earned based upon the principal amount outstanding subject to an evaluation of the risk of credit loss. Accrued interest receivable was $24,556,000$26,641,000 and $22,878,000 as of March 31, 2023June 30, 2023 and December 31, 2022, respectively, and is included in receivables and other assets on the Consolidated Balance Sheets. The following is a summary of our loans receivable (in thousands):

	March 31, 2023	December 31, 2022
Mortgage loans	$ 728,796	$ 707,464
Other real estate loans	238,400	195,566
Allowance for credit losses on real estate loans receivable	(13,040)	(12,186)
Real estate loans receivable, net of credit allowance	954,156	890,844
Non-real estate loans	468,791	441,231
Allowance for credit losses on non-real estate loans receivable	(171,278)	(152,063)
Non-real estate loans receivable, net of credit allowance	297,513	289,168
Total loans receivable, net of credit allowance	$ 1,251,669	$ 1,180,012

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	June 30, 2023	December 31, 2022
Mortgage loans	$ 738,496	$ 707,464
Other real estate loans	239,920	195,566
Allowance for credit losses on real estate loans receivable	(12,907)	(12,186)
Real estate loans receivable, net of credit allowance	965,509	890,844
Non-real estate loans	470,786	441,231
Allowance for credit losses on non-real estate loans receivable	(173,433)	(152,063)
Non-real estate loans receivable, net of credit allowance	297,353	289,168
Total loans receivable, net of credit allowance	$ 1,262,862	$ 1,180,012

The following is a summary of our loan activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2023	March 31, 2022
Advances on loans receivable	$ 54,831	$ 39,201
Less: Receipts on loans receivable	15,592	89,207
Net cash advances (receipts) on loans receivable	$ 39,239	$ (50,006)

	Six Months Ended	
	June 30, 2023	June 30, 2022
Advances on loans receivable	$ 76,397	$ 117,565
Less: Receipts on loans receivable	46,493	161,180
Net cash advances (receipts) on loans receivable	$ 29,904	$ (43,615)

The allowance for credit losses on loans receivable is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of each of these loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of credit quality indicators, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent, and value of the underlying collateral.

A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we will return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance. No interest was recognized on deteriorated loans for the periods presented.

For the remaining loans we assess credit loss on a collective pool basis and use our historical loss experience for similar loans to determine the reserve for credit losses. The following is a summary of our loans by credit loss category (in thousands):

	March 31, 2023				
Loan category	Years of Origination	Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2023	$ 193,918	$ (167,515)	$ 26,403	4
Collective loan pool	2007 - 2018	211,004	(2,866)	208,138	12
Collective loan pool	2019	23,333	(317)	23,016	4

Collective loan pool	2020	43,067	(585)	42,482	6
Collective loan pool	2021	777,173	(10,493)	766,680	18
Collective loan pool	2022	135,004	(1,833)	133,171	29
Collective loan pool	2023	52,488	(709)	51,779	3
Total loans		$ 1,435,987	$ (184,318)	$ 1,251,669	76

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	June 30, 2023				
Loan category	Years of Origination	Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2023	$ 213,105	$ (169,978)	$ 43,127	8
Collective loan pool	2007 - 2018	216,440	(2,878)	213,562	12
Collective loan pool	2019	23,397	(311)	23,086	4
Collective loan pool	2020	33,891	(451)	33,440	6
Collective loan pool	2021	783,161	(10,339)	772,822	14
Collective loan pool	2022	118,720	(1,579)	117,141	29
Collective loan pool	2023	60,488	(804)	59,684	7
Total loans		$ 1,449,202	$ (186,340)	$ 1,262,862	80

The total allowance for credit losses balance is deemed sufficient to absorb expected losses relating to our loan portfolio. The following is a summary of the allowance for credit losses on loans receivable for the periods presented (in thousands):

		Three Months Ended			Six Months Ended	
		March 31, 2023	March 31, 2022		June 30, 2023	June 30, 2022
Balance at beginning of period	Balance at beginning of period	$ 164,249	$ 166,785	Balance at beginning of period	$ 164,249	$ 166,785
Provision for loan losses, net	Provision for loan losses, net	777	(804)	Provision for loan losses, net	3,233	(639)
Purchased deteriorated loan	Purchased deteriorated loan	19,077	—	Purchased deteriorated loan	19,077	—
Foreign currency translation	Foreign currency translation	215	(288)	Foreign currency translation	(219)	(1,063)
Balance at end of period	Balance at end of period	$ 184,318	$ 165,693	Balance at end of period	$ 186,340	$ 165,083

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8. Investments in Unconsolidated Entities

We participate in a number of joint ventures, which generally invest in seniors housing and health care real estate. Our share of the results of operations for these properties has been included in our consolidated results of operations from the date of acquisition by the joint ventures and are reflected in our Consolidated Statements of Comprehensive Income as income or loss from unconsolidated entities. The following is a summary of our investments in unconsolidated entities (dollars in thousands):

		Percentage Ownership (1)	March 31, 2023	December 31, 2022		Percentage Ownership (1)	June 30, 2023	December 31, 2022
Seniors Housing Operating	Seniors Housing Operating	10% to 65%	$ 1,232,487	$ 1,171,307	Seniors Housing Operating	10% to 95%	$ 1,271,079	$ 1,171,307
Triple-net	Triple-net	10% to 88%	138,852	111,812	Triple-net	10% to 88%	145,982	111,812
Outpatient Medical	Outpatient Medical	15% to 50%	225,074	216,671	Outpatient Medical	15% to 50%	233,072	216,671
Total	Total		$ 1,596,413	$ 1,499,790	Total		$ 1,650,133	$ 1,499,790

(1) As of March 31, 2023June 30, 2023 and includes ownership of investments classified as liabilities and excludes ownership of in substance real estate.

At March 31, 2023June 30, 2023, the aggregate unamortized basis difference of our joint venture investments of $143,616,000$149,524,000 is primarily attributable to the difference between the amount for which we purchased our interest in the entity, including transaction costs, and the historical carrying value of the net assets of the joint venture. This difference is being amortized over the remaining useful life of the related properties and included in the reported amount of income from unconsolidated entities.

We have made loans loans related to 22 properties properties as of March 31, 2023 June 30, 2023 for the development and construction of certain properties which that are classified as in substance real estate investments and have a carrying value of $713,342,000. $764,799,000. We believe that such borrowers typically represent variable interest entities ("VIE" or "VIEs") in accordance with ASC 810, "Consolidation." VIEs are required to be consolidated by their primary beneficiary, which is the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We have concluded that we are not the primary beneficiary of such borrowers, therefore, the loan arrangements were assessed based on, among other factors, the amount and timing of expected residual profits, the estimated fair value of the collateral and the significance of the borrower's equity in the project. Based on these assessments, the arrangements have been classified as in substance real estate investments. We expect to fund an additio additional $105,405,000 relanal $140,641,000 related ted to these investments.

9. Credit Concentration

We use consolidated net operating income ("NOI") as our credit concentration metric. See Note 18 for additional information and reconciliation. The following table summarizes certain information about our credit concentration for the three six months ended March 31, 2023 June 30, 2023, excluding our share of NOI in unconsolidated entities (dollars in thousands):

Concentration by relationship: (1)	Concentration by relationship: (1)	Number of Properties	Total NOI	Percent of NOI (2)	Concentration by relationship: (1)	Number of Properties	Total NOI	Percent of NOI (2)
Integra Healthcare Properties	Integra Healthcare Properties	147	$ 53,885	9%	Integra Healthcare Properties	147	$ 107,789	8%
Sunrise Senior Living	Sunrise Senior Living	109	36,885	6%	Sunrise Senior Living	109	86,025	7%
Cogir Management Corporation	Cogir Management Corporation	48	21,911	4%	Cogir Management Corporation	48	45,814	3%
StoryPoint Senior Living	StoryPoint Senior Living	74	21,769	4%	StoryPoint Senior Living	75	45,617	3%
HC-One Group (3)	HC-One Group (3)	1	20,389	3%	HC-One Group (3)	1	41,559	3%
Remaining portfolio	Remaining portfolio	1,406	448,137	74%	Remaining portfolio	1,398	982,978	76%
Totals	Totals	1,785	$ 602,976	100%	Totals	1,778	$ 1,309,782	100%

(1) Integra Healthcare Properties and HC-One Group are in our Triple-net segment. Sunrise Senior Living and Cogir Management Corporation are in our Seniors Housing Operating segment. StoryPoint Senior Living operates assets in both our Seniors Housing Operating and Triple-net segments.

(2) NOI with our top five relationships comprised 30% of total NOI for the year ended December 31, 2022.

(3) In addition to the one property, HC-One Group is the borrower on a £520,854,000 £525,471,000 loan as of March 31, 2023 June 30, 2023, which is included in NOI.

10. Borrowings Under Credit Facilities and Commercial Paper Program

At March 31, 2023 June 30, 2023, we had a primary unsecured credit facility with a consortium of 31 banks that included a $4,000,000,000 unsecured revolving credit facility, a $1,000,000,000 unsecured term credit facility and a $250,000,000 Canadian-denominated unsecured term credit facility. The unsecured revolving credit facility is comprised of a $1,000,000,000 tranche that matures on June 4, 2026 (none outstanding at March 31, 2023 June 30, 2023) and a $3,000,000,000 tranche that matures on June 4, 2025 (none outstanding at March 31, 2023 June 30, 2023). The term credit facilities mature on July 19, 2026. Each tranche of the revolving facility and term loans may be extended for two successive terms of six months at our option. We have an option, through an accordion feature, to upsize the unsecured revolving credit facility and the $1,000,000,000 unsecured term credit facility by up to an additional $1,250,000,000, in the aggregate, and the $250,000,000 Canadian-denominated unsecured term credit facility by up to an additional $250,000,000. The primary unsecured credit facility also allows us to borrow up to $1,000,000,000 in alternate currencies (none outstanding at March 31, 2023 June 30, 2023). Borrowings under the unsecured revolving credit facility are subject to interest

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payable at the applicable margin over the secured overnight financing rate ("SOFR") interest interest rate. Based on our current credit ratings, the loans under the unsecured revolving credit facility currently bear interest at 0.775% over the adjusted SOFR rate at March 31, 2023 June 30, 2023. In addition, we pay a facility fee quarterly to each bank based on the bank's commitment amount. The facility fee depends on our debt ratings and was 0.15% at March 31, 2023 June 30, 2023.

Under the terms of our commercial paper program, we may issue unsecured commercial paper notes with maturities that vary, but do not exceed 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of $1,000,000,000 (none outstanding at March 31, 2023 June 30, 2023).

The following information relates to aggregate borrowings under the unsecured revolving credit facility and commercial paper program for the periods presented (dollars in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Balance outstanding at quarter end	Balance outstanding at quarter end	$ —	$ 300,000	Balance outstanding at quarter end	$ —	$ 354,000	$ —	$ 354,000
Maximum amount outstanding at any month end	Maximum amount outstanding at any month end	$ 205,000	$ 995,660	Maximum amount outstanding at any month end	$ —	$ 1,135,000	$ 205,000	$ 1,135,000
Average amount outstanding (total of daily principal balances divided by days in period)	Average amount outstanding (total of daily principal balances divided by days in period)	$ 65,833	$ 961,463	Average amount outstanding (total of daily principal balances divided by days in period)	$ —	$ 754,337	$ 32,735	$ 857,328
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	5.05 %	0.53 %	Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	— %	1.36 %	5.05 %	0.90 %

11. Senior Unsecured Notes and Secured Debt

We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the sum of: (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any "make-whole" amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.At March 31, 2023June 30, 2023, the annual principal payments due on theseour debt obligations were as follows (in thousands):

		Senior Unsecured Notes (1,2,3)	Secured Debt (1,4)	Totals		Senior Unsecured Notes (1,2)	Secured Debt (3)	Totals
2023	2023	$ —	$ 550,304	$ 550,304	2023	$ —	$ 398,560	$ 398,560
2024	2024	1,350,000	376,620	1,726,620	2024	1,350,000	470,448	1,820,448
2025	2025	1,260,000	287,203	1,547,203	2025	1,260,000	298,553	1,558,553
2026	2026	700,000	139,870	839,870	2026	700,000	144,144	844,144
2027 (5, 6)		1,906,654	186,449	2,093,103				
Thereafter (7, 8)		7,398,745	966,362	8,365,107				
Totals		$ 12,615,399	$ 2,506,808	$ 15,122,207				
2027 (4, 5)					2027 (4, 5)	1,915,659	190,356	2,106,015
Thereafter (6, 7)					Thereafter (6, 7)	8,469,445	994,530	9,463,975
Total principal balance					Total principal balance	13,695,104	2,496,591	16,191,695
Unamortized discounts and premiums, net					Unamortized discounts and premiums, net	(26,710)	—	(26,710)
Unamortized debt issuance costs, net					Unamortized debt issuance costs, net	(81,341)	(20,982)	(102,323)

Fair value adjustments and other, net	Fair value adjustments and other, net	(56,265)	(15,260)	(71,525)
Total carrying value of debt	Total carrying value of debt	$ 13,530,788	$ 2,460,349	$ 15,991,137

(1) Amounts represent principal amounts due and do not include unamortized premiums/discounts, debt issuance costs, or other fair value adjustments as reflected on the Consolidated Balance Sheets.

(2) Annual interest rates range from 2.05% to 6.50%.

(3) (2) All senior unsecured notes with the exception of the $300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued by Welltower OP and are fully and unconditionally guaranteed by Welltower. The $300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued through private placement by a wholly owned wholly-owned subsidiary of Welltower OP and are fully and unconditionally guaranteed by Welltower OP.

(4) (3) Annual interest rates range from 1.25% to 7.75% 8.25%. Gross real property value of the properties securing the debt totaled $5,800,377,000 $5,371,352,000 at March 31, 2023 June 30, 2023.

(5) (4) Includes a $1,000,000,000 unsecured term loan and a $250,000,000 Canadian-denominated unsecured term loan (approximately $184,843,000 $188,936,000 based on the Canadian/U.S. Dollar exchange rate on March 31, 2023 June 30, 2023). Both term loans mature on July 19, 2026 and may be extended for two successive terms of six months at our option. The loans bear interest at adjusted SOFR plus 0.85% (5.78% (6.10% at March 31, 2023 June 30, 2023) and Canadian Dealer Offered Rate plus 0.85% (5.79% (6.10% at March 31, 2023 June 30, 2023), respectively.

(6) (5) Includes a $300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 (approximately $221,811,000 $226,723,000 based on the Canadian/U.S. Dollar exchange rate on March 31, 2023 June 30, 2023).

(7) (6) Includes a £550,000,000 4.80% senior unsecured notes due 2028 (approximately $680,295,000 $698,995,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on March 31, 2023 June 30, 2023).

(8) (7) Includes a £500,000,000 4.50% senior unsecured notes due 2034 (approximately $618,450,000 $635,450,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on March 31, 2023 June 30, 2023).

The following is a summary of our senior unsecured notes principal activity during the periods presented (dollars in thousands):

	Six Months Ended			
	June 30, 2023		June 30, 2022	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 12,584,529	4.06%	$ 11,707,961	3.67%
Debt issued	1,035,000	2.75%	1,050,000	3.08%
Foreign currency	75,575	4.60%	(143,634)	4.14%
Ending balance	$ 13,695,104	4.00%	$ 12,614,327	3.68%

Welltower, the parent entity that consolidates Welltower OP and all other subsidiaries, fully and unconditionally guarantees to each holder of all series of senior unsecured notes issued by Welltower OP that the principal of and premium, if any, and interest on the notes will be promptly paid in full when due, whether at the applicable maturity date, by acceleration or redemption or otherwise, and interest on the overdue principal of and interest on the notes, if any, if lawful, and all other obligations of Welltower OP to the holders of the notes will be promptly paid in full or performed. Welltower's guarantees of such notes are its senior unsecured obligation and rank equally with all of Welltower's other future unsecured senior indebtedness and guarantees from time to time outstanding. Welltower's guarantees of such notes are effectively subordinated to all liabilities of its subsidiaries and to its secured indebtedness to the extent of the assets securing such indebtedness. Because Welltower conducts substantially all of its business through its subsidiaries, Welltower's ability to make required payments with respect to the guarantees depends on the financial results and condition of its subsidiaries and its ability to receive funds from its subsidiaries, whether by dividends, loans, distributions or other payments.

The following is a summary of our We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, subject to certain contractual restrictions, at a redemption price equal to the sum of: (i) the principal activity amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any "make-whole" amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Exchangeable Senior Unsecured Notes

In May 2023, Welltower OP issued $1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028 (the "Exchangeable Notes" or the "Notes") unless earlier exchanged, purchased or redeemed. The Exchangeable Notes will pay interest semi-annually in arrears on May 15 and November 15 of each year. The net proceeds from the offering of the Exchangeable Notes were approximately $1,011,427,000 after deducting the underwriting fees and other expenses. During the quarter ended June 30, 2023, we recognized approximately $3,953,000 of contractual interest expense and amortization of issuance costs of $693,000 related to the Exchangeable Notes. Unamortized issuance costs were $22,880,000 as of June 30, 2023.

Prior to the close of business on the business day immediately preceding November 15, 2027, the Notes are exchangeable at the option of the holders only upon certain circumstances and during certain periods. On or after November 15, 2027, the periods presented (dollars Notes will be exchangeable at the option of the holders at any time prior to the close of business on the second scheduled trading day preceding the maturity date. Welltower OP will settle exchanges of the Notes by delivering cash up to the principal amount of the Notes exchanged and, in thousands): respect of the remainder of the exchanged value, if any, in excess thereof, cash or shares of Welltower's common stock, or a combination thereof, at the election of Welltower OP. The exchange rate initially equals 10.4808 shares of common stock per $1,000 principal amount of Notes (equivalent to an exchange price of approximately $95.41 per share of common stock). The exchange rate is subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest.

	Three Months Ended			
	March 31, 2023		March 31, 2022	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 12,584,529	4.06%	$ 11,707,961	3.67%
Debt issued	—	—%	550,000	3.85%
Foreign currency	30,870	4.65%	(26,366)	4.14%
Ending balance	$ 12,615,399	4.06%	$ 12,231,595	3.69%

Welltower OP may redeem the Notes, at its option, in whole or in part, on any business day on or after May 20, 2026, if the last reported sales price of the common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which Welltower OP provides notice of redemption. The redemption price will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to but excluding the redemption date.

The following is a summary of our secured debt principal activity for the periods presented (dollars in thousands):

		Three Months Ended					Six Months Ended			
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022	
		Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate		Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	Beginning balance	$ 2,129,954	4.33%	$ 2,202,312	3.03%	Beginning balance	$ 2,129,954	4.33%	$ 2,202,312	3.03%
Debt issued	Debt issued	362,900	4.97%	5,385	3.08%	Debt issued	373,462	5.05%	10,344	3.23%
Debt assumed	Debt assumed	53,223	3.62%	—	—%	Debt assumed	73,671	3.60%	221,159	4.32%
Debt extinguished	Debt extinguished	(24,631)	4.53%	(100,821)	4.21%	Debt extinguished	(72,496)	3.99%	(196,504)	4.15%
Principal payments	Principal payments	(14,942)	3.91%	(15,968)	3.19%	Principal payments	(28,781)	3.90%	(30,350)	3.29%
Foreign currency	Foreign currency	304	4.39%	24,733	2.73%	Foreign currency	20,781	4.07%	(6,335)	2.97%
Ending balance	Ending balance	$ 2,506,808	4.55%	$ 2,115,641	3.02%	Ending balance	$ 2,496,591	4.70%	$ 2,200,626	3.43%

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2023 June 30, 2023, we were in compliance in all material respects with all of the covenants under our debt agreements.

12. Derivative Instruments

We are exposed to, among other risks, the impact of changes in foreign currency exchange rates as a result of our non-U.S. investments and interest rate risk related to our capital structure. Our risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes foreign currency forward contracts, cross currency swap contracts, interest rate swaps, interest rate locks and debt issued in foreign currencies to offset a portion of these risks.

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Cash Flow Hedges and Fair Value Hedges of Interest Rate Risk

We enter into interest rate swaps in order to maintain a capital structure containing targeted amounts of fixed and floating-rate debt and manage interest rate risk. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our fixed-rate payments. These interest rate swap agreements are used to hedge the variable cash flows associated with variable-rate debt.

Interest rate swaps designated as fair value hedges involve the receipt of fixed amounts from a counterparty in exchange for our variable-rate payments. These interest rate swap agreements hedge the exposure to changes in the fair value of fixed-rate debt attributable to changes in the designated benchmark interest rate. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in earnings. We record the gain or loss on the hedged items in interest expense, the same line item as the offsetting loss or gain on the related interest rate swaps. In March During the six months ended June 2022, we entered into a $550,000,000 fixed to floating swap in connection with our March 2022 senior note issuance. The carrying amount of the notes, exclusive of the hedge, is $545,504,000. $545,626,000. The fair value of the swap as of March 31, 2023 June 30, 2023 was ($40,829,000) 56,265,000) and was recorded as a derivative liability with an offset to senior unsecured notes on our Consolidated Balance Sheets.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into earnings over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately recognized in the Consolidated Statements of Comprehensive Income. Approximately $2,562,000 of losses, which are included in other comprehensive income ("OCI"), are expected to be reclassified into earnings in the next 12 months.

Foreign Currency Forward Contracts and Cross Currency Swap Contracts Designated as Net Investment Hedges

We use foreign currency forward and cross currency forward swap contracts to hedge a portion of the net investment in foreign subsidiaries against fluctuations in foreign exchange rates. For instruments that are designated and qualify as net investment hedges, the variability in the foreign currency to U.S. Dollar of the instrument is recorded as a cumulative translation adjustment component of OCI.

During the three six months ended March 31, 2023 June 30, 2023 and 2022, we settled certain net investment hedges generating cash proceeds of $1,994,000 and $10,169,000, $27,267,000, respectively. The balance of the cumulative translation adjustment will be reclassified to earnings if the hedged investment is sold or substantially liquidated.

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Derivative Contracts Undesignated

We use foreign currency exchange contracts to manage existing exposures to foreign currency exchange risk. Gains and losses resulting from the changes in fair value of these instruments are recorded in interest expense on the Consolidated Statements of Comprehensive Income and are substantially offset by net revaluation impacts on foreign currency denominated balance sheet exposures. In addition, we have several interest rate cap contracts related to variable rate secured debt agreements. Gains and losses resulting from the changes in fair values of these instruments are also recorded in interest expense.

Equity Warrants

We received equity warrants through our lending activities, which were accounted for as loan origination fees. The warrants provide us the right to participate in the capital appreciation of the underlying HC-One Group real estate portfolio above a designated price upon liquidation and contain net settlement terms qualifying as derivatives under ASC Topic 815. The warrants are classified within receivables and other assets on our Consolidated Balance Sheets. These warrants are measured at fair value with changes in fair value being recognized within gain (loss) on derivatives and financial instruments in our Consolidated Statements of Comprehensive Income.

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The following presents the notional amount of derivatives and other financial instruments as of the dates indicated (in thousands):

		March 31, 2023		December 31, 2022			June 30, 2023		December 31, 2022	
Derivatives designated as net investment hedges:	Derivatives designated as net investment hedges:					Derivatives designated as net investment hedges:				
Denominated in Canadian Dollars	Denominated in Canadian Dollars	$	1,075,000	$	1,075,000	Denominated in Canadian Dollars	$	1,075,000	$	1,075,000
Denominated in Pound Sterling	Denominated in Pound Sterling	£	1,890,708	£	1,890,708	Denominated in Pound Sterling	£	1,890,708	£	1,890,708
Financial instruments designated as net investment hedges:	Financial instruments designated as net investment hedges:					Financial instruments designated as net investment hedges:				
Denominated in Canadian Dollars	Denominated in Canadian Dollars	$	250,000	$	250,000	Denominated in Canadian Dollars	$	250,000	$	250,000
Denominated in Pound Sterling	Denominated in Pound Sterling	£	1,050,000	£	1,050,000	Denominated in Pound Sterling	£	1,050,000	£	1,050,000

Interest rate swaps designated as cash flow hedges:	Interest rate swaps designated as cash flow hedges:					Interest rate swaps designated as cash flow hedges:				
Denominated in U.S Dollars (1)	Denominated in U.S Dollars (1)	$	375,000	$	25,000	Denominated in U.S Dollars (1)	$	375,000	$	25,000
Interest rate swaps designated as fair value hedges:	Interest rate swaps designated as fair value hedges:					Interest rate swaps designated as fair value hedges:				
Denominated in U.S Dollars	Denominated in U.S Dollars	$	550,000	$	550,000	Denominated in U.S Dollars	$	550,000	$	550,000
Derivative instruments not designated:	Derivative instruments not designated:					Derivative instruments not designated:				
Interest rate caps denominated in U.S. Dollars	Interest rate caps denominated in U.S. Dollars	$	26,137	$	26,137	Interest rate caps denominated in U.S. Dollars	$	26,137	$	26,137
Foreign currency exchange contracts denominated in Canadian Dollars	Foreign currency exchange contracts denominated in Canadian Dollars	$	80,000	$	80,000	Foreign currency exchange contracts denominated in Canadian Dollars	$	80,000	$	80,000

(1) At March 31, 2023 June 30, 2023 the maximum maturity date was March 31, 2024.

The following presents the impact of derivative instruments on the Consolidated Statements of Comprehensive Income for the periods presented (in thousands):

			Three Months Ended March 31,					Three Months Ended June 30,		Six Months Ended June 30,	
Description	Description	Location	2023	2022	Description	Location	2023	2022	2023	2022
Gain (loss) on derivative instruments designated as hedges recognized in income	Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	$ 4,619	$ 5,984	Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	$ 4,759	$ 9,042	$ 9,378	$ 15,026
Gain (loss) on derivative instruments not designated as hedges recognized in income	Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	$ (254)	$ (693)	Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	$ (1,175)	$ 1,827	$ (1,429)	$ 1,134
Gain (loss) on equity warrants recognized in income	Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments	$ (885)	$ (2,423)	Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments, net	$ (1,242)	$ 1,904	$ (2,127)	$ (520)
Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	$ (69,738)	$ 51,940	Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	$ (85,884)	$ 284,081	$ (155,622)	$ 336,021

13. Commitments and Contingencies

At March 31, 2023June 30, 2023, we had 22 outstandinghad 24 outstanding letter of credit obligations totaling $51,447,000$72,544,000 and expiring between 2023 and 2024. At March 31, 2023June 30, 2023, we had outstanding construction in progress of $1,121,446,000$1,108,773,000 and committed to providing additional funds of approximately $2,057,726,000$1,852,975,000 to complete construction. Additionally, at March 31, 2023June 30, 2023, we had outstanding investments classified as in substance real estate of $713,342,000 764,799,000 and committed to provide additional funds of $140,641,000 105,405,000 (see Note 8 for additional information). Purchase obligations also include $38,729,000$78,947,000 of contingent purchase obligations to fund capital improvements. Rents due from the tenants are increased to reflect the additional investment in the property.

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14. Stockholders' Equity

The following is a summary of our stockholders' equity capital accounts as of the dates indicated:

	March 31, 2023	December 31, 2022
Preferred Stock, $1.00 par value:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, $1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	498,095,420	492,283,488
Outstanding shares	496,294,516	490,508,937

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	June 30, 2023	December 31, 2022
Preferred Stock, $1.00 par value:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, $1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	509,934,840	492,283,488
Outstanding shares	508,159,453	490,508,937

Common Stock In April 2022, May 2023, we entered into an amended and restated equity distribution agreement whereby we can offer and sell up to $3,000,000,000$2,532,139,425 aggregate amount of our common stock ("ATM Program"). The ATM Program also allows us to enter into forward sale agreements (none outstanding at March 31, 2023June 30, 2023). As of March 31, 2023June 30, 2023, we had $737,046,000 $1,659,273,000 of remaining capacity under the ATM Program. During July 2023, we sold 10,532,714 shares of common stock under our ATM Program.

The following is a summary of our common stock issuances during the three six months ended March 31, 2023June 30, 2023 and 2022 (dollars in thousands, except shares and average price amounts):

		Shares Issued	Average Price	Gross Proceeds	Net Proceeds		Shares Issued	Average Price	Gross Proceeds	Net Proceeds
2022 Option exercises	2022 Option exercises	299	$ 66.89	$ 20	$ 20	2022 Option exercises	299	$ 66.89	$ 20	$ 20
2022 ATM Program issuances	2022 ATM Program issuances	6,605,191	84.60	558,790	549,326	2022 ATM Program issuances	15,986,251	86.26	1,379,002	1,357,541
2022 Stock incentive plans, net of forfeitures	2022 Stock incentive plans, net of forfeitures	103,079		—	—	2022 Stock incentive plans, net of forfeitures	143,210		—	—
2022 Totals	2022 Totals	6,708,569		$ 558,810	$ 549,346	2022 Totals	16,129,760		$ 1,379,022	$ 1,357,561
2023 Option exercises						2023 Option exercises	1,708	$ 63.65	$ 109	$ 109

2023 ATM Program issuances	2023 ATM Program issuances	5,603,161	$ 73.74	$ 413,157	$ 411,032	2023 ATM Program issuances	17,435,154	76.90	1,340,727	1,333,799
2023 Redemption of OP Units and DownREIT Units	2023 Redemption of OP Units and DownREIT Units	271,997		—	—	2023 Redemption of OP Units and DownREIT Units	272,494		—	—
2023 Stock incentive plans, net of forfeitures	2023 Stock incentive plans, net of forfeitures	(89,579)		—	—	2023 Stock incentive plans, net of forfeitures	(58,840)		—	—
2023 Totals	2023 Totals	5,785,579		$ 413,157	$ 411,032	2023 Totals	17,650,516		$ 1,340,836	$ 1,333,908

Dividends The following is a summary of our dividend payments (in thousands, except per share amounts):

	Three Months Ended			
	March 31, 2023		March 31, 2022	
	Per Share	Amount	Per Share	Amount
Common stock	$ 0.61	$ 301,829	$ 0.61	$ 273,668

	Six Months Ended			
	June 30, 2023		June 30, 2022	
	Per Share	Amount	Per Share	Amount
Common stock	$ 1.22	$ 602,601	$ 1.22	$ 551,283

Accumulated Other Comprehensive Income The following is a summary of accumulated other comprehensive income (loss) for as of the periods dates presented (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Foreign currency translation	Foreign currency translation	$ (1,037,431)	$ (1,115,317)	Foreign currency translation	$ (935,582)	$ (1,115,317)
Derivative and financial instruments designated as hedges	Derivative and financial instruments designated as hedges	925,872	995,610	Derivative and financial instruments designated as hedges	839,988	995,610
Total accumulated other comprehensive income (loss)	Total accumulated other comprehensive income (loss)	$ (111,559)	$ (119,707)	Total accumulated other comprehensive income (loss)	$ (95,594)	$ (119,707)

15. Stock Incentive Plans

In March 2022, our Board of Directors approved the 2022 Long-Term Incentive Plan ("2022 Plan"), which authorizes up to 10,000,000 shares of common stock or units to be issued at the discretion of the Compensation Committee of the Board of Directors. Awards granted after March 28, 2022 will be issued out of the 2022 Plan. The awards granted under the 2016 Long-Term Incentive Plan continue to vest and options expire ten years from the date of grant. Our non-employee directors, officers and key employees are eligible to participate in the 2022 Plan. The 2022 Plan allows for the issuance of, among other things, stock options, stock appreciation rights, restricted stock units, deferred stock units, performance units and dividend equivalent rights. Vesting periods for options, deferred stock units and restricted stock units generally range from three to five years. Options expire ten years from the date of grant. Stock-based compensation expense totaled $9,456,000 and $7,445,000 totaled $10,504,000 and $19,960,000 for the three and six months ended March 31, 2023 June 30, 2023, and $6,021,000 and $13,466,000 for the same periods in 2022, respectively.

16. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
2023	2022	2023	2022	2023	2022

Numerator for basic earnings per share - net income (loss) attributable to common stockholders	Numerator for basic earnings per share - net income (loss) attributable to common stockholders	$ 25,673	$ 61,925	Numerator for basic earnings per share - net income (loss) attributable to common stockholders	$ 103,040	$ 89,784	$ 128,713	$ 151,709
Adjustment for net income (loss) attributable to OP Units and DownREIT Units	Adjustment for net income (loss) attributable to OP Units and DownREIT Units	(10)	(145)	Adjustment for net income (loss) attributable to OP Units and DownREIT Units	(157)	228	(167)	106
Numerator for diluted earnings per share	Numerator for diluted earnings per share	$ 25,663	$ 61,780	Numerator for diluted earnings per share	$ 102,883	$ 90,012	$ 128,546	$ 151,815
Denominator for basic earnings per share - weighted average shares	Denominator for basic earnings per share - weighted average shares	492,061	447,379	Denominator for basic earnings per share - weighted average shares	499,023	454,327	495,561	450,865
Effect of dilutive securities:	Effect of dilutive securities:			Effect of dilutive securities:				
Employee stock options	Employee stock options	4	31	Employee stock options	28	40	16	36
Non-vested restricted shares and units	Non-vested restricted shares and units	613	974	Non-vested restricted shares and units	1,044	1,166	882	1,070
OP Units and DownREIT Units	OP Units and DownREIT Units	1,786	1,396	OP Units and DownREIT Units	1,850	1,526	1,818	1,461
Employee stock purchase program	Employee stock purchase program	30	22	Employee stock purchase program	25	23	28	23
Dilutive potential common shares	Dilutive potential common shares	2,433	2,423	Dilutive potential common shares	2,947	2,755	2,744	2,590
Denominator for diluted earnings per share - adjusted weighted average shares	Denominator for diluted earnings per share - adjusted weighted average shares	494,494	449,802	Denominator for diluted earnings per share - adjusted weighted average shares	501,970	457,082	498,305	453,455
Basic earnings per share	Basic earnings per share	$ 0.05	$ 0.14	Basic earnings per share	$ 0.21	$ 0.20	$ 0.26	$ 0.34
Diluted earnings per share	Diluted earnings per share	$ 0.05	$ 0.14	Diluted earnings per share	$ 0.20	$ 0.20	$ 0.26	$ 0.33

As of March 31, June 30, 2022, outstanding forward sales agreements for the sale of 14,297,958 17,636,290 shares were not included in the computation of diluted earnings per share because such forward sales were anti-dilutive for the period. There were no outstanding forward sales agreements as of March 31, 2023 June 30, 2023. As of June 30, 2023, the Exchangeable Notes were not included in the computation of diluted earnings per share as they were anti-dilutive for the three and six month periods ended June 30, 2023.

17. Disclosure about Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy exists for disclosures of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Please see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 for additional information. The three levels are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Mortgage Loans, Other Real Estate Loans and Non-real Estate Loans Receivable — The fair value of mortgage loans, other real estate loans and non-real estate loans receivable is generally estimated by using Level 2 and Level 3 inputs such as discounting the estimated future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Cash and Cash Equivalents and Restricted Cash — The carrying amount approximates fair value.

Equity Securities — Equity securities are recorded at their fair value based on Level 1 publicly available trading prices.

Equity Warrants — The fair value of equity warrants is estimated using Level 3 inputs and includes data points such as enterprise value of the underlying HC-One Group real estate portfolio, marketability discount for private company warrants, dividend yield, volatility and risk-free rate. The enterprise value is driven by projected cash flows, weighted average cost of capital and a terminal capitalization rate.

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Borrowings Under Primary Unsecured Credit Facility and Commercial Paper Program — The carrying amount of the primary unsecured credit facility and commercial paper program approximates fair value because the borrowings are interest rate adjustable.

Senior Unsecured Notes — The fair value of the senior unsecured notes payable is estimated based on Level 1 publicly available trading prices. The carrying amount of the variable rate senior unsecured notes approximates fair value because they are interest rate adjustable.

Secured Debt — The fair value of fixed rate secured debt is estimated using Level 2 inputs by discounting the estimated future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities. The carrying amount of variable rate secured debt approximates fair value because the borrowings are interest rate adjustable.

Foreign Currency Forward Contracts, Interest Rate Swaps and Cross Currency Swaps — Foreign currency forward contracts, interest rate swaps and cross currency swaps are recorded in other assets or other liabilities on the balance sheet at fair value that is derived from observable market data, including yield curves and foreign exchange rates.

Redeemable DownREIT Unitholder Interests — Our redeemable DownREIT Unitholder interests are recorded on the balance sheet at fair value using Level 2 inputs unless the fair value is below the initial amount, in which case the redeemable DownREIT Unitholder interests are recorded at the initial amount adjusted for distributions to the unitholders and income or loss attributable to the unitholders. The fair value is measured using the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, one share of our common stock per unit, subject to adjustment in certain circumstances.

The carrying amounts and estimated fair values of our financial instruments are as follows (in thousands):

		March 31, 2023		December 31, 2022			June 30, 2023		December 31, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:	Financial assets:					Financial assets:				
Mortgage loans receivable	Mortgage loans receivable	$ 718,961	$ 759,712	$ 697,906	$ 739,159	Mortgage loans receivable	$ 728,751	$ 779,462	$ 697,906	$ 739,159
Other real estate loans receivable	Other real estate loans receivable	235,195	235,573	192,938	190,977	Other real estate loans receivable	236,758	236,426	192,938	190,977
Equity securities	Equity securities	66	66	111	111	Equity securities	27	27	111	111
Cash and cash equivalents	Cash and cash equivalents	571,902	571,902	631,681	631,681	Cash and cash equivalents	2,203,788	2,203,788	631,681	631,681
Restricted cash	Restricted cash	66,894	66,894	90,611	90,611	Restricted cash	95,281	95,281	90,611	90,611
Non-real estate loans receivable	Non-real estate loans receivable	297,513	285,404	289,168	277,601	Non-real estate loans receivable	297,353	285,144	289,168	277,601
Foreign currency forward contracts, interest rate swaps and cross currency swaps	Foreign currency forward contracts, interest rate swaps and cross currency swaps	148,206	148,206	191,357	191,357	Foreign currency forward contracts, interest rate swaps and cross currency swaps	113,285	113,285	191,357	191,357
Equity warrants	Equity warrants	30,269	30,269	30,436	30,436	Equity warrants	29,852	29,852	30,436	30,436
Financial liabilities:	Financial liabilities:					Financial liabilities:				
Senior unsecured notes	Senior unsecured notes	$ 12,486,229	$ 11,629,220	$ 12,437,273	$ 11,381,873	Senior unsecured notes	$ 13,530,788	$ 12,596,885	$ 12,437,273	$ 11,381,873

Secured debt	Secured debt	2,474,837	2,451,673	2,110,815	2,054,889	Secured debt	2,460,349	2,384,444	2,110,815	2,054,889
Foreign currency forward contracts, interest rate swaps and cross currency swaps	Foreign currency forward contracts, interest rate swaps and cross currency swaps	40,829	40,829	55,727	55,727	Foreign currency forward contracts, interest rate swaps and cross currency swaps	68,590	68,590	55,727	55,727
Redeemable DownREIT Unitholder interests	Redeemable DownREIT Unitholder interests	$ 61,957	$ 61,957	$ 75,355	$ 75,355	Redeemable DownREIT Unitholder interests	$ 69,908	$ 69,908	$ 75,355	$ 75,355

Items Measured at Fair Value on a Recurring Basis

The market approach is utilized to measure fair value for our financial assets and liabilities reported at fair value on a recurring basis. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The following summarizes items measured at fair value on a recurring basis (in thousands):

		Fair Value Measurements as of March 31, 2023					Fair Value Measurements as of June 30, 2023			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Equity securities	Equity securities	$ 66	$ 66	$ —	$ —	Equity securities	$ 27	$ 27	$ —	$ —
Equity warrants	Equity warrants	30,269	—	—	30,269	Equity warrants	29,852	—	—	29,852
Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) (1)	Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) (1)	107,377	—	107,377	—	Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) (1)	44,695	—	44,695	—
Totals	Totals	$ 137,712	$ 66	$ 107,377	$ 30,269	Totals	$ 74,574	$ 27	$ 44,695	$ 29,852

(1) Please see Note 12 for additional information.

The following table summarizes the change in fair value for equity warrants using unobservable Level 3 inputs for the periods presented (in thousands):

		Three Months Ended			Six Months Ended	
		March 31, 2023	March 31, 2022		June 30, 2023	June 30, 2022
Beginning balance	Beginning balance	$ 30,436	$ 41,909	Beginning balance	$ 30,436	$ 41,909
Mark-to-market adjustment	Mark-to-market adjustment	(885)	(2,425)	Mark-to-market adjustment	(2,126)	(520)
Foreign currency	Foreign currency	718	(1,068)	Foreign currency	1,542	(3,985)
Ending balance	Ending balance	$ 30,269	$ 38,416	Ending balance	$ 29,852	$ 37,404

The most significant assumptions utilized in the valuation of the equity warrants are the cash flows of the underlying HC-One Group enterprise, as well as the terminal capitalization rate of 10.5%. which was 11.0% and 9.5% at June 30, 2023 and 2022, respectively.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, we also have assets and liabilities in our balance sheet that are measured at fair value on a nonrecurring basis that are not included in the tables above. Assets, liabilities and noncontrolling interests that are measured at fair value on a nonrecurring basis include those acquired, exchanged or assumed. Asset impairments (if applicable, see Note 5 for impairments of real property and Note 7 for impairments of loans receivable) are also measured at fair value on a nonrecurring basis. We have determined that the fair value measurements included in each of these assets and liabilities rely primarily on company-specific inputs and our assumptions about the use of the assets and settlement of liabilities, as observable inputs are not available. As such, we have determined that each of these fair value measurements generally resides within Level 3 of the fair value hierarchy. We estimate the fair value of real estate and related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also consider local and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair value. We estimate the fair value of assets held for sale based on current sales price expectations or, in the absence of such price expectations, Level 3 inputs described above. We estimate the fair value of loans receivable using projected payoff valuations based on the expected future cash flows and/or the estimated fair value of collateral, net of sales costs, if the repayment of the loan is expected to be provided solely by the collateral. We estimate the fair value of secured debt assumed in asset acquisitions using current interest rates at which similar borrowings could be obtained on the transaction date.

18. Segment Reporting

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three operating segments: Seniors Housing Operating, Triple-net and Outpatient Medical. Our Seniors Housing Operating properties include seniors apartments, assisted living, independent living/continuing care retirement communities, independent supportive living communities (Canada), care homes with and without nursing (U.K.) and combinations thereof that are owned and/or operated through RIDEA structures (see Note 19). Our Triple-net properties include the property types described above as well as long-term/post-acute care facilities. Under the Triple-net segment, we invest in seniors housing and health care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are not involved in the management of the property. Our Outpatient Medical properties are typically leased to multiple tenants and generally require a certain level of property management by us.

We evaluate performance based upon consolidated NOI of each segment. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. We believe NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties.

Non-segment revenue consists mainly of interest income on cash investments recorded in other income. Non-segment assets consist of corporate assets including cash, deferred loan expenses and corporate offices and equipment among others. Non-property specific revenues and expenses are not allocated to individual segments in determining NOI.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022). The results of operations for all acquisitions described in Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. All inter-segment transactions are eliminated.

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summary information for the reportable segments (which excludes unconsolidated entities) is as follows (in thousands):

Three Months Ended March 31, 2023:		Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total						
Three Months Ended June 30, 2023							Three Months Ended June 30, 2023	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	Resident fees and services	$ 1,131,685	$ —	$ —	$ —	$ 1,131,685	Resident fees and services	$ 1,159,449	$ —	$ —	$ —	$ 1,159,449
Rental income	Rental income	—	202,419	181,640	—	384,059	Rental income	—	198,916	184,523	—	383,439
Interest income	Interest income	2,551	33,763	91	—	36,405	Interest income	2,095	36,520	95	—	38,710
Other income	Other income	2,445	1,883	3,100	1,152	8,580	Other income	2,895	66,692	1,574	12,719	83,880
Total revenues	Total revenues	1,136,681	238,065	184,831	1,152	1,560,729	Total revenues	1,164,439	302,128	186,192	12,719	1,665,478
Property operating expenses	Property operating expenses	883,784	11,723	58,365	3,881	957,753	Property operating expenses	885,187	10,598	58,697	4,190	958,672
Consolidated net operating income (loss)	Consolidated net operating income (loss)	252,897	226,342	126,466	(2,729)	602,976	Consolidated net operating income (loss)	279,252	291,530	127,495	8,529	706,806
Depreciation and amortization	Depreciation and amortization	220,407	54,528	64,177	—	339,112	Depreciation and amortization	220,428	55,234	66,283	—	341,945
Interest expense	Interest expense	11,487	(15)	4,104	128,827	144,403	Interest expense	16,136	(795)	3,152	133,844	152,337
General and administrative expenses	General and administrative expenses	—	—	—	44,371	44,371	General and administrative expenses	—	—	—	44,287	44,287

Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	—	930	—	—	930	Loss (gain) on derivatives and financial instruments, net	—	1,280	—	—	1,280
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	—	—	5	—	5	Loss (gain) on extinguishment of debt, net	—	—	1	—	1
Provision for loan losses, net	Provision for loan losses, net	(73)	850	—	—	777	Provision for loan losses, net	1,867	591	(2)	—	2,456
Impairment of assets	Impairment of assets	12,629	—	—	—	12,629	Impairment of assets	—	1,086	—	—	1,086
Other expenses	Other expenses	17,579	2,467	547	2,152	22,745	Other expenses	8,060	818	647	1,544	11,069
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	(9,132)	167,582	57,633	(178,079)	38,004	Income (loss) from continuing operations before income taxes and other items	32,761	233,316	57,414	(171,146)	152,345
Income tax (expense) benefit	Income tax (expense) benefit	—	—	—	(3,045)	(3,045)	Income tax (expense) benefit	—	—	—	(3,503)	(3,503)
Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	(15,589)	8,432	86	—	(7,071)	Income (loss) from unconsolidated entities	(39,445)	(630)	(257)	—	(40,332)
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	833	520	(606)	—	747	Gain (loss) on real estate dispositions, net	(2,096)	(72)	—	—	(2,168)
Income (loss) from continuing operations	Income (loss) from continuing operations	(23,888)	176,534	57,113	(181,124)	28,635	Income (loss) from continuing operations	(8,780)	232,614	57,157	(174,649)	106,342
Net income (loss)	Net income (loss)	$ (23,888)	$ 176,534	$ 57,113	$ (181,124)	$ 28,635	Net income (loss)	$ (8,780)	$ 232,614	$ 57,157	$ (174,649)	$ 106,342
Total assets	Total assets	$ 22,201,219	$ 8,776,956	$ 7,007,092	$ 508,622	$ 38,493,889	Total assets	$ 22,074,247	$ 8,754,820	$ 7,049,214	$ 2,185,854	$ 40,064,135

Three Months Ended March 31, 2022:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total

Three Months Ended June 30, 2022							Three Months Ended June 30, 2022	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	Resident fees and services	$ 994,335	$ —	$ —	$ —	$ 994,335	Resident fees and services	$ 1,009,999	$ —	$ —	$ —	$ 1,009,999
Rental income	Rental income	—	196,001	160,389	—	356,390	Rental income	—	197,182	164,229	—	361,411
Interest income	Interest income	1,417	37,506	71	—	38,994	Interest income	1,683	35,392	65	—	37,140
Other income	Other income	860	1,656	2,863	606	5,985	Other income	59,528	1,786	2,028	644	63,986
Total revenues	Total revenues	996,612	235,163	163,323	606	1,395,704	Total revenues	1,071,210	234,360	166,322	644	1,472,536
Property operating expenses	Property operating expenses	789,928	11,211	49,915	2,615	853,669	Property operating expenses	789,299	11,491	50,648	2,645	854,083
Consolidated net operating income (loss)	Consolidated net operating income (loss)	206,684	223,952	113,408	(2,009)	542,035	Consolidated net operating income (loss)	281,911	222,869	115,674	(2,001)	618,453
Depreciation and amortization	Depreciation and amortization	192,793	53,504	57,791	—	304,088	Depreciation and amortization	201,178	49,561	59,556	—	310,295
Interest expense	Interest expense	7,650	314	4,567	109,165	121,696	Interest expense	7,481	320	4,531	115,418	127,750

General and administrative expenses	General and administrative expenses	—	—	—	37,706	37,706	General and administrative expenses	—	—	—	36,554	36,554
Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	—	2,578	—	—	2,578	Loss (gain) on derivatives and financial instruments, net	—	(1,407)	—	—	(1,407)
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	(15)	—	3	—	(12)	Loss (gain) on extinguishment of debt, net	400	—	4	199	603
Provision for loan losses, net	Provision for loan losses, net	267	(1,065)	(6)	—	(804)	Provision for loan losses, net	342	(176)	(1)	—	165
Other expenses	Other expenses	8,191	11,044	789	6,045	26,069	Other expenses	29,249	463	207	5,247	35,166
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	(2,202)	157,577	50,264	(154,925)	50,714	Income (loss) from continuing operations before income taxes and other items	43,261	174,108	51,377	(159,419)	109,327
Income tax (expense) benefit	Income tax (expense) benefit	—	—	—	(5,013)	(5,013)	Income tax (expense) benefit	—	—	—	(3,065)	(3,065)
Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	(17,782)	15,543	(645)	—	(2,884)	Income (loss) from unconsolidated entities	(12,669)	5,874	(263)	—	(7,058)
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	2,701	20,449	(216)	—	22,934	Gain (loss) on real estate dispositions, net	(1,224)	(2,129)	(179)	—	(3,532)
Income (loss) from continuing operations	Income (loss) from continuing operations	(17,283)	193,569	49,403	(159,938)	65,751	Income (loss) from continuing operations	29,368	177,853	50,935	(162,484)	95,672
Net income (loss)	Net income (loss)	$ (17,283)	$ 193,569	$ 49,403	$ (159,938)	$ 65,751	Net income (loss)	$ 29,368	$ 177,853	$ 50,935	$ (162,484)	$ 95,672

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2023	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 2,291,134	$ —	$ —	$ —	$ 2,291,134
Rental income	—	401,335	366,163	—	767,498
Interest income	4,646	70,283	186	—	75,115
Other income	5,340	68,575	4,674	13,871	92,460
Total revenues	2,301,120	540,193	371,023	13,871	3,226,207
Property operating expenses	1,768,971	22,321	117,062	8,071	1,916,425
Consolidated net operating income (loss)	532,149	517,872	253,961	5,800	1,309,782
Depreciation and amortization	440,835	109,762	130,460	—	681,057
Interest expense	27,623	(810)	7,256	262,671	296,740
General and administrative expenses	—	—	—	88,658	88,658
Loss (gain) on derivatives and financial instruments, net	—	2,210	—	—	2,210
Loss (gain) on extinguishment of debt, net	—	—	6	—	6
Provision for loan losses, net	1,794	1,441	(2)	—	3,233
Impairment of assets	12,629	1,086	—	—	13,715
Other expenses	25,639	3,285	1,194	3,696	33,814

Income (loss) from continuing operations before income taxes and other items	23,629	400,898	115,047	(349,225)	190,349
Income tax (expense) benefit	—	—	—	(6,548)	(6,548)
Income (loss) from unconsolidated entities	(55,034)	7,802	(171)	—	(47,403)
Gain (loss) on real estate dispositions, net	(1,263)	448	(606)	—	(1,421)
Income (loss) from continuing operations	(32,668)	409,148	114,270	(355,773)	134,977
Net income (loss)	$ (32,668)	$ 409,148	$ 114,270	$ (355,773)	$ 134,977

Six Months Ended June 30, 2022	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 2,004,334	$ —	$ —	$ —	$ 2,004,334
Rental income	—	393,183	324,618	—	717,801
Interest income	3,100	72,898	136	—	76,134
Other income	60,388	3,442	4,891	1,250	69,971
Total revenues	2,067,822	469,523	329,645	1,250	2,868,240
Property operating expenses	1,579,227	22,702	100,563	5,260	1,707,752
Consolidated net operating income (loss)	488,595	446,821	229,082	(4,010)	1,160,488
Depreciation and amortization	393,971	103,065	117,347	—	614,383
Interest expense	15,131	634	9,098	224,583	249,446
General and administrative expenses	—	—	—	74,260	74,260
Loss (gain) on derivatives and financial instruments, net	—	1,171	—	—	1,171
Loss (gain) on extinguishment of debt, net	385	—	7	199	591
Provision for loan losses, net	609	(1,241)	(7)	—	(639)
Other expenses	37,440	11,507	996	11,292	61,235
Income (loss) from continuing operations before income taxes and other items	41,059	331,685	101,641	(314,344)	160,041
Income tax (expense) benefit	—	—	—	(8,078)	(8,078)
Income (loss) from unconsolidated entities	(30,451)	21,417	(908)	—	(9,942)
Gain (loss) on real estate dispositions, net	1,477	18,320	(395)	—	19,402
Income (loss) from continuing operations	12,085	371,422	100,338	(322,422)	161,423
Net income (loss)	$ 12,085	$ 371,422	$ 100,338	$ (322,422)	$ 161,423

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

		Three Months Ended					Three Months Ended				Six Months Ended			
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
Revenues:	Revenues:	Amount	%	Amount	%	Revenues:	Amount	%	Amount	%	Amount(1)	%	Amount	%
United States	United States	$ 1,296,022	83.0 %	$ 1,139,016	81.6 %	United States	$ 1,392,512	83.7 %	$ 1,218,879	82.7 %	$ 2,688,534	83.3 %	$ 2,357,895	82.2 %
United Kingdom	United Kingdom	147,876	9.5 %	144,491	10.4 %	United Kingdom	154,028	9.2 %	139,352	9.5 %	301,904	9.4 %	283,843	9.9 %
Canada	Canada	116,831	7.5 %	112,197	8.0 %	Canada	118,938	7.1 %	114,305	7.8 %	235,769	7.3 %	226,502	7.9 %
Total	Total	$ 1,560,729	100.0 %	$ 1,395,704	100.0 %	Total	$ 1,665,478	100.0 %	$ 1,472,536	100.0 %	$ 3,226,207	100.0 %	$ 2,868,240	100.0 %
		Three Months Ended					Three Months Ended				Six Months Ended			
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	

Resident Fees and Services:	Resident Fees and Services:	Amount	%	Amount	%	Resident Fees and Services:	Amount	%	Amount	%	Amount(1)	%	Amount	%
United States	United States	$ 908,944	80.4 %	$ 784,097	78.8 %	United States	$ 929,997	80.2 %	$ 798,825	79.1 %	$ 1,838,941	80.3 %	$ 1,582,922	79.0 %
United Kingdom	United Kingdom	109,012	9.6 %	101,090	10.2 %	United Kingdom	113,585	9.8 %	99,626	9.9 %	222,597	9.7 %	200,716	10.0 %
Canada	Canada	113,729	10.0 %	109,148	11.0 %	Canada	115,867	10.0 %	111,548	11.0 %	229,596	10.0 %	220,696	11.0 %
Total	Total	$ 1,131,685	100.0 %	$ 994,335	100.0 %	Total	$ 1,159,449	100.0 %	$ 1,009,999	100.0 %	$ 2,291,134	100.0 %	$ 2,004,334	100.0 %

		As of					As of			
		March 31, 2023		December 31, 2022			June 30, 2023		December 31, 2022	
Assets:	Assets:	Amount	%	Amount	%	Assets:	Amount	%	Amount	%
United States	United States	$ 32,325,218	84.0 %	$ 31,740,907	83.8 %	United States	$ 33,868,263	84.5 %	$ 31,740,907	83.8 %
United Kingdom	United Kingdom	3,518,034	9.1 %	3,476,793	9.2 %	United Kingdom	3,468,475	8.7 %	3,476,793	9.2 %
Canada	Canada	2,650,637	6.9 %	2,675,533	7.0 %	Canada	2,727,397	6.8 %	2,675,533	7.0 %
Total	Total	$ 38,493,889	100.0 %	$ 37,893,233	100.0 %	Total	$ 40,064,135	100.0 %	$ 37,893,233	100.0 %

19. Income Taxes and Distributions

We elected to be taxed as a REIT commencing with our first taxable year. To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, basis differences in acquisitions, recording of impairments, differing useful lives and depreciation and amortization methods for real property and the provision for loan losses for reporting purposes versus bad debt expense for tax purposes.

Under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA"), for taxable years beginning after July 30, 2008, a REIT may lease "qualified health care properties" on an arm's-length basis to a taxable REIT subsidiary ("TRS") if the property is operated on behalf of such TRS by a person who qualifies as an "eligible independent contractor." Generally, the rent received from the TRS will meet the related party rent exception and will be treated as "rents from real property." A "qualified health care property" includes real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients. We have entered into various joint ventures that were structured under RIDEA. Resident level rents and related operating expenses for these facilities are reported in the unaudited consolidated financial statements and are subject to federal and state income taxes as the operations of such facilities are included in TRS entities. Certain net operating loss carryforwards could be utilized to offset taxable income in future years.

Income taxes reflected in the financial statements primarily represents U.S. federal, state and local income taxes as well as non-U.S. income based or withholding taxes on certain investments located in jurisdictions outside the U.S. The provision for income taxes for the three six months ended March 31, 2023 June 30, 2023 and 2022 was primarily due to operating income or losses, offset by certain discrete items at our TRS entities. In 2014, we established certain wholly-owned direct and indirect subsidiaries in Luxembourg and Jersey and transferred interests in certain foreign investments into this holding company structure. The structure includes a property holding company that is tax resident in the United Kingdom. No material adverse current tax consequences in Luxembourg, Jersey or the United Kingdom resulted from the creation of this holding company structure and most of the subsidiary entities in the structure are treated as disregarded entities of the company for U.S. federal income tax purposes. Subsequent to 2014, we transferred certain subsidiaries to the United Kingdom, while some wholly-owned direct and

indirect subsidiaries remain in Luxembourg and Jersey. The company reflects current and deferred tax liabilities for any such withholding taxes incurred from this holding company structure in its consolidated financial statements. Generally, given current statutes of limitations, we are subject to audit by the foreign, federal, state and local taxing authorities under applicable local laws.

20. Variable Interest Entities

We have entered into joint ventures and have certain subsidiaries that are wholly owned by consolidated joint ventures and own certain seniors housing and outpatient medical assets which are deemed to be VIEs. We have concluded that we are the primary beneficiary of these VIEs based on a combination of operational control of the entities and the rights to receive residual returns or the obligation to absorb losses arising from the entities. Except for capital contributions associated with the initial entity formations, the entities have been and are expected to be funded from the ongoing operations of the underlying properties. Accordingly, such entities have been consolidated, and the table below summarizes the balance sheets of consolidated VIEs in the aggregate (in thousands):

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Assets:	Assets:			Assets:		
Net real estate investments	Net real estate investments	$ 1,492,518	$ 1,499,078	Net real estate investments	$ 1,481,012	$ 1,499,078

Cash and cash equivalents	Cash and cash equivalents	11,577	15,582	Cash and cash equivalents	12,778	15,582
Receivables and other assets	Receivables and other assets	32,582	9,949	Receivables and other assets	24,157	9,949
Total assets (1)	Total assets (1)	$ 1,536,677	$ 1,524,609	Total assets (1)	$ 1,517,947	$ 1,524,609
Liabilities and equity:	Liabilities and equity:			Liabilities and equity:		
Secured debt	Secured debt	$ 155,678	$ 155,992	Secured debt	$ 155,359	$ 155,992
Lease liabilities	Lease liabilities	1,329	1,329	Lease liabilities	1,329	1,329
Accrued expenses and other liabilities	Accrued expenses and other liabilities	39,119	28,417	Accrued expenses and other liabilities	20,918	28,417
Total equity	Total equity	1,340,551	1,338,871	Total equity	1,340,341	1,338,871
Total liabilities and equity	Total liabilities and equity	$ 1,536,677	$ 1,524,609	Total liabilities and equity	$ 1,517,947	$ 1,524,609

(1) Note that assets of the consolidated VIEs can only be used to settle obligations relating to such VIEs. Liabilities of the consolidated VIEs represent claims against the specific assets of the VIEs.

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

EXECUTIVE SUMMARY

LIQUIDITY AND CAPITAL RESOURCES

RESULTS OF OPERATIONS

OTHER

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

The following discussion and analysis should be read together with the Consolidated Financial Statements and related Notes thereto included in Item 1 of this report. Other important factors are identified in our Annual Report on Form 10-K for the year ended December 31, 2022, including factors identified under the headings "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

On March 7, 2022, we announced our intent to complete an UPREIT reorganization. In February 2022, the company formerly known as Welltower Inc. ("Old Welltower") formed WELL Merger Holdco Inc. ("New Welltower") as a wholly owned wholly-owned subsidiary, and New Welltower formed WELL Merger Holdco Sub Inc. ("Merger Sub") as a wholly owned wholly-owned subsidiary. On April 1, 2022, Merger Sub merged with and into Old Welltower, with Old Welltower continuing as the surviving corporation and a wholly owned wholly-owned subsidiary of New Welltower (the "Merger"). In connection with the Merger, Old Welltower's name was changed to "Welltower OP Inc.", and New Welltower inherited the name "Welltower Inc." Effective May 24, 2022, Welltower OP Inc. ("Welltower OP") converted from a Delaware corporation into a Delaware limited liability company named Welltower OP LLC (the "LLC Conversion"). Following the LLC Conversion, New Welltower's business continues to be conducted through Welltower OP and New Welltower does not have substantial assets or liabilities, other than through its investment in Welltower OP.

Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP.

Executive Summary

Company Overview

Welltower Inc. (NYSE:WELL), a real estate investment trust ("REIT") and S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. Welltower invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

Welltower is the initial member and majority owner of Welltower OP, with an approximate ownership interest of 99.721% 99.727% as of March 31, 2023 June 30, 2023. All of our property ownership, development and related business operations are conducted through Welltower OP and Welltower has no material assets or liabilities other than its investment in Welltower OP. Welltower issues equity from time to time, the net proceeds of which it is obligated to contribute as additional capital to Welltower OP. All debt including credit facilities, senior notes and secured debt is incurred by Welltower OP, and Welltower has fully and unconditionally guaranteed all existing senior unsecured notes.

The following table summarizes our consolidated portfolio for the three months ended March 31, 2023 June 30, 2023 (dollars in thousands):

Type of Property	Type of Property	NOI (1)	Percentage of NOI	Number of Properties	Type of Property	NOI (1)	Percentage of NOI	Number of Properties
Seniors Housing Operating	Seniors Housing Operating	$252,897	41.7 %	854	Seniors Housing Operating	$279,252	40.0 %	852
Triple-net	Triple-net	226,342	37.4 %	575	Triple-net	291,530	41.7 %	568
Outpatient Medical	Outpatient Medical	126,466	20.9 %	356	Outpatient Medical	127,495	18.3 %	358
Totals	Totals	$605,705	100.0 %	1,785	Totals	$698,277	100.0 %	1,778

(1) Represents consolidated NOI and excludes our share of investments in unconsolidated entities. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount. See "Non-GAAP Financial Measures" below for additional information and reconciliation.

Business Strategy

Our primary objectives are to protect stockholder capital and enhance stockholder value. We seek to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments to stockholders as a result of annual increases in NOI and portfolio growth. To meet these objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, relationship and geographic location.

Substantially all of our revenues are derived from operating lease rentals, resident fees and services and interest earned on outstanding loans receivable. These items represent our primary sources of liquidity to fund distributions and depend upon the continued ability of our obligors to make contractual rent and interest payments to us and the profitability of our operating properties. To the extent that our obligors/partners experience operating difficulties and become unable to generate sufficient cash to make payments or operating distributions to us, there could be a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. Additionally, the extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants in the future is uncertain and cannot be predicted with confidence.

To mitigate this risk, we monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs and market conditions among other things. We evaluate the operating environment in each property's market to determine the likely trend in operating performance of the facility. When we identify unacceptable trends, we seek to mitigate, eliminate or transfer the risk. Through these efforts, we generally aim to intervene at an early stage to address any negative trends, and in so doing, support both the collectability of revenue and the value of our investment.

In addition to our asset management and research efforts, we also aim to structure our relevant investments to mitigate payment risk. Operating leases and loans are normally credit enhanced by guarantees and/or letters of credit. In addition, operating leases are typically structured as master leases and loans are generally cross-defaulted and cross-collateralized with other real estate loans, operating leases or agreements between us and the obligor and its affiliates.

For the three six months ended March 31, 2023 June 30, 2023, resident fees and services and rental income represented 73% 71% and 25% 24%, respectively, of total revenues. Substantially all of our operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Our yield on loans receivable depends upon a number of factors, including the stated interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

Our primary sources of cash include resident fees and services, rent and interest receipts, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash.

We also continuously evaluate opportunities to finance future investments. New investments are generally funded from temporary borrowings under our unsecured revolving credit facility and commercial paper program, internally generated cash and the proceeds from investment dispositions. Our investments generate cash from NOI and principal payments on loans receivable. Permanent financing for future investments, which replaces funds drawn under our unsecured revolving credit facility and commercial paper program, has historically been provided through a combination of the issuance of public debt and equity securities and the incurrence or assumption of secured debt.

Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. It is also likely that investment dispositions may occur in the future. To the extent that investment dispositions exceed new investments, our revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any investment dispositions in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured revolving credit facility and commercial paper program. At March 31, 2023 June 30, 2023, we had $571,902,000 $2,203,788,000 of cash and cash equivalents, $66,894,000 $95,281,000 of restricted cash and $4,000,000,000 of available borrowing capacity under our unsecured revolving credit facility.

Key Transactions

Capital The following summarizes key capital transactions that occurred during the three six months ended March 31, 2023 June 30, 2023:

- In May 2023, Welltower and Welltower OP entered into the ATM Program (as defined below) pursuant to which we may offer and sell up to $2,532,139,425 of common stock of Welltower from time to time. During the three six months ended March 31, 2023 June 30, 2023, we sold 5,603,161 17,435,154 shares of common stock under our current and previous ATM Program Programs generating gross proceeds of approximately $413,157,000. $1,340,727,000.
- During the three six months ended March 31, 2023 June 30, 2023, we issued $362,900,000 $373,462,000 of secured debt at a blended average interest rate of 4.97% 5.05% and assumed $53,223,000 $73,671,000 of secured debt at a blended average interest rate of 3.62% 3.60%. We extinguished $24,631,000 72,496,000 of secured debt at a blended average interest rate of 4.53% 3.99%.

Investments • The following summarizes our property acquisitions and joint venture investments completed during the three months ended March 31, 2023 (dollars in thousands): In May 2023, we issued $1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028 unless earlier exchanged, purchased or redeemed.

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	Properties	Book Amount (1)	Capitalization Rates (2)
Seniors Housing Operating	2	$ 19,816	7.5 %
Triple-net	8	81,659	3.6 %
Outpatient Medical	29	356,250	6.9 %
Totals	39	$ 457,725	6.9 %

(1) Represents amounts recorded in net real estate investments including fair value adjustments pursuant to U.S. GAAP. See Note 3 to our unaudited consolidated financial statements for additional information.

(2) Represents annualized contractual or projected net operating income to be received in cash divided by investment amounts.

Investments The following summarizes our property acquisitions and joint venture investments completed during the six months ended June 30, 2023 (dollars in thousands):

	Properties	Book Amount (1)	Capitalization Rates (2)
Seniors Housing Operating	3	$ 55,568	3.5 %
Triple-net	8	81,659	7.5 %
Outpatient Medical	29	356,734	6.9 %
Totals	40	$ 493,961	6.6 %

(1) Represents amounts recorded in net real estate investments including fair value adjustments pursuant to U.S. GAAP. See Note 3 to our unaudited consolidated financial statements for additional information.

(2) Represents annualized contractual or projected net operating income to be received in cash divided by investment amounts.

Dispositions The following summarizes property dispositions completed during the three six months ended March 31, 2023 June 30, 2023 (dollars in thousands):

		Properties	Proceeds (1)	Book Amount (2)	Capitalization Rates (3)			Properties	Proceeds (1)	Book Amount (2)	Capitalization Rates (3)	
Seniors Housing Operating	Seniors Housing Operating	1	$ 19,054	$18,572	—	%	Seniors Housing Operating	5	$241,075	$243,695	3.4	%
Triple-net	Triple-net	1	2,604	2,028	—	%	Triple-net	1	2,603	2,028	—	%
Totals	Totals	2	$ 21,658	$20,600	—	%	Totals	6	$243,678	$245,723	3.4	%

(1) Represents net proceeds received upon disposition, including any seller financing.

(1) Represents net proceeds received upon disposition, including non-cash consideration.

(1) Represents net proceeds received upon disposition, including non-cash consideration.

(2) Represents carrying value of net real estate assets at time of disposition. See Note 5 to our unaudited consolidated financial statements for additional information.

(3) Represents annualized contractual income that was being received in cash at date of disposition divided by stated purchase price. Excludes properties sold that were recent development conversions.

Strategic Dissolution of Revera Joint Ventures

During the three months ended June 30, 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera while simultaneously selling interests in 31 properties to Revera. See Note 5 to our unaudited consolidated financial statements for additional information regarding the transaction.

Dividends Our Board of Directors declared a cash dividend for the quarter ended March 31, 2023 June 30, 2023 of $0.61 per share. On May 23, 2023 August 23, 2023, we will pay our 208th 209th consecutive quarterly cash dividend to stockholders of record on May 16, 2023 August 15, 2023.

Key Performance Indicators, Trends and Uncertainties

We utilize several key performance indicators to evaluate the various aspects of our business. These indicators are discussed below and relate to operating performance, credit strength and concentration risk. Management uses these key performance indicators to facilitate internal and external comparisons to our historical operating results, in making operating decisions and for budget planning purposes.

Operating Performance We believe that net income and net income attributable to common stockholders ("NICS") per the Consolidated Statements of Comprehensive Income are the most appropriate earnings measures. Other useful supplemental measures of our operating performance include funds from operations attributable to common stockholders ("FFO") and consolidated net operating income ("NOI"); however, these supplemental measures are not defined by U.S. generally accepted accounting principles ("U.S. GAAP"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliations. These earnings measures are widely used by investors and analysts in the valuation, comparison and investment recommendations of companies.

The following table reflects the recent historical trends of our operating performance measures for the periods presented (in thousands):

	Three Months Ended					
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Net income (loss)	$ 106,342	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751
NICS	103,040	25,673	(3,728)	(6,767)	89,784	61,925
FFO	466,182	386,062	357,985	362,863	409,588	347,635
NOI	706,806	602,976	579,693	561,664	618,453	542,035

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	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Net income (loss)	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751
NICS	25,673	(3,728)	(6,767)	89,785	61,925
FFO	386,062	357,985	362,863	409,589	347,635
NOI	602,976	579,693	561,664	618,453	542,035

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Credit Strength We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and restricted cash. The coverage ratios indicate our ability to service interest and fixed charges (interest and secured debt principal amortization). We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on earnings before interest, taxes, depreciation and amortization ("EBITDA"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliation of these measures. Leverage ratios and coverage ratios are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table reflects the recent historical trends for our credit strength measures for the periods presented:

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		Three Months Ended						Three Months Ended					
		March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022		June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Net debt to book capitalization ratio	Net debt to book capitalization ratio	40%	39%	42%	43%	43%	Net debt to book capitalization ratio	38%	40%	39%	42%	43%	43%
Net debt to undepreciated book capitalization ratio	Net debt to undepreciated book capitalization ratio	32%	32%	34%	35%	35%	Net debt to undepreciated book capitalization ratio	31%	32%	32%	34%	35%	35%
Net debt to market capitalization ratio	Net debt to market capitalization ratio	28%	30%	32%	27%	24%	Net debt to market capitalization ratio	25%	28%	30%	32%	27%	24%
Interest coverage ratio	Interest coverage ratio	3.44x	3.29x	3.48x	4.21x	4.03x	Interest coverage ratio	3.81x	3.44x	3.29x	3.48x	4.21x	4.03x
Fixed charge coverage ratio	Fixed charge coverage ratio	3.13x	3.01x	3.18x	3.78x	3.57x	Fixed charge coverage ratio	3.51x	3.13x	3.01x	3.18x	3.78x	3.57x

Concentration Risk We evaluate our concentration risk in terms of NOI by property mix, relationship mix and geographic mix. Concentration risk is a valuable measure in understanding what portion of our NOI could be at risk if certain sectors were to experience downturns. Property mix measures the portion of our NOI that relates to our various property types. Relationship mix measures the portion of our NOI that relates to our current top five relationships. Geographic mix measures the portion of our NOI that relates to our current top five states (or international equivalents).

The following table reflects our recent historical trends of concentration risk by NOI for the periods indicated below:

		Three Months Ended						Three Months Ended					
		March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022		June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Property mix:(1)	Property mix:(1)						Property mix:(1)						
Seniors Housing Operating	Seniors Housing Operating	42%	40%	41%	45%	38%	Seniors Housing Operating	40%	42%	40%	41%	45%	38%
Triple-net	Triple-net	37%	38%	38%	36%	41%	Triple-net	42%	37%	38%	38%	36%	41%
Outpatient Medical	Outpatient Medical	21%	22%	21%	19%	21%	Outpatient Medical	18%	21%	22%	21%	19%	21%
Relationship mix: (1)	Relationship mix: (1)						Relationship mix: (1)						
Integra Healthcare Properties(2)	Integra Healthcare Properties(2)	9%	1%	—%	—%	—%	Integra Healthcare Properties(2)	8%	9%	1%	—%	—%	—%
Sunrise Senior Living	Sunrise Senior Living	6%	7%	7%	8%	6%	Sunrise Senior Living	7%	6%	7%	7%	8%	6%
Cogir Management Corporation	Cogir Management Corporation	4%	4%	4%	3%	2%	Cogir Management Corporation	3%	4%	4%	4%	3%	2%

StoryPoint Senior Living	StoryPoint Senior Living	4%	3%	4%	3%	4%	StoryPoint Senior Living	3%	4%	3%	4%	3%	4%		
HC-One Group	HC-One Group	3%	3%	4%	4%	4%	HC-One Group	3%	3%	3%	4%	4%	4%		
Remaining relationships	Remaining relationships	74%	82%	81%	82%	84%	Remaining relationships	76%	74%	82%	81%	82%	84%		
Geographic mix:(1)	Geographic mix:(1)						Geographic mix:(1)								
California	California	13%	14%	13%	15%	13%	California	11%	13%	14%	13%	15%	13%		
United Kingdom	United Kingdom	10%	9%	10%	9%	11%	United Kingdom	8%	10%	9%	10%	9%	11%		
Texas	Texas	8%	8%	8%	7%	8%	Texas	7%	8%	8%	8%	7%	8%		
Canada									Canada	5%	6%	6%	6%	5%	5%
Pennsylvania	Pennsylvania	6%	5%	5%	4%	5%	Pennsylvania	5%	6%	5%	5%	4%	5%		
Canada		6%	6%	6%	5%	5%									
Remaining geographic areas	Remaining geographic areas	57%	58%	58%	60%	58%	Remaining geographic areas	64%	57%	58%	58%	60%	58%		

(1) Excludes our share of investments in unconsolidated entities and non-segment/corporate NOI. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount.

(2) In December 2022, we transitioned 147 skilled nursing facilities previously leased to ProMedica, to master leases with Integra Healthcare Properties.

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Lease Expirations The following table sets forth information regarding lease expirations for certain portions of our portfolio as of March 31, 2023 June 30, 2023 (dollars in thousands):

		Expiration Year (1)																
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Thereafter		2023	2024	2025	2026	2027
Triple-net:	**Triple-net:**												**Triple-net:**					
Properties	Properties	2	4	15	49	1	4	4	34	5	88	347	Properties	3	4	15	10	1
Base rent (2)	Base rent (2)	$ 2,159	$ 13,088	$ 7,083	$ 45,392	$ 1,182	$ 5,246	$ 4,091	$ 69,215	$ 10,701	$ 65,614	$ 401,905	Base rent (2)	$ 2,159	$ 13,088	$ 7,083	$ 12,884	$ 1,211 $
% of base rent	% of base rent	0.3 %	2.1 %	1.1 %	7.3 %	0.2 %	0.8 %	0.7 %	11.1 %	1.7 %	10.5 %	64.2 %	% of base rent	0.3 %	2.0 %	1.1 %	2.0 %	0.2 %
Units/beds	Units/beds	270	692	451	3,404	80	440	219	3,669	423	4,314	37,490	Units/beds	357	692	451	1,557	80
% of Units/beds	% of Units/beds	0.5 %	1.3 %	0.9 %	6.6 %	0.2 %	0.9 %	0.4 %	7.1 %	0.8 %	8.4 %	72.9 %	% of Units/beds	0.7 %	1.3 %	0.9 %	3.0 %	0.2 %
Outpatient Medical:	**Outpatient Medical:**												**Outpatient Medical:**					

Square feet	Square feet	1,902,520	1,982,088	1,403,780	1,576,623	1,461,893	1,190,865	1,111,637	1,297,190	1,628,893	1,241,483	3,854,522	Square feet	1,524,136	1,948,219	1,438,832	1,581,742	1,494,889	1,2
Base rent (2)	Base rent (2)	$ 53,714	$ 60,111	$ 41,175	$ 42,708	$ 40,941	$ 32,221	$ 31,244	$ 34,996	$ 44,430	$ 37,110	$ 107,250	Base rent (2)	$ 42,342	$ 58,974	$ 41,798	$ 43,360	$ 41,462	$
% of base rent	% of base rent	10.2 %	11.4 %	7.8 %	8.1 %	7.8 %	6.1 %	5.9 %	6.7 %	8.4 %	7.1 %	20.5 %	% of base rent	8.0 %	11.2 %	7.9 %	8.2 %	7.8 %	
Leases	Leases	415	346	259	239	218	180	105	96	65	131	466	Leases	351	344	264	244	221	
% of Leases	% of Leases	16.5 %	13.7 %	10.3 %	9.5 %	8.7 %	7.1 %	4.2 %	3.8 %	2.6 %	5.2 %	18.4 %	% of Leases	15.8 %	15.5 %	11.9 %	11.0 %	9.9 %	

We evaluate our key performance indicators in conjunction with current expectations to determine if historical trends are indicative of future results. Our expected results may not be achieved, and actual results may differ materially from our expectations. Factors that may cause actual results to differ from expected results are described in more detail in "Cautionary Statement Regarding Forward-Looking Statements" and other sections of this Quarterly Report on Form 10-Q. Management regularly monitors economic and other factors to develop strategic and tactical plans designed to improve performance and maximize our competitive position. Our ability to achieve our financial objectives is dependent upon our ability to effectively execute these plans and to appropriately respond to emerging economic and company-specific trends. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2022, under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Corporate Governance

Maintaining investor confidence and trust is important in today's business environment. Our Board of Directors and management are strongly committed to policies and procedures that reflect the highest level of ethical business practices. Our corporate governance guidelines provide the framework for our business operations and emphasize our commitment to increase stockholder value while meeting all applicable legal requirements. These guidelines meet the listing standards adopted by the New York Stock Exchange and are available on the Internet at www.welltower.com/investors/governance. The information on our website is not incorporated by reference in this Quarterly Report on Form 10-Q, and our web address is included as an inactive textual reference only.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary sources of cash include resident fees and services, rent and interest receipts, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash. These sources and uses of cash are reflected in our Consolidated Statements of Cash Flows and are discussed in further detail below.

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The following is a summary of our sources and uses of cash flows for the periods presented (dollars in thousands):

Three Months Ended		Change		Six Months Ended		Change	
March 31, 2023	March 31, 2022	$	%	June 30, 2023	June 30, 2022	$	%

Cash, cash equivalents and restricted cash at beginning of period	Cash, cash equivalents and restricted cash at beginning of period	$ 722,292	$ 346,755	$ 375,537	108 %	Cash, cash equivalents and restricted cash at beginning of period	$ 722,292	$ 346,755	$ 375,537	108 %
Cash provided from (used in) operating activities	Cash provided from (used in) operating activities	376,058	324,520	51,538	16 %	Cash provided from (used in) operating activities	792,303	719,331	72,972	10 %
Cash provided from (used in) investing activities	Cash provided from (used in) investing activities	(932,837)	(808,547)	(124,290)	(15) %	Cash provided from (used in) investing activities	(1,326,216)	(2,085,261)	759,045	36 %
Cash provided from (used in) financing activities	Cash provided from (used in) financing activities	470,470	505,105	(34,635)	(7) %	Cash provided from (used in) financing activities	2,102,311	1,473,616	628,695	43 %
Effect of foreign currency translation	Effect of foreign currency translation	2,813	(790)	3,603	456 %	Effect of foreign currency translation	8,379	(12,190)	20,569	169 %
Cash, cash equivalents and restricted cash at end of period	Cash, cash equivalents and restricted cash at end of period	$ 638,796	$ 367,043	$ 271,753	74 %	Cash, cash equivalents and restricted cash at end of period	$ 2,299,069	$ 442,251	$ 1,856,818	420 %

Operating Activities Please see “Results of Operations” for discussion of net income fluctuations. For the threesix months ended March 31, 2023June 30, 2023 and 2022, cash flows provided from operations exceeded cash distributions to stockholders.

Investing Activities The changes in net cash provided from/used in investing activities are primarily attributable to net changes in real property investments and dispositions, loans receivable and investments in unconsolidated entities, which are summarized above in "Key Transactions." Please refer to Notes 3 and 5 of our unaudited consolidated financial statements for additional information. The following is a summary of cash used in non-acquisition capital improvement activities for the periods presented (dollars in thousands):

		Three Months Ended		Change			Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%
New development	New development	$ 226,226	$ 138,141	$ 88,085	64 %	New development	$ 474,115	$ 286,427	$ 187,688	66 %
Recurring capital expenditures, tenant improvements and lease commissions	Recurring capital expenditures, tenant improvements and lease commissions	36,914	32,835	4,079	12 %	Recurring capital expenditures, tenant improvements and lease commissions	77,608	72,103	5,505	8 %
Renovations, redevelopments and other capital improvements	Renovations, redevelopments and other capital improvements	54,425	57,394	(2,969)	(5) %	Renovations, redevelopments and other capital improvements	127,370	127,966	(596)	— %
Total	Total	$ 317,565	$ 228,370	$ 89,195	39 %	Total	$ 679,093	$ 486,496	$ 192,597	40 %

The change in new development is primarily due to the number and size of construction projects on-going during the relevant periods. Renovations, redevelopments and other capital improvements include expenditures to maximize property value, increase net operating income, maintain a market-competitive position and/or achieve property stabilization.

Financing Activities The changes in net cash provided from/used in financing activities are primarily attributable to changes related to our long-term debt arrangements, the issuances of common stock and dividend payments which are summarized above in "Key Transactions." Please refer to Notes 10, 11 and 14 ofto our unaudited consolidated financial statements for additional information.

In March 2022, we completed the issuance of $550,000,000 senior unsecured notes with a maturity date of June 2032. In April 2022, we closed on an amended $5,200,000,000 unsecured credit facility, increasing our term loan capacity by $500,000,000. In May 2023, we issued $1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028. During the three six months ended March 31, 2023 June 30, 2023, we issued $362,900,000 $373,462,000 of secured debt at a blended average interest rate of 4.97% 5.05% and assumed $53,223,000 $73,671,000 of secured debt at a blended average interest rate of 3.62% 3.60%. As of March 31, 2023 June 30, 2023, we have total near-term available liquidity of approximately $4.6 6.3 billion.

Off-Balance Sheet Arrangements

At March 31, 2023 June 30, 2023, we had investments in unconsolidated entities with our ownership generally ranging from 10% to 88% 95%. We use financial derivative instruments to hedge interest rate and foreign currency exchange rate exposure. At March 31, 2023 June 30, 2023, we had 24 22 outstanding letter of credit obligations. Please see Notes 8, 12 and 13 to our unaudited consolidated financial statements for additional information.

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

Contractual Obligations

The following table summarizes our payment requirements under contractual obligations as of March 31, 2023 June 30, 2023 (in thousands):

		Payments Due by Period						Payments Due by Period				
Contractual Obligations	Contractual Obligations	Total	2023	2024-2025	2026-2027	Thereafter	Contractual Obligations	Total	2023	2024-2025	2026-2027	Thereafter
Senior unsecured notes and term credit facilities: (1)	Senior unsecured notes and term credit facilities: (1)						Senior unsecured notes and term credit facilities: (1)					
U.S. Dollar senior unsecured notes	U.S. Dollar senior unsecured notes	$ 9,900,000	$ —	$ 2,600,000	$ 1,200,000	$ 6,100,000	U.S. Dollar senior unsecured notes	$ 10,935,000	$ —	$ 2,600,000	$ 1,200,000	$ 7,135,000
Canadian Dollar senior unsecured notes (2)	Canadian Dollar senior unsecured notes (2)	221,811	—	—	221,811	—	Canadian Dollar senior unsecured notes (2)	226,723	—	—	226,723	—
Pounds Sterling senior unsecured notes (2)	Pounds Sterling senior unsecured notes (2)	1,298,745	—	—	—	1,298,745	Pounds Sterling senior unsecured notes (2)	1,334,445	—	—	—	1,334,445
U.S. Dollar term credit facility	U.S. Dollar term credit facility	1,010,000	—	10,000	1,000,000	—	U.S. Dollar term credit facility	1,010,000	—	10,000	1,000,000	—
Canadian Dollar term credit facility (2)	Canadian Dollar term credit facility (2)	184,843	—	—	184,843	—	Canadian Dollar term credit facility (2)	188,936	—	—	188,936	—
Secured debt: (1,2)	Secured debt: (1,2)						Secured debt: (1,2)					
Consolidated	Consolidated	2,506,808	550,304	663,823	326,319	966,362	Consolidated	2,496,591	398,560	769,001	334,500	994,530
Unconsolidated	Unconsolidated	1,318,901	235,171	700,068	185,821	197,841	Unconsolidated	1,332,868	216,141	713,839	202,880	200,008
Contractual interest obligations: (3)	Contractual interest obligations: (3)						Contractual interest obligations: (3)					
Senior unsecured notes and term loans (2)	Senior unsecured notes and term loans (2)	3,918,263	482,474	914,524	717,563	1,803,702	Senior unsecured notes and term loans (2)	4,105,949	479,272	990,010	796,673	1,839,994
Consolidated secured debt (2)	Consolidated secured debt (2)	518,918	80,378	155,596	110,274	172,670	Consolidated secured debt (2)	503,505	52,782	153,731	112,721	184,271
Unconsolidated secured debt (2)	Unconsolidated secured debt (2)	170,369	40,821	60,850	22,842	45,856	Unconsolidated secured debt (2)	167,858	30,053	68,731	23,096	45,978
Financing lease liabilities (4)	Financing lease liabilities (4)	206,650	70,014	5,632	3,606	127,398	Financing lease liabilities (4)	149,086	2,393	6,117	4,098	136,478

Operating lease liabilities (4)	Operating lease liabilities (4)	959,766	15,277	35,707	31,403	877,379	Operating lease liabilities (4)	953,395	9,672	34,528	31,411	877,784
Purchase obligations (5)	Purchase obligations (5)	2,252,308	1,228,576	955,820	67,912	—	Purchase obligations (5)	2,037,326	901,528	1,042,867	67,781	25,150
Total contractual obligations	Total contractual obligations	$ 24,467,382	$ 2,703,015	$ 6,102,020	$ 4,072,394	$ 11,589,953	Total contractual obligations	$ 25,441,682	$ 2,090,401	$ 6,388,824	$ 4,188,819	$ 12,773,638
(1) Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.	(1) Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.						(1) Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.					
(2) Based on foreign currency exchange rates in effect as of the balance sheet date.	(2) Based on foreign currency exchange rates in effect as of the balance sheet date.						(2) Based on foreign currency exchange rates in effect as of the balance sheet date.					
(3) Based on variable interest rates in effect as of the balance sheet date.	(3) Based on variable interest rates in effect as of the balance sheet date.						(3) Based on variable interest rates in effect as of the balance sheet date.					
(4) See Note 6 to our unaudited consolidated financial statements for additional information.	(4) See Note 6 to our unaudited consolidated financial statements for additional information.						(4) See Note 6 to our unaudited consolidated financial statements for additional information.					
(5) See Note 13 to our unaudited consolidated financial statements for additional information.	(5) See Note 13 to our unaudited consolidated financial statements for additional information.						(5) See Note 13 to our unaudited consolidated financial statements for additional information.					

Capital Structure

Please refer to "Credit Strength" above for a discussion of our leverage and coverage ratio trends. Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2023June 30, 2023, we were in compliance in all material respects with the covenants under our debt agreements. None of our debt agreements contain provisions for acceleration which could be triggered by our debt ratings. However, under our primary unsecured credit facility, the ratings on our senior unsecured notes are used to determine the fees and interest charged. We plan to manage the company to maintain compliance with our debt covenants and with a capital structure consistent with our current profile. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse impact on our cost and availability of capital, which could have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

On April 1, 2022, Welltower and Welltower OP jointly filed with the Securities and Exchange Commission (the "SEC") an open-ended automatic or "universal" shelf registration statement on Form S-3 (the "Shelf Form S-3") covering an indeterminate amount of future offerings of Welltower's debt securities, common stock, preferred stock, depositary shares, guarantees of debt securities issued by Welltower OP, warrants and units and Welltower OP's debt securities and guarantees of debt securities issued by Welltower to replace Old Welltower's existing "universal" shelf registration statement filed with the SEC on May 4, 2021. On May 3, 2023, Welltower and Welltower OP filed post-effective amendment no. 1 to the Shelf Form S-3 pursuant to which Welltower OP expressly adopted the Shelf Form S-3 as its own registration statement following its statutory conversion from a corporation to a limited liability company. On April 1, 2022, Welltower also filed with the SEC a registration statement in connection with its enhanced dividend reinvestment plan ("DRIP") under which it may issue up to 15,000,000 shares of common stock to replace Old Welltower's existing DRIP registration statement on Form S-3 filed with the SEC on May 4, 2021. As of April 28, 2023of July 28, 2023, 15,000,000 shares of common stock remained available for issuance under the DRIP registration statement. On April 4, 2022May 3, 2023, Welltower and Welltower OP entered into (i) a second amended and restatedan equity distribution agreement (the "EDA") with (i) Robert W. Baird & Co. Incorporated, Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BOK Financial Securities, Inc., Capital One Securities Inc., Citigroup Global Markets Inc., Comerica Securities, Inc., Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Fifth Third Securities, Inc., Goldman Sachs & Co. LLC, Jefferies LLC, JMP Securities LLC, J.P. Morgan Securities LLC, KeyBanc Capital Markets Inc., Loop Capital Markets LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Regions Securities LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., Synovus Securities, Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC as sales agents and forward sellers and (ii) the sellers and (ii) the forward purchasers named therein relating to issuances, offers and sales from time to time of up to $3,000,000,000 $2,532,139,425 aggregate amount of common stock of Welltower (together with the existing master forward sale confirmations relating thereto, the "ATM Program"), amending and restating the ATM Program entered into on July 30, 2021 to, among other amendments, increase the total amount of shares of common stock that may be offered and sold under the ATM Program from $2,500,000,000 to $3,000,000,000, which amount excludes shares Old Welltower had previously sold pursuant to the prior program.. The ATM Program also allows Welltower to enter into forward sale agreements. As of April 28, 2023 of July 28, 2023, we had $682,342,278 of $832,381,771 of remaining capacity under the ATM Program and there were no outstanding forward sales agreements. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowings under our unsecured revolving credit facility and commercial paper program.

In connection with the filing of the new "universal" shelf registration statement, Shelf Form S-3, Welltower also filed with the SEC two a prospectus supplements supplement that will continue offerings an offering that were was previously covered by Old Welltower's prospectus supplements supplement and the accompanying prospectus to the prior registration statement relating to: (i) the registration of up to 620,731 shares of common stock of Welltower (the "DownREIT Shares"), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT Units") of HCN G&L DownREIT, LLC, a Delaware limited liability company (the "DownREIT"), tender such DownREIT Units for redemption by the DownREIT, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of Welltower (including its permitted successors and assigns, the "Managing Member"), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT and to satisfy all or a portion of the redemption consideration by issuing DownREIT Shares to the holders instead of or in addition to paying a cash amount; and (ii) the registration of up to 475,327 shares of common stock of Welltower Inc. (the "DownREIT II Shares"), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT II Units," and collectively with the DownREIT Units, the "Units" Units") of HCN G&L DownREIT II LLC, a Delaware limited liability company (the "DownREIT II"), tender such DownREIT II Units for redemption by the DownREIT II, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of Welltower (including its permitted successors and assigns, the Managing Member, "Managing Member"), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT II and to satisfy all or a portion of the redemption consideration by issuing DownREIT II Shares to the holders instead of or in addition to paying a cash amount. On July 22, 2022, Welltower filed with the SEC a prospectus supplement relating to the registration of up to 300,026 shares of common stock of Welltower Inc. that may be issued from time to time if, and to the extent that, certain holders of Class A Common Units (the "OP Units") of Welltower OP tender the OP Units for redemption by Welltower OP, and Welltower Inc. elects to assume the redemption obligations of Welltower OP and to satisfy all or a portion of the redemption consideration by issuing shares of its common stock to the holders instead of or in addition to paying a cash amount.

Supplemental Guarantor Information

Welltower OP has issued the unsecured notes described in Note 11 to our Consolidated Financial Statements. unaudited consolidated financial statements. All unsecured notes are fully and unconditionally guaranteed by Welltower, and Welltower OP is 99.721% owned 99.727% owned by Welltower as of March 31, 2023 June 30, 2023. Effective January 4, 2021, the SEC adopted amendments to the financial disclosure requirements applicable to registered debt offerings that include certain credit enhancements. The Company has We have adopted these new rules, which permits subsidiary issuers of obligations guaranteed by the parent to omit separate financial statements if the consolidated financial statements of the parent company have been filed, the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and the security is guaranteed fully and unconditionally by the parent. Accordingly, separate consolidated financial statements of Welltower OP have not been presented. Furthermore, Welltower and Welltower OP have no material assets, liabilities, or operations other than financing activities and their investments in non-guarantor subsidiaries. Therefore, we meet the criteria in Rule 13-01 of Regulation S-X to omit the summarized financial information from our disclosures.

Results of Operations

Summary

Our primary sources of revenue include resident fees and services, rent and interest income. Our primary expenses include property operating expenses, depreciation and amortization, interest expense, general and administrative expenses and other expenses. We evaluate our business and make resource allocations on our three business segments: Seniors Housing Operating, Triple-net and Outpatient Medical. The primary performance measures for our properties are NOI and same store NOI ("SSNOI"), and other supplemental measures include Funds From Operations ("FFO") and EBITDA, which are further discussed below. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations. The following is a summary of our results of operations (dollars in thousands, except per share amounts):

	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2023	June 30, 2022	Amount	%	June 30, 2023	June 30, 2022	Amount	%
Net income (loss)	$ 106,342	$ 95,672	$ 10,670	11 %	$ 134,977	$ 161,423	$ (26,446)	(16)%
NICS	103,040	89,784	13,256	15 %	128,713	151,709	(22,996)	(15)%
FFO	466,182	409,588	56,594	14 %	852,244	757,223	95,021	13 %
EBITDA	604,127	536,782	67,345	13 %	1,119,322	1,033,330	85,992	8 %
NOI	706,806	618,453	88,353	14 %	1,309,782	1,160,488	149,294	13 %
SSNOI	447,575	405,829	41,746	10 %	856,241	780,365	75,876	10 %
Per share data (fully diluted):								
NICS	$ 0.20	$ 0.20	$ —	— %	$ 0.26	$ 0.33	$ (0.07)	(21)%
FFO	$ 0.93	$ 0.90	$ 0.03	3 %	$ 1.71	$ 1.67	$ 0.04	2 %
Interest coverage ratio	3.81 x	4.21 x	(0.40)x	(10)%	3.63 x	4.12 x	(0.49)x	(12)%
Fixed charge coverage ratio	3.51 x	3.78 x	(0.27)x	(7)%	3.32 x	3.68 x	(0.36)x	(10)%

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

	Three Months Ended				Change		
	March 31, 2023		March 31, 2022		Amount		%
Net income (loss)	$	28,635	$	65,751	$	(37,116)	(56)%
NICS		25,673		61,925		(36,252)	(59)%
FFO		386,062		347,635		38,427	11 %
EBITDA		515,195		496,548		18,647	4 %
NOI		602,976		542,035		60,941	11 %
SSNOI		439,449		402,216		37,233	9 %
Per share data (fully diluted):							
NICS	$	0.05	$	0.14	$	(0.09)	(64)%
FFO	$	0.78	$	0.77	$	0.01	1 %
Interest coverage ratio		3.44 x		4.03 x		(0.59)x	(15)%
Fixed charge coverage ratio		3.13 x		3.57 x		(0.44)x	(12)%

Seniors Housing Operating

The following is a summary of our results of operations for the Seniors Housing Operating segment (dollars in thousands):

		Three Months Ended		Change			Three Months Ended		Change		Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
Revenues:	Revenues:					Revenues:								
Resident fees and services	Resident fees and services	$1,131,685	$994,335	$137,350	14 %	Resident fees and services	$1,159,449	$1,009,999	$149,450	15 %	$2,291,134	$2,004,334	$286,800	14 %
Interest income	Interest income	2,551	1,417	1,134	80 %	Interest income	2,095	1,683	412	24 %	4,646	3,100	1,546	50 %
Other income	Other income	2,445	860	1,585	184 %	Other income	2,895	59,528	(56,633)	(95)%	5,340	60,388	(55,048)	(91)%
Total revenues	Total revenues	1,136,681	996,612	140,069	14 %	Total revenues	1,164,439	1,071,210	93,229	9 %	2,301,120	2,067,822	233,298	11 %
Property operating expenses	Property operating expenses	883,784	789,928	93,856	12 %	Property operating expenses	885,187	789,299	95,888	12 %	1,768,971	1,579,227	189,744	12 %
NOI (1)	NOI (1)	252,897	206,684	46,213	22 %	NOI (1)	279,252	281,911	(2,659)	(1)%	532,149	488,595	43,554	9 %
Other expenses:	Other expenses:					Other expenses:								
Depreciation and amortization	Depreciation and amortization	220,407	192,793	27,614	14 %	Depreciation and amortization	220,428	201,178	19,250	10 %	440,835	393,971	46,864	12 %
Interest expense	Interest expense	11,487	7,650	3,837	50 %	Interest expense	16,136	7,481	8,655	116 %	27,623	15,131	12,492	83 %
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	—	(15)	15	100 %	Loss (gain) on extinguishment of debt, net	—	400	(400)	(100)%	—	385	(385)	(100)%
Provision for loan losses, net	Provision for loan losses, net	(73)	267	(340)	(127)%	Provision for loan losses, net	1,867	342	1,525	446 %	1,794	609	1,185	195 %
Impairment of assets	Impairment of assets	12,629	—	12,629	n/a	Impairment of assets	—	—	—	n/a	12,629	—	12,629	n/a
Other expenses	Other expenses	17,579	8,191	9,388	115 %	Other expenses	8,060	29,249	(21,189)	(72)%	25,639	37,440	(11,801)	(32)%
		262,029	208,886	53,143	25 %		246,491	238,650	7,841	3 %	508,520	447,536	60,984	14 %
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	(9,132)	(2,202)	(6,930)	(315)%	Income (loss) from continuing operations before income taxes and other items	32,761	43,261	(10,500)	(24)%	23,629	41,059	(17,430)	(42)%

Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	(15,589)	(17,782)	2,193	12 %	Income (loss) from unconsolidated entities	(39,445)	(12,669)	(26,776)	(211)%	(55,034)	(30,451)	(24,583)	(81)%
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	833	2,701	(1,868)	(69)%	Gain (loss) on real estate dispositions, net	(2,096)	(1,224)	(872)	(71)%	(1,263)	1,477	(2,740)	(186)%
Income from continuing operations	Income from continuing operations	(23,888)	(17,283)	(6,605)	(38)%	Income from continuing operations	(8,780)	29,368	(38,148)	(130)%	(32,668)	12,085	(44,753)	(370)%
Net income (loss)	Net income (loss)	(23,888)	(17,283)	(6,605)	(38)%	Net income (loss)	(8,780)	29,368	(38,148)	(130)%	(32,668)	12,085	(44,753)	(370)%
Less: Net income (loss) attributable to noncontrolling interests	Less: Net income (loss) attributable to noncontrolling interests	(3,317)	(5,381)	2,064	38 %	Less: Net income (loss) attributable to noncontrolling interests	(2,872)	(2,857)	(15)	(1)%	(6,189)	(8,238)	2,049	25 %
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	$ (20,571)	$ (11,902)	$ (8,669)	(73)%	Net income (loss) attributable to common stockholders	$ (5,908)	$ 32,225	$ (38,133)	(118)%	$ (26,479)	$ 20,323	$ (46,802)	(230)%

(1) See "Non-GAAP Financial Measures" below for additional information and reconciliations.

Resident fees and services and property operating expenses increased for the three and six month periods ended March 31, 2023June 30, 2023 compared to the same period periods in the prior year primarily due to acquisitions outpacing dispositions during 2022 and year to date 2023. Additionally, our our Seniors Housing Operating revenues are dependent on occupancy and rate growth, both of which have continued to increase since the same period in the prior year. Average occupancy is as follows:

		Three Months Ended(1)					Three Months Ended(1)			
		March 31,	June 30,	September 30,	December 31,		March 31,	June 30,	September 30,	December 31,
2022	2022	76.3 %	77.1 %	78.0 %	78.3 %	2022	76.3 %	77.1 %	78.0 %	78.3 %
2023	2023	79.0 %				2023	79.0 %	79.6 %		

(1) Average occupancy includes our minority ownership share related to unconsolidated properties and excludes the minority partners' noncontrolling ownership share related to consolidated properties. Also excludes land parcels and properties under development.

Effective on April 1, 2022, our leasehold interest relating to the master lease with National Health Investors, Inc. ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. The lease termination was part of an agreement to resolve outstanding litigation with NHI. In conjunction with the agreement, a wholly-owned subsidiary and the lessee on the master lease agreed to release $6,883,000 of cash to the landlord, which represents the net cash flow generated from the properties since we assumed the leasehold interest. Additionally, in connection with the lease termination, during the three months ended June 30, 2022, we recognized $58,621,000 in other income on our Consolidated Statements of Comprehensive Income from the derecognition of the right of use asset and related lease liability.

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The following is a summary of our SSNOI at Welltower's share for the Seniors Housing Operating segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31, 2023	March 31, 2022	$	%
SSNOI (1)	$ 211,306	$ 177,089	$ 34,217	19.3 %

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
SSNOI (1)	$ 221,605	$ 186,931	$ 34,674	18.5 %	$ 409,387	$ 343,464	$ 65,923	19.2 %

(1) For the QTD Pool and YTD Pool, amounts relate to 746 674 and 661 same store properties. properties, respectively. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

During the three six months ended March 31, 2023 June 30, 2023, we recorded impairment charges of $12,252,000 related to three two held for sale properties for which the carrying values exceeded the estimated fair value less costs to sell and $377,000 related to one held for use property for which the carrying value exceeded the estimated fair value. No impairment was recorded during the same period in 2022. Transaction costs related to asset acquisitions are capitalized as a component of the purchase price. The fluctuation in other expenses is primarily due to the timing of noncapitalizable transaction costs associated with acquisitions and operator transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

Depreciation and amortization fluctuates as a result of acquisitions, dispositions and transitions. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly.

During the three six months ended March 31, 2023 June 30, 2023, we completed one conversion five conversions representing $26,711,667 $140,865,000 or $193,563 $229,796 per unit. The following is a summary of our Seniors Housing Operating construction projects in process, excluding expansions (dollars in thousands):

	As of March 31, 2023									
As of June 30, 2023						As of June 30, 2023				
Expected Conversion Year(1)	Expected Conversion Year(1)	Properties	Units/Beds	Anticipated Remaining Funding	Construction in Progress Balance	Expected Conversion Year(1)	Properties	Units/Beds	Anticipated Remaining Funding	Construction in Progress Balance
2023	2023	9	1,216	$ 67,110	$ 272,677	2023	5	853	$ 50,705	$ 196,623
2024	2024	15	2,439	529,421	404,803	2024	16	2,626	478,984	496,374
2025	2025	2	665	124,569	27,936	2025	1	409	64,449	21,939
TBD(2)	TBD(2)	11			106,173	TBD(2)	13			125,633
Total	Total	37			$ 811,589	Total	35			$ 840,569

(1) Properties expected to be converted in phases over multiple years are reflected in the last expected year.

(2) Represents projects for which a final budget or expected conversion date are not yet known.

Interest expense represents secured debt interest expense, which fluctuates based on the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The fluctuations in loss (gain) on extinguishment of debt is primarily attributable to the volume of extinguishments and terms of the related secured debt.

The following is a summary of our Seniors Housing Operating segment property secured debt principal activity (dollars in thousands):

		Three Months Ended					Three Months Ended				Six Months	
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022		June 30, 2023	
		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Beginning balance	Beginning balance	$ 1,701,939	4.32 %	$ 1,599,522	2.81 %	Beginning balance	$ 2,058,618	4.58 %	$ 1,554,473	2.83 %	$ 1,701,939	4.32 %
Debt transferred	Debt transferred	—	— %	32,478	4.79 %	Debt transferred	—	— %	—	— %	—	— %
Debt issued	Debt issued	362,900	4.97 %	5,385	3.08 %	Debt issued	10,562	7.62 %	4,959	3.40 %	373,462	5.05 %
Debt assumed	Debt assumed	6,482	4.21 %	—	— %	Debt assumed	20,448	3.53 %	221,159	4.32 %	26,930	3.70 %
Debt extinguished	Debt extinguished	—	— %	(94,647)	4.21 %	Debt extinguished	(3,315)	4.02 %	(60,916)	4.26 %	(3,315)	4.02 %
Principal payments	Principal payments	(13,007)	3.86 %	(12,998)	2.92 %	Principal payments	(11,997)	3.71 %	(11,515)	3.11 %	(25,004)	3.84 %
Foreign currency	Foreign currency	304	4.39 %	24,733	2.73 %	Foreign currency	20,477	4.08 %	(31,068)	3.01 %	20,781	4.07 %
Ending balance	Ending balance	$ 2,058,618	4.58 %	$ 1,554,473	2.83 %	Ending balance	$ 2,094,793	4.71 %	$ 1,677,092	3.34 %	$ 2,094,793	4.71 %
Monthly averages	Monthly averages	$ 1,822,546	4.44 %	$ 1,606,723	2.84 %	Monthly averages	$ 2,081,643	4.62 %	$ 1,605,163	2.92 %	$ 1,952,094	4.54 %

The majority of our Seniors Housing Operating properties are formed through partnership interests. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. Income from unconsolidated entities during the six months ended June 30, 2023 includes an impairment charge of $27,708,000 related to an unconsolidated management company. Net income attributable to noncontrolling interests represents our partners' share of net income (loss) related to joint ventures.

Triple-net

The following is a summary of our results of operations for the Triple-net segment (dollars in thousands):

		Three Months Ended		Change			Three Months Ended		Change		Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
Revenues:	Revenues:					Revenues:								
Rental income	Rental income	$202,419	$196,001	$ 6,418	3 %	Rental income	$198,916	$197,182	$ 1,734	1 %	$401,335	$393,183	$ 8,152	2 %
Interest income	Interest income	33,763	37,506	(3,743)	(10)%	Interest income	36,520	35,392	1,128	3 %	70,283	72,898	(2,615)	(4)%
Other income	Other income	1,883	1,656	227	14 %	Other income	66,692	1,786	64,906	n/a	68,575	3,442	65,133	n/a
Total revenues	Total revenues	238,065	235,163	2,902	1 %	Total revenues	302,128	234,360	67,768	29 %	540,193	469,523	70,670	15 %
Property operating expenses	Property operating expenses	11,723	11,211	512	5 %	Property operating expenses	10,598	11,491	(893)	(8) %	22,321	22,702	(381)	(2)%
NOI (1)	NOI (1)	226,342	223,952	2,390	1 %	NOI (1)	291,530	222,869	68,661	31 %	517,872	446,821	71,051	16 %
Other expenses:	Other expenses:					Other expenses:								
Depreciation and amortization	Depreciation and amortization	54,528	53,504	1,024	2 %	Depreciation and amortization	55,234	49,561	5,673	11 %	109,762	103,065	6,697	6 %
Interest expense	Interest expense	(15)	314	(329)	(105)%	Interest expense	(795)	320	(1,115)	(348) %	(810)	634	(1,444)	(228)%
Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	930	2,578	(1,648)	(64)%	Loss (gain) on derivatives and financial instruments, net	1,280	(1,407)	2,687	191 %	2,210	1,171	1,039	89 %
Provision for loan losses, net	Provision for loan losses, net	850	(1,065)	1,915	180 %	Provision for loan losses, net	591	(176)	767	436 %	1,441	(1,241)	2,682	216 %
Impairment of assets										Impairment of assets	1,086	—	1,086	n/a 1,086 — 1,08
Other expenses	Other expenses	2,467	11,044	(8,577)	(78)%	Other expenses	818	463	355	77 %	3,285	11,507	(8,222)	(71)%
		58,760	66,375	(7,615)	(11)%		58,214	48,761	9,453	19 %	116,974	115,136	1,838	2 %
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	167,582	157,577	10,005	6 %	Income (loss) from continuing operations before income taxes and other items	233,316	174,108	59,208	34 %	400,898	331,685	69,213	21 %
Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	8,432	15,543	(7,111)	(46)%	Income (loss) from unconsolidated entities	(630)	5,874	(6,504)	(111) %	7,802	21,417	(13,615)	(64)%
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	520	20,449	(19,929)	(97)%	Gain (loss) on real estate dispositions, net	(72)	(2,129)	2,057	97 %	448	18,320	(17,872)	(98)%
Income from continuing operations	Income from continuing operations	176,534	193,569	(17,035)	(9)%	Income from continuing operations	232,614	177,853	54,761	31 %	409,148	371,422	37,726	10 %
Net income	Net income	176,534	193,569	(17,035)	(9)%	Net income	232,614	177,853	54,761	31 %	409,148	371,422	37,726	10 %

Less: Net income (loss) attributable to noncontrolling interests	Less: Net income (loss) attributable to noncontrolling interests	5,903	7,065	(1,162)	(16)%	Less: Net income (loss) attributable to noncontrolling interests	6,187	7,241	(1,054)	(15) %	12,090	14,306	(2,216)	(15)%
Net income attributable to common stockholders	Net income attributable to common stockholders	$170,631	$186,504	$(15,873)	(9)%	Net income attributable to common stockholders	$226,427	$170,612	$55,815	33 %	$397,058	$357,116	$39,942	11 %

Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or changes in the gross operating revenues of the tenant's properties. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If gross operating revenues at our facilities and/or the Consumer Price Index do not increase, a portion of our revenues may not continue to increase. For the three months ended March 31, 2023June 30, 2023, we had 2326 leases with rental rate increases ranging from 0.58% to 43.390.72% to 68.87% in our Triple-net portfolio.

As part of the substantial exit of the Genesis HealthCare operating relationship, which we disclosed on March 2, 2021, we transitioned the sublease of a portfolio of seven facilities from Genesis HealthCare to Complete Care Management in the second quarter of 2021. As part of the March 2021 transaction, we entered into a forward sale agreement for the seven properties valued at $182,618,000, which was expected to close when the Welltower-held purchase option became exercisable. As of March 31, 2023, the right of use assets related to the properties were $115,359,000 and were reflected as held for sale with the corresponding lease liabilities of $66,530,000 on our Consolidated Balance Sheet.

On May 1, 2023, we executed a series of transactions that included the assignment of the leasehold interest to a newly formed tri-party unconsolidated joint venture with Aurora Health Network, Peace Capital (an affiliate of Complete Care Management) and us, and culminated with the closing of the purchase option by the joint venture. The transactions resulted in net cash proceeds to us of $104,240,000 after our retained interest of $11,571,000 in the joint venture and a gain from the loss of control and derecognition of the leasehold interest of $65,485,000, which we recorded in other income within our Consolidated Statements of Comprehensive Income.

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The following is a summary of our SSNOI at Welltower's share for the Triple-net segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31, 2023	March 31, 2022	$	%
SSNOI (1)	$ 117,716	$ 116,780	$ 936	0.8 %

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
SSNOI (1)	$ 113,237	$ 109,263	$ 3,974	3.6 %	$ 225,804	$ 220,956	$ 4,848	2.2 %

(1) For the QTD Pool and YTD Pool, amounts relate to 415375 same store properties. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

Depreciation and amortization fluctuates as a result of the acquisitions, dispositions and segment transitions of Triple-net properties. To the extent we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

During the three months ended June 30, 2023, we recorded impairment charges of $1,086,000 related to one held for sale property. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs from acquisitions and segment transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

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During the threesix months ended March 31, 2023June 30, 2023, there were nowas one Triple-net construction projects completed. The following is a summary of our consolidated Triple-net construction projects in process, excluding expansions (dollars in thousands):

As of March 31, 2023				
Expected Conversion Year	Properties	Units/Beds	Anticipated Remaining Funding	Construction in Progress Balance

2023	1	191 $	32,701 $	121,441

project completed representing $141,142,000 or $738,963 per unit.

During the three months ended March 31, 2022, loss (gain) on derivatives and financial instruments, net is primarily attributable to the mark-to-market of the equity warrants received as part of the Safanad/HC-One transaction that closed in the second quarter of 2021. In addition, the mark-to-market adjustment on our Genesis HealthCare available-for-sale investment is reflected in all periods.

Interest expense represents secured debt interest expense and related fees. The change in secured debt interest expense is due to the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The following is a summary of our Triple-net secured debt principal activity for the periods presented (dollars in thousands):

		Three Months Ended					Three Months Ended				Six Months Ended			
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Beginning balance	Beginning balance	$ 39,179	4.39 %	$ 72,536	4.57 %	Beginning balance	$ 38,949	4.39 %	$ 39,837	4.39 %	$ 39,179	4.39 %	$ 72,536	4.57 %
Debt transferred	Debt transferred	—	— %	(32,478)	4.79 %	Debt transferred	—	— %	—	— %	—	— %	(32,478)	4.79 %
Principal payments	Principal payments	(230)	4.37 %	(221)	4.37 %	Principal payments	(226)	4.37 %	(215)	4.37 %	(456)	4.37 %	(436)	4.37 %
Ending balance	Ending balance	$ 38,949	4.39 %	$ 39,837	4.39 %	Ending balance	$ 38,723	4.39 %	$ 39,622	4.39 %	$ 38,723	4.39 %	$ 39,622	4.39 %
Monthly averages	Monthly averages	$ 39,029	4.39 %	$ 39,914	4.39 %	Monthly averages	$ 38,798	4.39 %	$ 39,693	4.39 %	$ 38,914	4.39 %	$ 39,804	4.39 %

A portion of our Triple-net properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The decrease in income from unconsolidated entities during the three and six month periods is primarily related to the restructure of an unconsolidated joint venture into a consolidated structure. Net income attributable to noncontrolling interests represents our partners' share of net income relating to those partnerships where we are the controlling partner.

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Outpatient Medical

The following is a summary of our results of operations for the Outpatient Medical segment for the periods presented (dollars in thousands):

		Three Months Ended		Change			Three Months Ended		Change		Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
Revenues:	Revenues:					Revenues:								
Rental income	Rental income	$181,640	$160,389	$21,251	13 %	Rental income	$184,523	$164,229	$20,294	12 %	$366,163	$324,618	$41,545	13 %
Interest income	Interest income	91	71	20	28 %	Interest income	95	65	30	46 %	186	136	50	37 %
Other income	Other income	3,100	2,863	237	8 %	Other income	1,574	2,028	(454)	(22)%	4,674	4,891	(217)	(4)%
Total revenues	Total revenues	184,831	163,323	21,508	13 %	Total revenues	186,192	166,322	19,870	12 %	371,023	329,645	41,378	13 %
Property operating expenses	Property operating expenses	58,365	49,915	8,450	17 %	Property operating expenses	58,697	50,648	8,049	16 %	117,062	100,563	16,499	16 %
NOI (1)	NOI (1)	126,466	113,408	13,058	12 %	NOI (1)	127,495	115,674	11,821	10 %	253,961	229,082	24,879	11 %
Other expenses:	Other expenses:					Other expenses:								
Depreciation and amortization	Depreciation and amortization	64,177	57,791	6,386	11 %	Depreciation and amortization	66,283	59,556	6,727	11 %	130,460	117,347	13,113	11 %
Interest expense	Interest expense	4,104	4,567	(463)	(10)%	Interest expense	3,152	4,531	(1,379)	(30)%	7,256	9,098	(1,842)	(20)%

Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	5	3	2	67 %	Loss (gain) on extinguishment of debt, net	1	4	(3)	(75)%	6	7	(1)	(14)%
Provision for loan losses, net	Provision for loan losses, net	—	(6)	6	100 %	Provision for loan losses, net	(2)	(1)	(1)	(100)%	(2)	(7)	5	71 %
Other expenses	Other expenses	547	789	(242)	(31)%	Other expenses	647	207	440	213 %	1,194	996	198	20 %
		68,833	63,144	5,689	9 %		70,081	64,297	5,784	9 %	138,914	127,441	11,473	9 %
Income (loss) from continuing operations before income taxes and other items	Income (loss) from continuing operations before income taxes and other items	57,633	50,264	7,369	15 %	Income (loss) from continuing operations before income taxes and other items	57,414	51,377	6,037	12 %	115,047	101,641	13,406	13 %
Income (loss) from unconsolidated entities	Income (loss) from unconsolidated entities	86	(645)	731	113 %	Income (loss) from unconsolidated entities	(257)	(263)	6	2 %	(171)	(908)	737	81 %
Gain (loss) on real estate dispositions, net	Gain (loss) on real estate dispositions, net	(606)	(216)	(390)	(181)%	Gain (loss) on real estate dispositions, net	—	(179)	179	100 %	(606)	(395)	(211)	(53)%
Income from continuing operations	Income from continuing operations	57,113	49,403	7,710	16 %	Income from continuing operations	57,157	50,935	6,222	12 %	114,270	100,338	13,932	14 %
Net income (loss)	Net income (loss)	57,113	49,403	7,710	16 %	Net income (loss)	57,157	50,935	6,222	12 %	114,270	100,338	13,932	14 %
Less: Net income (loss) attributable to noncontrolling interests	Less: Net income (loss) attributable to noncontrolling interests	682	2,142	(1,460)	(68)%	Less: Net income (loss) attributable to noncontrolling interests	309	1,498	(1,189)	(79)%	991	3,640	(2,649)	(73)%
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	$ 56,431	$ 47,261	$ 9,170	19 %	Net income (loss) attributable to common stockholders	$ 56,848	$ 49,437	$ 7,411	15 %	$113,279	$ 96,698	$16,581	17 %

(1) See "Non-GAAP Financial Measures" below for additional information and reconciliations.

Rental income has increased due primarily to acquisitions and construction conversions that occurred during 2022 and the year to date in 2023. Certain Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the Consumer Price Index does not increase, a portion of our revenues may not continue to increase. Our leases could renew above or below current rental rates, resulting in an increase or decrease in rental income. For the three months ended March 31, 2023 June 30, 2023, our consolidated outpatient medical portfolio signed 80,010 167,629 square feet of new leases and 539,121 308,781 square feet of renewals. The weighted-average term of these leases was seven years, with a rate of $32.21 $34.36 per square foot and tenant improvement and lease commission costs of $13.81 $28.75 per square foot. Substantially all of these leases contain an annual fixed or contingent escalation rent structure ranging from 1.0% 1.5% to 9.0% 28.0%.

The fluctuations in property operating expenses and depreciation and amortization are primarily attributable to acquisitions and construction conversions that occurred during 2022 and year to date in 2023. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly.

The following is a summary of our SSNOI at Welltower's share for the Outpatient Medical segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31, 2023	March 31, 2022	$	%
SSNOI (1)	$ 110,423	$ 108,347	$ 2,076	1.9 %

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
SSNOI (1)	$ 112,733	$ 109,635	$ 3,098	2.8 %	$ 221,050	$ 215,945	$ 5,105	2.4 %

(1) For the QTD Pool and YTD Pool, amounts relate to 371 374 and 370 same store properties. properties, respectively. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

During the three six months ended March 31, 2023 June 30, 2023, we completed one conversion two conversions representing $9,351,000 $21,173,000 or $555 per $425 per square foot. The following is a summary of the consolidated Outpatient Medical construction projects in process, excluding expansions (dollars in thousands):

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As of June 30, 2023	As of March 31, 2023					As of June 30, 2023				
Expected Conversion Year	Expected Conversion Year	Properties	Square Feet	Anticipated Remaining Funding	Construction in Progress Balance	Expected Conversion Year	Properties	Square Feet	Anticipated Remaining Funding	Construction in Progress Balance
2023	2023	3	228,276	$ 88,881	$ 39,856	2023	2	195,276	$ 58,360	$ 58,555
2024	2024	2	211,368	118,010	22,478	2024	4	279,332	97,156	43,332
TBD (1)	TBD (1)	2			36,679	TBD (1)	2			36,996
Total	Total	7			$ 99,013	Total	8			$ 138,883

(1) Represents projects for which a final budget or expected conversion date are not yet known.

Total interest expense represents secured debt interest expense. The change in secured debt interest expense is primarily due to the net effect and timing of assumptions, extinguishments and principal amortizations. The following is a summary of our Outpatient Medical secured debt principal activity (dollars in thousands):

		Three Months Ended					Three Months Ended				Six Months Ended			
		March 31, 2023		March 31, 2022			June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate		Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Beginning balance	Beginning balance	$ 388,836	4.38 %	$ 530,254	3.49 %	Beginning balance	$ 409,241	4.43 %	$ 521,331	3.51 %	$ 388,836	4.38 %	$ 530,254	3.49 %
Debt assumed	Debt assumed	46,741	3.54 %	—	— %	Debt assumed	—	— %	—	— %	46,741	3.54 %	—	— %
Debt extinguished	Debt extinguished	(24,631)	4.53 %	(6,174)	4.17 %	Debt extinguished	(44,550)	3.69 %	(34,767)	3.79 %	(69,181)	3.99 %	(40,941)	3.84 %
Principal payments	Principal payments	(1,705)	4.27 %	(2,749)	4.38 %	Principal payments	(1,616)	4.30 %	(2,652)	4.37 %	(3,321)	4.29 %	(5,401)	4.39 %
Ending balance	Ending balance	$ 409,241	4.43 %	$ 521,331	3.51 %	Ending balance	$ 363,075	4.68 %	$ 483,912	3.68 %	$ 363,075	4.68 %	$ 483,912	3.68 %
Monthly averages	Monthly averages	$ 409,860	4.41 %	$ 526,392	3.49 %	Monthly averages	$ 386,125	4.57 %	$ 507,966	3.64 %	$ 397,993	4.49 %	$ 517,179	3.57 %

A portion of our Outpatient Medical properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. Net income attributable to noncontrolling interests represents our partners' share of net income or loss relating to those partnerships where we are the controlling partner.

Non-Segment/Corporate

The following is a summary of our results of operations for the Non-Segment/Corporate activities for the periods presented (dollars in thousands):

		Three Months Ended		Change			Three Months Ended		Change		Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	
Revenues:	Revenues:					Revenues:								
Other income	Other income	$ 1,152	$ 606	$ 546	90 %	Other income	$ 12,719	$ 644	$ 12,075	n/a	$ 13,871	$ 1,250	$ 12,621	
Total revenues	Total revenues	1,152	606	546	90 %	Total revenues	12,719	644	12,075	n/a	13,871	1,250	12,621	
Property operating expenses	Property operating expenses	3,881	2,615	1,266	48 %	Property operating expenses	4,190	2,645	1,545	58 %	8,071	5,260	2,811	5
NOI (1)		(2,729)	(2,009)	(720)	(36)%									
Consolidated net operating income (loss) (1)										Consolidated net operating income (loss) (1)	8,529	(2,001)	10,530	52

Expenses:	Expenses:					Expenses:									
Interest expense	Interest expense	128,827	109,165	19,662	18 %	Interest expense	133,844	115,418	18,426	16	%	262,671	224,583	38,088	1
General and administrative expenses	General and administrative expenses	44,371	37,706	6,665	18 %	General and administrative expenses	44,287	36,554	7,733	21	%	88,658	74,260	14,398	1
Loss (gain) on extinguishment of debt, net											Loss (gain) on extinguishment of debt, net	—	199	(199)	(10
Other expenses	Other expenses	2,152	6,045	(3,893)	(64)%	Other expenses	1,544	5,247	(3,703)	(71)	%	3,696	11,292	(7,596)	(6
		175,350	152,916	22,434	15 %		179,675	157,418	22,257	14	%	355,025	310,334	44,691	1
Loss from continuing operations before income taxes and other items	Loss from continuing operations before income taxes and other items	(178,079)	(154,925)	(23,154)	(15)%	Loss from continuing operations before income taxes and other items	(171,146)	(159,419)	(11,727)	(7)	%	(349,225)	(314,344)	(34,881)	(1
Income tax benefit (expense)	Income tax benefit (expense)	(3,045)	(5,013)	1,968	39 %	Income tax benefit (expense)	(3,503)	(3,065)	(438)	(14)	%	(6,548)	(8,078)	1,530	1
Loss from continuing operations	Loss from continuing operations	(181,124)	(159,938)	(21,186)	(13)%	Loss from continuing operations	(174,649)	(162,484)	(12,165)	(7)	%	(355,773)	(322,422)	(33,351)	(1
Net loss attributable to common stockholders	Net loss attributable to common stockholders	$(181,124)	$(159,938)	$(21,186)	(13)%	Net loss attributable to common stockholders	$(174,649)	$(162,484)	$(12,165)	(7)	%	$(355,773)	$(322,422)	$(33,351)	(1

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The increase in other income for the three and six month periods ended June 30, 2023 is primarily due to interest earned on deposits. Property operating expenses represent insurance costs related to our captive insurance company, which acts as a direct insurer of property level insurance coverage for our portfolio.

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The following is a summary of our Non-Segment/Corporate interest expense for the periods presented (dollars in thousands):

		Three Months Ended		Change			Three Months Ended		Change		Six Months Ended		Change	
		March 31, 2023	March 31, 2022	$	%		June 30, 2023	June 30, 2022	$	%	June 30, 2023	June 30, 2022	$	%
Senior unsecured notes	Senior unsecured notes	$ 120,814	$ 101,239	$ 19,575	19 %	Senior unsecured notes	$ 125,451	$ 106,431	$ 19,020	18 %	$ 246,265	$ 207,670	$ 38,595	19 %
Unsecured credit facility and commercial paper program	Unsecured credit facility and commercial paper program	2,406	2,779	(373)	(13) %	Unsecured credit facility and commercial paper program	1,467	4,088	(2,621)	(64) %	3,873	6,866	(2,993)	(44) %
Loan expense	Loan expense	5,607	5,147	460	9 %	Loan expense	6,926	4,899	2,027	41 %	12,533	10,047	2,486	25 %
Totals	Totals	$ 128,827	$ 109,165	$ 19,662	18 %	Totals	$ 133,844	$ 115,418	$ 18,426	16 %	$ 262,671	$ 224,583	$ 38,088	17 %

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments, as well as the movement in foreign exchange rates and related hedge activity. Please refer to Note 11 to our unaudited consolidated financial statements for additional information. The change in interest expense on our unsecured revolving credit facility and commercial paper program is due primarily to the net effect and timing of draws, paydowns and variable interest rate changes. Please refer to Note 10 to our unaudited consolidated financial statements for additional information regarding our unsecured revolving credit facility and commercial paper program. Loan expenses represent the amortization of costs incurred in connection with senior unsecured notes issuances.

General and administrative expenses as a percentage of consolidated revenues for the three six months ended March 31, 2023 June 30, 2023 and 2022 were 2.84% 2.75% and 2.70% 2.59%, respectively. The provision for income taxes primarily relates to state taxes, foreign taxes and taxes based on income generated by entities that are structured as TRSs.

Other

Non-GAAP Financial Measures

We believe that net income and net income attributable to common stockholders, as defined by U.S. GAAP, are the most appropriate earnings measurements. However, we consider FFO, NOI, SSNOI, EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created funds from operations attributable to common stockholders ("FFO") as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means NICS, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

NOI is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent general overhead costs that are unrelated to property operations and unallocable to the properties. These expenses include, but are not limited to, payroll and benefits related to corporate employees, professional services, office expenses and depreciation of corporate fixed assets. Same store NOI ("SSNOI") is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. We believe the drivers of property level NOI for both consolidated properties and unconsolidated properties are generally the same and therefore, we evaluate SSNOI based on our ownership interest in each property ("Welltower Share"). To arrive at Welltower's Share, NOI is adjusted by adding our minority ownership share related to unconsolidated properties and by subtracting the minority partners' noncontrolling ownership interests for consolidated properties. We do not control investments in unconsolidated properties and while we consider disclosures at Welltower Share to be useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in SSNOI five full quarters or six full quarters after acquisition or being placed into service for the QTD Pool. Pool and the YTD Pool, respectively. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the respective periods are excluded from SSNOI. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties

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undergoing a change in intended use) are excluded from SSNOI until five full quarters or six full quarters post completion of the redevelopment for the QTD Pool. Pool and YTD Pool, respectively. Properties undergoing operator transitions and/or segment transitions are also excluded from SSNOI until five full quarters or six full quarters post completion of the transition for the QTD Pool. Pool and YTD Pool, respectively. In addition, properties significantly impacted by force majeure, acts of God, or other extraordinary adverse events are excluded from SSNOI until five full quarters or six full quarters after the properties are placed back into service for the QTD Pool.

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YTD Pool, respectively. SSNOI excludes non-cash NOI and includes adjustments to present consistent ownership percentages and to translate Canadian properties and U.K. properties using a consistent exchange rate. We believe NOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

EBITDA is defined as earnings (net income) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/loss/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, other impairment charges and other adjustments as deemed appropriate. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest and secured debt principal amortization. Covenants in our unsecured senior notes and primary credit facility contain financial ratios based on a definition of EBITDA and Adjusted EBITDA that is specific to those agreements. Our leverage ratios are defined as the proportion of net debt to total capitalization and include book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Management uses these financial measures to facilitate internal and external comparisons to our historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management. None of our supplemental measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies.

The table below reflects the reconciliation of FFO to NICS, the most directly comparable U.S. GAAP measure, for the periods presented. Noncontrolling interest and unconsolidated entity amounts represent adjustments to reflect our share of depreciation and amortization, gains/loss on real estate dispositions and impairment of assets. Amounts are in thousands except for per share data.

		Three Months Ended						Three Months Ended					
		March 31,	December 31,	September 30,	June 30,	March 31,		June 30,	March 31,	December 31,	September 30,	June 30,	March 31,
FFO Reconciliation:	**FFO Reconciliation:**	2023	2022	2022	2022	2022	**FFO Reconciliation:**	2023	2023	2022	2022	2022	2022
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	$ 25,673	$ (3,728)	$ (6,767)	$ 89,785	$ 61,925	Net income (loss) attributable to common stockholders	$103,040	$ 25,673	$ (3,728)	$ (6,767)	$ 89,784	$ 61,925
Depreciation and amortization	Depreciation and amortization	339,112	342,286	353,699	310,295	304,088	Depreciation and amortization	341,945	339,112	342,286	353,699	310,295	304,088
Impairment of assets	Impairment of assets	12,629	13,146	4,356	—	—	Impairment of assets	1,086	12,629	13,146	4,356	—	—
Loss (gain) on real estate dispositions, net	Loss (gain) on real estate dispositions, net	(747)	4,423	(1,064)	3,532	(22,934)	Loss (gain) on real estate dispositions, net	2,168	(747)	4,423	(1,064)	3,532	(22,934)
Noncontrolling interests	Noncontrolling interests	(13,327)	(13,989)	(14,614)	(13,173)	(14,753)	Noncontrolling interests	(12,841)	(13,327)	(13,989)	(14,614)	(13,173)	(14,753)
Unconsolidated entities	Unconsolidated entities	22,722	15,847	27,253	19,150	19,309	Unconsolidated entities	30,784	22,722	15,847	27,253	19,150	19,309
FFO	FFO	$386,062	$ 357,985	$ 362,863	$409,589	$347,635	FFO	$466,182	$386,062	$ 357,985	$ 362,863	$409,588	$347,635
Average diluted shares outstanding	Average diluted shares outstanding						Average diluted shares outstanding						
For net income (loss) purposes	For net income (loss) purposes	494,494	483,305	463,366	457,082	449,802	For net income (loss) purposes	501,970	494,494	483,305	463,366	457,082	449,802
For FFO purposes	For FFO purposes	494,494	486,419	466,950	457,082	449,802	For FFO purposes	501,970	494,494	486,419	466,950	457,082	449,802
Per diluted share data:	Per diluted share data:						Per diluted share data:						
Net income attributable to common stockholders(1)	Net income attributable to common stockholders(1)	$ 0.05	$ (0.01)	$ (0.01)	$ 0.20	$ 0.14	Net income attributable to common stockholders(1)	$ 0.20	$ 0.05	$ (0.01)	$ (0.01)	$ 0.20	$ 0.14
FFO	FFO	$ 0.78	$ 0.74	$ 0.78	$ 0.90	$ 0.77	FFO	$ 0.93	$ 0.78	$ 0.74	$ 0.78	$ 0.90	$ 0.77

(1) Includes adjustment to the numerator for income (loss) attributable to OP Unitholders.

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	Six Months Ended	
	June 30,	June 30,
FFO Reconciliations:	2023	2022
Net income attributable to common stockholders	$ 128,713	$ 151,709
Depreciation and amortization	681,057	614,383
Impairment of assets	13,715	—
Loss (gain) on real estate dispositions, net	1,421	(19,402)
Noncontrolling interests	(26,168)	(27,926)
Unconsolidated entities	53,506	38,459
FFO	$ 852,244	$ 757,223
Average diluted common shares outstanding:	498,305	453,455

Per diluted share data:				
Net income attributable to common stockholders(1)	$	0.26	$	0.33
FFO	$	1.71	$	1.67

(1) Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

The table below reflects the reconciliation of consolidated NOI to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollar amounts are presented (dollars in thousands. thousands):

		Three Months Ended				
		March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
NOI Reconciliations:	**NOI Reconciliations:**					
Net income (loss)	Net income (loss)	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751
Loss (gain) on real estate dispositions, net	Loss (gain) on real estate dispositions, net	(747)	4,423	(1,064)	3,532	(22,934)
Loss (income) from unconsolidated entities	Loss (income) from unconsolidated entities	7,071	4,650	6,698	7,058	2,884
Income tax expense (benefit)	Income tax expense (benefit)	3,045	(4,088)	3,257	3,065	5,013
Other expenses	Other expenses	22,745	24,954	15,481	35,166	26,069
Impairment of assets	Impairment of assets	12,629	13,146	4,356	—	—
Provision for loan losses, net	Provision for loan losses, net	777	10,469	490	165	(804)
Loss (gain) on extinguishment of debt, net	Loss (gain) on extinguishment of debt, net	5	87	2	603	(12)
Loss (gain) on derivatives and financial instruments, net	Loss (gain) on derivatives and financial instruments, net	930	258	6,905	(1,407)	2,578
General and administrative expenses	General and administrative expenses	44,371	41,319	34,811	36,554	37,706
Depreciation and amortization	Depreciation and amortization	339,112	342,286	353,699	310,295	304,088
Interest expense	Interest expense	144,403	140,391	139,682	127,750	121,696
Consolidated net operating income (NOI)	Consolidated net operating income (NOI)	$ 602,976	$ 579,693	$ 561,664	$ 618,453	$ 542,035
NOI by segment:	NOI by segment:					
Seniors Housing Operating	Seniors Housing Operating	$ 252,897	$ 234,091	$ 230,686	$ 281,911	$ 206,684
Triple-net	Triple-net	226,342	222,879	217,324	222,869	223,952
Outpatient Medical	Outpatient Medical	126,466	124,421	119,257	115,674	113,408
Non-segment/corporate	Non-segment/corporate	(2,729)	(1,698)	(5,603)	(2,001)	(2,009)
Total NOI	Total NOI	$ 602,976	$ 579,693	$ 561,664	$ 618,453	$ 542,035

	Three Months Ended					
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
NOI Reconciliations:						
Net income (loss)	$ 106,342	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751
Loss (gain) on real estate dispositions, net	2,168	(747)	4,423	(1,064)	3,532	(22,934)
Loss (income) from unconsolidated entities	40,332	7,071	4,650	6,698	7,058	2,884
Income tax expense (benefit)	3,503	3,045	(4,088)	3,257	3,065	5,013
Other expenses	11,069	22,745	24,954	15,481	35,166	26,069
Impairment of assets	1,086	12,629	13,146	4,356	—	—
Provision for loan losses, net	2,456	777	10,469	490	165	(804)
Loss (gain) on extinguishment of debt, net	1	5	87	2	603	(12)
Loss (gain) on derivatives and financial instruments, net	1,280	930	258	6,905	(1,407)	2,578
General and administrative expenses	44,287	44,371	41,319	34,811	36,554	37,706
Depreciation and amortization	341,945	339,112	342,286	353,699	310,295	304,088
Interest expense	152,337	144,403	140,391	139,682	127,750	121,696
Consolidated net operating income (NOI)	$ 706,806	$ 602,976	$ 579,693	$ 561,664	$ 618,453	$ 542,035
NOI by segment:						
Seniors Housing Operating	$ 279,252	$ 252,897	$ 234,091	$ 230,686	$ 281,911	$ 206,684
Triple-net	291,530	226,342	222,879	217,324	222,869	223,952
Outpatient Medical	127,495	126,466	124,421	119,257	115,674	113,408
Non-segment/corporate	8,529	(2,729)	(1,698)	(5,603)	(2,001)	(2,009)
Total NOI	$ 706,806	$ 602,976	$ 579,693	$ 561,664	$ 618,453	$ 542,035

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	Six Months Ended			
	June 30, 2023		June 30, 2022	
NOI Reconciliations:				
Net income (loss)	$	134,977	$	161,423
Loss (gain) on real estate dispositions, net		1,421		(19,402)

Loss (income) from unconsolidated entities		47,403		9,942
Income tax expense (benefit)		6,548		8,078
Other expenses		33,814		61,235
Impairment of assets		13,715		—
Provision for loan losses, net		3,233		(639)
Loss (gain) on extinguishment of debt, net		6		591
Loss (gain) on derivatives and financial instruments, net		2,210		1,171
General and administrative expenses		88,658		74,260
Depreciation and amortization		681,057		614,383
Interest expense		296,740		249,446
Consolidated net operating income (NOI)	$	1,309,782	$	1,160,488
NOI by segment:				
Seniors Housing Operating	$	532,149	$	488,595
Triple-net		517,872		446,821
Outpatient Medical		253,961		229,082
Non-segment/corporate		5,800		(4,010)
Total NOI	$	1,309,782	$	1,160,488

The following is a reconciliation of the properties included in our QTD Pool and YTD Pool for SSNOI:

SSNOI Property Reconciliations:	SSNOI Property Reconciliations:	QTD Pool Seniors Housing Operating	QTD Pool Triple-net	QTD Pool Outpatient Medical	QTD Pool Total
Consolidated properties	Consolidated properties	854	575	356	1,785
Unconsolidated properties	Unconsolidated properties	105	39	79	223
Total properties	Total properties	959	614	435	2,008
Recent acquisitions/development conversions[(1)]	Recent acquisitions/development conversions[(1)]	(98)	(13)	(44)	(155)
Under development	Under development	(41)	—	(6)	(47)
Under redevelopment[(2)]	Under redevelopment[(2)]	(9)	(6)	(4)	(19)
Current held for sale	Current held for sale	(5)	(7)	(1)	(13)
Land parcels, loans and subleases	Land parcels, loans and subleases	(21)	(8)	(9)	(38)
Transitions[(3)]	Transitions[(3)]	(29)	(163)	—	(192)
Other[(4)]	Other[(4)]	(10)	(2)	—	(12)
Same store properties	Same store properties	746	415	371	1,532

SSNOI Property Reconciliations:	QTD Pool Seniors Housing Operating	QTD Pool Triple-net	QTD Pool Outpatient Medical	QTD Pool Total	YTD Pool Seniors Housing Operating	YTD Pool Triple-net	YTD Pool Outpatient Medical	YTD Pool Total
Consolidated properties	852	568	358	1,778	852	568	358	1,778
Unconsolidated properties	105	39	79	223	105	39	79	223
Total properties	957	607	437	2,001	957	607	437	2,001
Recent acquisitions/development conversions[(1)]	(88)	(13)	(41)	(142)	(102)	(13)	(45)	(160
Under development	(33)	—	(7)	(40)	(32)	—	(7)	(39
Under redevelopment[(2)]	(8)	(6)	(4)	(18)	(8)	(6)	(4)	(18
Current held for sale	(31)	(40)	(2)	(73)	(31)	(40)	(2)	(73
Land parcels, loans and subleases	(21)	(8)	(9)	(38)	(21)	(8)	(9)	(38
Transitions[(3)]	(89)	(163)	—	(252)	(89)	(163)	—	(252
Other[(4)]	(13)	(2)	—	(15)	(13)	(2)	—	(15
Same store properties	674	375	374	1,423	661	375	370	1,406

(1) Acquisitions and development conversions will enter the QTD Pool five full quarters after acquisition or certificate of occupancy.

(2) Redevelopment properties will enter the QTD Pool five full quarters of operations post redevelopment completion.

(3) Transitioned properties will enter the QTD Pool after five full quarters of operations with the new operator in place or under the new structure.

(1) Acquisitions and development conversions will enter the QTD Pool five full quarters and the YTD Pool six full quarters after acquisition or certificate of occupancy.

(2) Redevelopment properties will enter the QTD Pool after five full quarters and the YTD Pool after six full quarters of operations post redevelopment completion.

(1) Acquisitions and developmen conversions will enter the QTD Pool five ful quarters and the YTD Pool six full quarters after acquisition or certificate of occupancy

(2) Redevelopment properties will enter the QTD Pool after five full quarters and the YTD Pool after six full quarters o operations post redevelopment completion

(3) Transitioned properties will enter the QTD Pool after five full quarters and the YTD Pool after six full quarters of operations with the new operator in place or under the new structure.

(3) Transitioned properties will enter the QTD Pool after five full quarters and the YTD Pool after six full quarters o operations with the new operator in place or under the new structure.

(4) Represents properties that are either closed or being closed.

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The following is a reconciliation of our consolidated NOI to same store NOI for the periods presented for the respective pools. Dollar amounts are pools (dollars in thousands. thousands):

		QTD Pool			QTD Pool		YTD Pool	
		Three Months Ended			Three Months Ended		Six Months Ended	
SSNOI Reconciliations:	**SSNOI Reconciliations:**	March 31, 2023	March 31, 2022	**SSNOI Reconciliations:**	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Seniors Housing Operating:	Seniors Housing Operating:			Seniors Housing Operating:				
Consolidated NOI	Consolidated NOI	$252,897	$206,684	Consolidated NOI	$279,252	$281,911	$532,149	$488,595
NOI attributable to unconsolidated investments	NOI attributable to unconsolidated investments	12,126	12,751	NOI attributable to unconsolidated investments	13,629	11,947	25,756	21,536
NOI attributable to noncontrolling interests	NOI attributable to noncontrolling interests	(16,260)	(24,392)	NOI attributable to noncontrolling interests	(15,974)	(70,074)	(32,235)	(91,304)
NOI attributable to non-same store properties	NOI attributable to non-same store properties	(35,634)	(12,519)	NOI attributable to non-same store properties	(54,225)	(35,269)	(114,911)	(71,637)
Non-cash NOI attributable to same store properties	Non-cash NOI attributable to same store properties	(1,301)	(1,865)	Non-cash NOI attributable to same store properties	(152)	(375)	(471)	(675)
Currency and ownership adjustments (1)	Currency and ownership adjustments (1)	(522)	(3,570)	Currency and ownership adjustments (1)	(925)	(1,209)	(901)	(3,051)
SSNOI at Welltower Share	SSNOI at Welltower Share	211,306	177,089	SSNOI at Welltower Share	221,605	186,931	409,387	343,464
Triple-net:	Triple-net:			Triple-net:				
Consolidated NOI	Consolidated NOI	226,342	223,952	Consolidated NOI	291,530	222,869	517,872	446,821
NOI attributable to unconsolidated investments	NOI attributable to unconsolidated investments	9,293	9,955	NOI attributable to unconsolidated investments	6,864	6,788	16,158	12,511
NOI attributable to noncontrolling interests	NOI attributable to noncontrolling interests	(7,608)	(15,338)	NOI attributable to noncontrolling interests	(7,723)	(10,207)	(15,332)	(21,313)
NOI attributable to non-same store properties	NOI attributable to non-same store properties	(95,978)	(91,430)	NOI attributable to non-same store properties	(165,433)	(95,247)	(266,591)	(191,815)
Non-cash NOI attributable to same store properties	Non-cash NOI attributable to same store properties	(14,099)	(8,567)	Non-cash NOI attributable to same store properties	(11,200)	(13,999)	(25,268)	(22,515)
Currency and ownership adjustments (1)	Currency and ownership adjustments (1)	(234)	(1,792)	Currency and ownership adjustments (1)	(801)	(941)	(1,035)	(2,733)
SSNOI at Welltower Share	SSNOI at Welltower Share	117,716	116,780	SSNOI at Welltower Share	113,237	109,263	225,804	220,956
Outpatient Medical:	Outpatient Medical:			Outpatient Medical:				

Consolidated NOI	Consolidated NOI	126,466	113,408	Consolidated NOI	127,495	115,674	253,961	229,082
NOI attributable to unconsolidated investments	NOI attributable to unconsolidated investments	4,935	4,830	NOI attributable to unconsolidated investments	4,657	4,910	9,592	9,740
NOI attributable to noncontrolling interests	NOI attributable to noncontrolling interests	(5,188)	(5,240)	NOI attributable to noncontrolling interests	(4,708)	(5,541)	(9,896)	(10,781)
NOI attributable to non-same store properties	NOI attributable to non-same store properties	(11,676)	(1,989)	NOI attributable to non-same store properties	(10,380)	(2,057)	(24,481)	(6,453)
Non-cash NOI attributable to same store properties	Non-cash NOI attributable to same store properties	(4,294)	(3,237)	Non-cash NOI attributable to same store properties	(4,319)	(3,788)	(8,293)	(6,655)
Currency and ownership adjustments (1)	Currency and ownership adjustments (1)	180	575	Currency and ownership adjustments (1)	(12)	437	167	1,012
SSNOI at Welltower Share	SSNOI at Welltower Share	110,423	108,347	SSNOI at Welltower Share	112,733	109,635	221,050	215,945
SSNOI at Welltower Share:	SSNOI at Welltower Share:			SSNOI at Welltower Share:				
Seniors Housing Operating	Seniors Housing Operating	211,306	177,089	Seniors Housing Operating	221,605	186,931	409,387	343,464
Triple-net	Triple-net	117,716	116,780	Triple-net	113,237	109,263	225,804	220,956
Outpatient Medical	Outpatient Medical	110,423	108,347	Outpatient Medical	112,733	109,635	221,050	215,945
Total	Total	$439,445	$402,216	Total	$447,575	$405,829	$856,241	$780,365

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.37 and to translate U.K. properties at a GBP/USD rate of 1.20.

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The tables below reflects the reconciliation of EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollars are presented (dollars in thousands. thousands):

		Three Months Ended						Three Months Ended					
		March 31,	December 31,	September 30,	June 30,	March 31,		June 30,	March 31,	December 31,	September 30,	June 30,	March 31,
EBITDA Reconciliations:	**EBITDA Reconciliations:**	2023	2022	2022	2022	2022	**EBITDA Reconciliations:**	2023	2023	2022	2022	2022	2022
Net income (loss)	Net income (loss)	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751	Net income (loss)	$ 106,342	$ 28,635	$ 1,798	$ (2,653)	$ 95,672	$ 65,751
Interest expense	Interest expense	144,403	140,391	139,682	127,750	121,696	Interest expense	152,337	144,403	140,391	139,682	127,750	121,696
Income tax expense (benefit)	Income tax expense (benefit)	3,045	(4,088)	3,257	3,065	5,013	Income tax expense (benefit)	3,503	3,045	(4,088)	3,257	3,065	5,013
Depreciation and amortization	Depreciation and amortization	339,112	342,286	353,699	310,295	304,088	Depreciation and amortization	341,945	339,112	342,286	353,699	310,295	304,088
EBITDA	EBITDA	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548	EBITDA	$ 604,127	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548
Interest Coverage Ratio:	Interest Coverage Ratio:						Interest Coverage Ratio:						
Interest expense	Interest expense	$ 144,403	$ 140,391	$ 139,682	$ 127,750	$ 121,696	Interest expense	$ 152,337	$ 144,403	$ 140,391	$ 139,682	$ 127,750	$ 121,696
Non-cash interest expense	Non-cash interest expense	(5,083)	(4,280)	(6,759)	(6,606)	(4,109)	Non-cash interest expense	(5,824)	(5,083)	(4,280)	(6,759)	(6,606)	(4,109)
Capitalized interest	Capitalized interest	10,335	9,762	8,863	6,387	5,479	Capitalized interest	11,870	10,335	9,762	8,863	6,387	5,479

Total interest	Total interest	149,655	145,873	141,786	127,531	123,066	Total interest	158,383	149,655	145,873	141,786	127,531	123,066
EBITDA	EBITDA	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548	EBITDA	$ 604,127	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548
Interest coverage ratio	Interest coverage ratio	3.44 x	3.29 x	3.48 x	4.21 x	4.03 x	Interest coverage ratio	3.81 x	3.44 x	3.29 x	3.48 x	4.21 x	4.03 x
Fixed Charge Coverage Ratio:	Fixed Charge Coverage Ratio:						Fixed Charge Coverage Ratio:						
Total interest	Total interest	$ 149,655	$ 145,873	$ 141,786	$ 127,531	$ 123,066	Total interest	$ 158,383	$ 149,655	$ 145,873	$ 141,786	$ 127,531	$ 123,066
Secured debt principal payments	Secured debt principal payments	14,942	13,989	13,775	14,382	15,968	Secured debt principal payments	13,839	14,942	13,989	13,775	14,382	15,968
Total fixed charges	Total fixed charges	164,597	159,862	155,561	141,913	139,034	Total fixed charges	172,222	164,597	159,862	155,561	141,913	139,034
EBITDA	EBITDA	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548	EBITDA	$ 604,127	$ 515,195	$ 480,387	$ 493,985	$ 536,782	$ 496,548
Fixed charge coverage ratio	Fixed charge coverage ratio	3.13 x	3.01 x	3.18 x	3.78 x	3.57 x	Fixed charge coverage ratio	3.51 x	3.13 x	3.01 x	3.18 x	3.78 x	3.57 x

	Six Months Ended	
EBITDA Reconciliations:	June 30, 2023	June 30, 2022
Net income (loss)	$ 134,977	$ 161,423
Interest expense	296,740	249,446
Income tax expense (benefit)	6,548	8,078
Depreciation and amortization	681,057	614,383
EBITDA	$ 1,119,322	$ 1,033,330
Interest Coverage Ratio:		
Interest expense	$ 296,740	$ 249,446
Non-cash interest expense	(10,907)	(10,715)
Capitalized interest	22,205	11,866
Total interest	308,038	250,597
EBITDA	$ 1,119,322	$ 1,033,330
Interest coverage ratio	3.63 x	4.12 x
Fixed Charge Coverage Ratio:		
Total interest	$ 308,038	$ 250,597
Secured debt principal payments	28,781	30,350
Total fixed charges	336,819	280,947
EBITDA	$ 1,119,322	$ 1,033,330
Fixed charge coverage ratio	3.32 x	3.68 x

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

The table below reflects the reconciliation of Adjusted EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollars are in thousands.

		Twelve Months Ended						Twelve Months Ended					
		March 31,	December 31,	September 30,	June 30,	March 31,		June 30,	March 31,	December 31,	September 30,	June 30,	March 31,
Adjusted EBITDA Reconciliations:	**Adjusted EBITDA Reconciliations:**	2023	2022	2022	2022	2022	**Adjusted EBITDA Reconciliations:**	2023	2023	2022	2022	2022	2022
Net income	Net income	$ 123,452	$ 160,568	$ 224,964	$ 417,953	$ 368,038	Net income	$ 134,122	$ 123,452	$ 160,568	$ 224,964	$ 417,953	$ 368,038
Interest expense	Interest expense	552,226	529,519	510,976	493,816	488,407	Interest expense	576,813	552,226	529,519	510,976	493,816	488,407
Income tax expense (benefit)	Income tax expense (benefit)	5,279	7,247	13,386	15,069	9,783	Income tax expense (benefit)	5,717	5,279	7,247	13,386	15,069	9,783
Depreciation and amortization	Depreciation and amortization	1,345,392	1,310,368	1,252,583	1,166,638	1,097,228	Depreciation and amortization	1,377,042	1,345,392	1,310,368	1,252,583	1,166,638	1,097,228

EBITDA	2,026,349	2,007,702	2,001,909	2,093,476	1,963,456
Loss (income) from unconsolidated entities	25,477	21,290	28,814	37,948	38,866
Stock-based compensation expense	27,709	26,027	22,402	20,766	18,994
Loss (gain) on extinguishment of debt, net	697	680	(497)	(504)	54,505
Loss (gain) on real estate dispositions, net	6,144	(16,043)	(32,139)	(151,029)	(199,229)
Impairment of assets	30,131	17,502	6,713	3,847	27,539
Provision for loan losses, net	11,098	10,320	(188)	(949)	5,083
Loss (gain) on derivatives and financial instruments, net	5,751	8,334	7,246	(7,737)	(6,689)
Other expenses	98,346	101,670	92,199	80,293	56,814
Lease termination and leasehold interest adjustment (1)	(56,397)	(64,854)	(63,454)	(64,094)	(7,697)
Casualty losses, net of recoveries	14,865	10,391	7,802	8,472	5,799
Other impairment (2)	(620)	(620)	(620)	(620)	—
Adjusted EBITDA	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted Interest Coverage Ratio:					
Interest expense	$ 552,226	$ 529,519	$ 510,976	$ 493,816	$ 488,407
Capitalized interest	35,347	30,491	26,054	21,860	20,335
Non-cash interest expense	(22,728)	(21,754)	(18,679)	(21,258)	(18,624)
Total interest	564,845	538,256	518,351	494,418	490,118
Adjusted EBITDA	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted interest coverage ratio	3.88 x	3.94 x	3.99 x	4.09 x	3.99 x
Adjusted Fixed Charge Coverage Ratio:					
Total interest	$ 564,845	$ 538,256	$ 518,351	$ 494,418	$ 490,118
Secured debt principal payments	57,088	58,114	61,002	64,267	65,600
Total fixed charges	621,933	596,370	579,353	558,685	555,718
Adjusted EBITDA	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted fixed charge coverage ratio	3.52 x	3.56 x	3.57 x	3.62 x	3.52 x

EBITDA	2,093,694	2,026,349	2,007,702	2,001,909	2,093,476	1,963,456
Loss (income) from unconsolidated entities	58,751	25,477	21,290	28,814	37,948	38,866
Stock-based compensation expense	32,299	27,709	26,027	22,402	20,766	18,994
Loss (gain) on extinguishment of debt, net	95	697	680	(497)	(504)	54,505
Loss (gain) on real estate dispositions, net	4,780	6,144	(16,043)	(32,139)	(151,029)	(199,229)
Impairment of assets	31,217	30,131	17,502	6,713	3,847	27,539
Provision for loan losses, net	14,192	11,098	10,320	(188)	(949)	5,083
Loss (gain) on derivatives and financial instruments, net	9,373	5,751	8,334	7,246	(7,737)	(6,689)
Other expenses	74,249	98,346	101,670	92,199	80,293	56,814
Lease termination and leasehold interest adjustment (1)	(65,485)	(56,397)	(64,854)	(63,454)	(64,094)	(7,697)
Casualty losses, net of recoveries	15,760	14,865	10,391	7,802	8,472	5,799
Other impairment (2)	—	(620)	(620)	(620)	(620)	—
Adjusted EBITDA	$ 2,268,925	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted Interest Coverage Ratio:						
Interest expense	$ 576,813	$ 552,226	$ 529,519	$ 510,976	$ 493,816	$ 488,407
Capitalized interest	40,830	35,347	30,491	26,054	21,860	20,335
Non-cash interest expense	(21,946)	(22,728)	(21,754)	(18,679)	(21,258)	(18,624)
Total interest	595,697	564,845	538,256	518,351	494,418	490,118
Adjusted EBITDA	$ 2,268,925	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted interest coverage ratio	3.81 x	3.88 x	3.94 x	3.99 x	4.09 x	3.99 x
Adjusted Fixed Charge Coverage Ratio:						
Total interest	$ 595,697	$ 564,845	$ 538,256	$ 518,351	$ 494,418	$ 490,118
Secured debt principal payments	56,545	57,088	58,114	61,002	64,267	65,600
Total fixed charges	652,242	621,933	596,370	579,353	558,685	555,718
Adjusted EBITDA	$ 2,268,925	$ 2,189,550	$ 2,122,399	$ 2,070,187	$ 2,019,869	$ 1,957,441
Adjusted fixed charge coverage ratio	3.48 x	3.52 x	3.56 x	3.57 x	3.62 x	3.52 x

(1) Represents revenues and property operating expenses associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent was paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA. Additionally, in conjunction with the lease termination, during the three months ended June 30, 2022 we recognized $58,621,000 in other income from the derecognition of the right of use asset and related lease liability which has also been excluded from Adjusted EBITDA.

(1) Primarily relates to the derecognition of leasehold interests and the gain recognized in other income.

(1) Primarily relates to the derecognition of leasehold interests and the gain recognized in other income.

(2) Represents changes in the reserve for straight-line rent receivable balances relating to leases placed on cash recognition.

Our leverage ratios include book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

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

The table below reflects the reconciliation of our leverage ratios to our balance sheets for the periods presented. Amounts are in thousands, except share price.

		As of						As of					
		March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022		June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	M
Book capitalization:	**Book capitalization:**						**Book capitalization:**						
Unsecured credit facility and commercial paper	Unsecured credit facility and commercial paper	$ —	$ —	$ 654,715	$ 354,000	$ 299,968	Unsecured credit facility and commercial paper	$ —	$ —	$ —	$ 654,715	$ 354,000	$
Long-term debt obligations (1)	Long-term debt obligations (1)	15,074,320	14,661,552	14,555,643	14,790,432	14,352,529	Long-term debt obligations (1)	16,040,530	15,074,320	14,661,552	14,555,643	14,790,432	14
Cash and cash equivalents and restricted cash	Cash and cash equivalents and restricted cash	(638,796)	(722,292)	(425,184)	(442,251)	(367,043)	Cash and cash equivalents and restricted cash	(2,299,069)	(638,796)	(722,292)	(425,184)	(442,251)	(
Total net debt	Total net debt	14,435,524	13,939,260	14,785,174	14,702,181	14,285,454	Total net debt	13,741,461	14,435,524	13,939,260	14,785,174	14,702,181	14
Total equity and noncontrolling interests(2)	Total equity and noncontrolling interests(2)	21,596,155	21,393,996	20,457,650	19,873,913	19,178,026	Total equity and noncontrolling interests(2)	22,193,114	21,596,155	21,393,996	20,457,650	19,873,913	19
Book capitalization	Book capitalization	$ 36,031,679	$ 35,333,256	$ 35,242,824	$ 34,576,094	$ 33,463,480	Book capitalization	$ 35,934,575	$ 36,031,679	$ 35,333,256	$ 35,242,824	$ 34,576,094	$ 33
Net debt to book capitalization ratio	Net debt to book capitalization ratio	40%	39%	42%	43%	43%	Net debt to book capitalization ratio	38%	40%	39%	42%	43%	
Undepreciated book capitalization:	**Undepreciated book capitalization:**						**Undepreciated book capitalization:**						
Total net debt	Total net debt	$ 14,435,524	$ 13,939,260	$ 14,785,174	$ 14,702,181	$ 14,285,454	Total net debt	$ 13,741,461	$ 14,435,524	$ 13,939,260	$ 14,785,174	$ 14,702,181	$ 14
Accumulated depreciation and amortization	Accumulated depreciation and amortization	8,417,151	8,075,733	7,687,077	7,437,779	7,215,622	Accumulated depreciation and amortization	8,599,622	8,417,151	8,075,733	7,687,077	7,437,779	7
Total equity and noncontrolling interests(2)	Total equity and noncontrolling interests(2)	21,596,155	21,393,996	20,457,650	19,873,913	19,178,026	Total equity and noncontrolling interests(2)	22,193,114	21,596,155	21,393,996	20,457,650	19,873,913	19
Undepreciated book capitalization	Undepreciated book capitalization	$ 44,448,830	$ 43,408,989	$ 42,929,901	$ 42,013,873	$ 40,679,102	Undepreciated book capitalization	$ 44,534,197	$ 44,448,830	$ 43,408,989	$ 42,929,901	$ 42,013,873	$ 40

Net debt to undepreciated book capitalization ratio	Net debt to undepreciated book capitalization ratio	32%	32%	34%	35%	35%	Net debt to undepreciated book capitalization ratio	31%	32%	32%	34%	35%	
Market capitalization:	**Market capitalization:**						**Market capitalization:**						
Common shares outstanding	Common shares outstanding	496,295	490,509	472,517	463,369	453,948	Common shares outstanding	508,159	496,295	490,509	472,517	463,369	
Period end share price	Period end share price	$ 71.69	$ 65.55	$ 64.32	$ 82.35	$ 96.14	Period end share price	$ 80.89	$ 71.69	$ 65.55	$ 64.32	$ 82.35	$
Common equity market capitalization	Common equity market capitalization	$ 35,579,389	$ 32,152,865	$ 30,392,293	$ 38,158,437	$ 43,642,561	Common equity market capitalization	$ 41,104,982	$ 35,579,389	$ 32,152,865	$ 30,392,293	$ 38,158,437	$ 43
Total net debt	Total net debt	14,435,524	13,939,260	14,785,174	14,702,181	14,285,454	Total net debt	13,741,461	14,435,524	13,939,260	14,785,174	14,702,181	14
Noncontrolling interests(2)	Noncontrolling interests(2)	1,148,000	1,099,182	1,288,343	1,317,733	1,282,450	Noncontrolling interests(2)	988,673	1,148,000	1,099,182	1,288,343	1,317,733	1
Market capitalization	Market capitalization	$ 51,162,913	$ 47,191,307	$ 46,465,810	$ 54,178,351	$ 59,210,465	Market capitalization	$ 55,835,116	$ 51,162,913	$ 47,191,307	$ 46,465,810	$ 54,178,351	$ 59
Net debt to market capitalization ratio	Net debt to market capitalization ratio	28%	30%	32%	27%	24%	Net debt to market capitalization ratio	25%	28%	30%	32%	27%	

Critical Accounting Policies and Estimates

Our unaudited consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions. Management considers an accounting estimate or assumption critical if:

- the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on financial condition or operating performance is material.

Management has discussed the development and selection of its critical accounting policies and estimates with the Audit Committee of the Board of Directors. Management believes the current assumptions and other considerations used to estimate amounts reflected in our unaudited consolidated financial statements are appropriate and are not reasonably likely to change in the future. However, since these estimates require assumptions to be made that were uncertain at the time the estimate was made, they bear the risk of change. If actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our unaudited consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations, liquidity and/or financial condition. Please refer to Note 2 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 for further information on significant accounting policies that impact us. There have been no material changes to these policies in 2023.

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

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "pro forma," "estimate" or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause Welltower's actual results to differ materially from Welltower's expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the impact of the COVID-19 pandemic; the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators'/tenants' difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower's ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting Welltower's properties; Welltower's ability to re-lease space at similar rates as vacancies occur; Welltower's ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower's properties; changes in rules or practices governing Welltower's financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower's ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower's reports filed from time to time with the SEC. Other important factors are identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, including factors identified under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Finally, Welltower undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates and foreign currency exchange rates. We seek to mitigate the underlying foreign currency exposures with gains and losses on derivative contracts hedging these exposures. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. This section is presented to provide a discussion of the risks associated with potential fluctuations in interest rates and foreign currency exchange rates.

We historically borrow on our unsecured revolving credit facility and commercial paper program to acquire, construct or make loans relating to health care and seniors housing properties. Then, as market conditions dictate, we will issue equity or long-term fixed rate debt to repay the borrowings under our unsecured revolving credit facility and commercial paper program. We are subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of refinancing may not be as favorable as the terms of current indebtedness. The majority of our borrowings were completed under indentures or contractual agreements that limit the amount of indebtedness we may incur. Accordingly, in the event that we are unable to raise additional equity or borrow money because of these limitations, our ability to acquire additional properties may be limited.

A change in interest rates will not affect the interest expense associated with our fixed rate debt. Interest rate changes, however, will affect the fair value of our fixed rate debt. Changes in the interest rate environment upon maturity of this fixed rate debt could have an effect on our future cash flows and earnings, depending on whether the debt is replaced with other fixed rate debt, variable rate debt or equity or repaid by the sale of assets. To illustrate the impact of changes in the interest rate markets, we performed a sensitivity analysis on our fixed rate debt instruments after considering the effects of interest rate swaps, whereby we modeled the change in net present values arising from a hypothetical 1% increase in interest rates to determine the instruments' change in fair value. The following table summarizes the analysis performed as of the dates indicated (in thousands):

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

		March 31, 2023		December 31, 2022			June 30, 2023		December 31, 2022	
		Principal balance	Change in fair value	Principal balance	Change in fair value		Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	Senior unsecured notes	$ 11,220,556	$ (493,154)	$ 10,839,782	$ (488,159)	Senior unsecured notes	$ 12,296,168	$ (515,313)	$ 10,839,782	$ (488,159)
Secured debt	Secured debt	1,813,095	(63,568)	1,448,567	(36,654)	Secured debt	1,738,697	(59,275)	1,448,567	(36,654)
Totals	Totals	$ 13,033,651	$ (556,722)	$ 12,288,349	$ (524,813)	Totals	$ 14,034,865	$ (574,588)	$ 12,288,349	$ (524,813)

Our variable rate debt, including our unsecured revolving credit facility and commercial paper program, is reflected at fair value. At March 31, 2023June 30, 2023, we had $2,088,556,000 outstanding$2,156,830,000 outstanding related to our variable rate debt after considering the effects of interest rate swaps. Assuming no changes in outstanding balances, a 1% increase in interest rates would result in increased annual interest expense of $20,886,000. $21,568,000. At December 31, 2022, we had $2,426,134,000 outstanding under our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would have resulted in increased annual interest expense of $24,261,000.

We are subject to currency fluctuations that may, from time to time, affect our financial condition and results of operations. Increases or decreases in the value of the Canadian Dollar or British Pounds Sterling relative to the U.S. Dollar impact the amount of net income we earn from our investments in Canada and the United Kingdom. Based solely on our results for the three months ended March 31, 2023June 30, 2023, including the impact of existing hedging arrangements, if these exchange rates were to increase or decrease by 10%, our annualized net income from these investments would increase or decrease, as applicable, by less than $7,000,000.$6,000,000. We will continue to mitigate these underlying foreign currency exposures with non-U.S. denominated borrowings and gains and losses on derivative contracts. If we increase our international presence through investments in, or acquisitions or development of, seniors housing and health care properties outside the U.S., we may also decide to transact additional business or borrow funds in currencies other than U.S. Dollars, Canadian Dollars or British Pounds Sterling. To illustrate the impact of changes in foreign currency markets, we performed a sensitivity analysis on our derivative portfolio whereby we modeled the change in net present values arising from a hypothetical 1% increase in foreign currency exchange rates to determine the instruments' change in fair value. The following table summarizes the results of the analysis performed (dollars in thousands):

		March 31, 2023		December 31, 2022			June 30, 2023		December 31, 2022	
		Carrying Value	Change in fair value	Carrying Value	Change in fair value		Carrying Value	Change in fair value	Carrying Value	Change in fair value
Foreign currency exchange contracts	Foreign currency exchange contracts	$ 146,527	$ 14,694	$ 190,418	$ 14,238	Foreign currency exchange contracts	$ 97,983	$ 15,207	$ 190,418	$ 14,238
Debt designated as hedges	Debt designated as hedges	1,483,588	14,836	1,452,832	14,528	Debt designated as hedges	1,523,381	15,234	1,452,832	14,528
Totals	Totals	$ 1,630,115	$ 29,530	$ 1,643,250	$ 28,766	Totals	$ 1,621,364	$ 30,441	$ 1,643,250	$ 28,766

For additional information regarding fair values of financial instruments, see "Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" and Notes 12 and 17 to our unaudited consolidated financial statements.

Item 4. *Controls and Procedures*

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by us in the reports we file with or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. No changes in our internal control over financial reporting occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q 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*

From time to time, there are various legal proceedings pending against us that arise in the ordinary course of our business. Management does not believe that the resolution of any of these legal proceedings either individually or in the aggregate will have a material adverse effect on our business, results of operations or financial condition. Further, from time to time, we are party to certain legal proceedings for which third parties, such as tenants, operators and/or managers are contractually obligated to indemnify, defend and hold us harmless. In some of these matters, the indemnitors have insurance for the potential damages. In other matters, we are being defended by tenants and other obligated third parties and these indemnitors may not have sufficient insurance, assets, income or resources to satisfy their defense and indemnification obligations to us. The unfavorable resolution of such legal proceedings could, individually or in the aggregate, materially adversely affect the indemnitors' ability to satisfy their respective obligations to us, which, in turn, could have a material adverse effect on our business, results of operations or financial condition. It is management's opinion that there are currently no such legal proceedings pending that will, individually or in the aggregate, have such a material adverse effect. Despite management's view of the ultimate resolution of these legal proceedings, we may have significant legal expenses and costs associated with the defense of such matters. Further, management cannot predict the outcome of these legal proceedings and if management's expectation regarding such matters is not correct, such proceedings could have a material adverse effect on our business, results of operations or financial condition.

Item 1A. *Risk Factors*

There have been no material changes from the risk factors identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022.

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

During the three months ended March 31, 2023June 30, 2023, we acquired shares of our common stock held by employees who tendered shares to satisfy tax withholding obligations upon the vesting of previously issued restricted stock awards. Specifically, the number of shares of common stock acquired from employees and the average prices paid per share for each month in the first second quarter ended March 31, 2023June 30, 2023 are as shown in the table below.

Issuer Purchases of Equity Securities

Period	Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program	Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program

January 1, 2023 through January 31, 2023	16,646	$ 71.15	—	$3,000,000,000					
February 1, 2023 through February 28, 2023	7,369	76.17	—	3,000,000,000					
March 1, 2023 through March 31, 2023	2,338	76.17	—	3,000,000,000					
April 1, 2023 through April 30, 2023					April 1, 2023 through April 30, 2023	1,871	$ 70.83	—	$3,000,000,000
May 1, 2023 through May 31, 2023					May 1, 2023 through May 31, 2023	225	68.75	—	3,000,000,000
June 1, 2023 through June 30, 2023					June 1, 2023 through June 30, 2023	—	—	—	3,000,000,000
Totals Totals	26,353	$ 73.00	—	$3,000,000,000	Totals	2,096	$ 70.60	—	$3,000,000,000

On November 7, 2022, our Board of Directors approved a share repurchase program for up to $3,000,000,000 of common stock (the "Stock Repurchase Program"). Under the Stock Repurchase Program, we are not required to purchase shares but may choose to do so in the open market or through privately-negotiated transactions, through block trades, by effecting a tender offer, by way of an accelerated share repurchase program, through the purchase of call options or the sale of put options, or otherwise, or by any combination of the foregoing. We expect to finance any share repurchases using available cash and may use proceeds from borrowings or debt offerings. The Stock Repurchase Program has no expiration date and does not obligate us to repurchase any specific number of shares. We did not repurchase any shares of our common stock through the Stock Repurchase Program during the three months ended March 31, 2023 June 30, 2023.

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

4.1	Indenture, dated May 11, 2023, by and among Welltower OP LLC, Welltower Inc. and the Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed May 11, 2023 (File No. 001-08923) and incorporated by reference herein).
4.2	Form of Global Note (filed with the Commission as Exhibit 4.2 and included as part of Exhibit 4.1 to the Company's Form 8-K filed May 11, 2023 (File No. 001-08923) and incorporated by reference herein).
10.1	Registration Rights Agreement, dated as of May 11, 2023, by and among Welltower OP LLC, Welltower Inc. 2023 and the initial purchasers party thereto (filed with the Commission as Exhibit 10.1 to 2025 Long-Term Incentive Programthe Company's Form 8-K filed May 11, 2023 (File No. 001-08923) and incorporated by reference herein).*
10.2	Form Equity Distribution Agreement, dated as of May 3, 2023, among Welltower Inc. 2023-2025 LTIP, Welltower OP LLC, the sales agents and the related forward purchasers (filed with the Commission as Exhibit 1.1 to the Company's Form Award Agreement8-K filed May 3, 2023 (File No. 001-08923) and incorporated by reference herein).*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1	Certification pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer.
32.2	Certification pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer.
101.INS	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	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023June 30, 2023, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under signed thereunto duly authorized.

WELLTOWER INC.

Date: May 3, August 1, 2023 By: /s/ SHANKH MITRA
Shankh Mitra,
Chief Executive Officer
(Principal Executive Officer)

Date: May 3, August 1, 2023 By: /s/ TIMOTHY G. MCHUGH
Timothy G. McHugh,
Executive Vice President and - Chief Financial Officer
(Principal Financial Officer)

Date: May 3, August 1, 2023 By: /s/ JOSHUA T. FIEWEGER
Joshua T. Fieweger,
Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT 10.1

WELLTOWER INC.
2023-2025 LONG-TERM INCENTIVE PROGRAM

1. PURPOSE. This 2023-2025 Long-Term Incentive Program (the "**Program**") is adopted pursuant to the Welltower Inc. 2022 Long-Term Incentive Plan (the "**Equity Plan**") and any successor equity plan and is intended to provide an incentive for superior work and to motivate executives and employees of Welltower Inc. (the "**Company**.") toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives and employees. The Program is for the benefit of Participants (as defined below).

2. DEFINITIONS. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Equity Plan. In addition, as used herein:

"**Adjusted Annualized EBITDA**" means the Company's earnings before interest, taxes, depreciation and amortization, excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, and additional other income for the three month period beginning on October 1, 2025 and ending on December 31, 2025, and then expressed on an annualized basis.

"**All REIT Index**" means the MSCI US REIT Index.

"**Annualized TSR Percentage**" means (1 + TSR)^(1/3) - 1.

"**Award**" means a grant to a Participant hereunder. The Company intends that while Awards may be granted under the Program in any form of grant permitted under the Equity Plan not in conflict with the terms of the Program, the two types of Awards that are intended to be granted are (1) Performance Awards and (2) Time-Based Awards in the form of Options and/or restricted stock units with vesting based on the completion of specified periods of continuous service with the Company and its subsidiaries.

"**Award Notice**" means the restricted stock unit or Option award agreement with a Participant that sets forth the terms, conditions and limitations of the Participant's participation in this Program, including, without limitation and as may be applicable, the Participant's Target Award, the Participant's threshold, target, and high payout multiples and the Time Restriction.

"**Cause**" for termination of the Participant's employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and "**Cause**" is defined therein, then "**Cause**" shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination or the Participant's employment agreement does not define "**Cause**," then "**Cause**" shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Company or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Company or any Subsidiary, including but not limited to the provisions of Section 4 herein; (iii) conduct by the Participant against the best interests of the Company or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Company, any Subsidiary or the employees of either the Company or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant's job responsibilities for the Company; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Company or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Company (other than any such failure resulting from Participant's incapacity due to physical or mental disability) after a demand for substantial performance is made by the Company; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Company (other than any such failure resulting from Participant's incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Company's policies and procedures, including but not limited to the Company's Code of Business Conduct & Ethics.

"**Change in Corporate Control**" shall have the same meaning as set forth in Section 11.1(a) of the Equity Plan and Section 11.1(c) of the Equity Plan. In addition, in order to qualify as a "**Change in Corporate Control**", an event must also meet the requirements for a "change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation" with the meaning of Treas. Reg. §1.409A-3(i)(5).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Common Stock**" or "**Shares**" means the Company's common stock, par value $1.00 per share, either currently existing or authorized hereafter.

"**Common Stock Price**" means, as of a particular date, the average of the Fair Market Value of one share of Common Stock over the 20 consecutive trading days ending on, and including such date (or if such date is not a trading day, the most recent trading day immediately preceding such date); provided that, if such date is the date upon which a Change in Corporate Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Compensation Committee, of the total consideration paid or payable in the transaction resulting in the Change in Corporate Control for one share of Common Stock.

"**Compensation Committee**" means the Compensation Committee of the Board of Directors of the Company.

"**Disability**" for termination of the Participant's employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and "**Disability**" is defined therein, then "**Disability**" shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company that defines "**Disability**," then "**Disability**" shall have the same meaning as defined in the Equity Plan.

"**Dividend Value**" means the aggregate amount of dividends and other distributions paid on one Share for which the record date occurred on or after the first day of the Restrictive Determination Period and prior to the final settlement date on which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares). No dividends or other distributions shall be paid or accrued with respect to Shares subject to an Option.

"**Earned Award**" means, with respect to a Participant's Performance Award, the actual number of shares of Common Stock that were earned by such Participant pursuant to this Program at the end of the Performance Period based on the achievement of the performance goals set forth in Section 5.

"**Equity Plan**" means the Welltower Inc. 2022 Long-Term Incentive Plan, as amended from time to time.

"**Fair Market Value**" means, as of any given date, the fair market value of a security which shall be the closing sale price reported for such security on the principal national securities exchange on which the security is publicly traded or, if not applicable, any other national securities exchange on which the security is traded or admitted to trading on such date on which a sale was reported. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

"**Good Reason**" for termination of the Participant's employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and "good reason" is defined therein, then "**Good Reason**" shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination and/or the Participant's employment agreement does not define "**Good Reason**": (i) a substantial adverse change, not consented to by the Participant, in the nature or scope of the Participant's responsibilities, authorities, powers, functions, or duties; or (ii) a breach by the Company of any of its material obligations under the Program. Unless otherwise provided in an employment agreement to which the Participant is a party immediately prior to such termination, to constitute a termination on account of "**Good Reason**," the Participant must: (1) provide written notice to the Company within 90 days of the initial existence of the event constituting "**Good Reason**;" (2) may not terminate his or her employment unless the Company fails to substantially remedy the event constituting "**Good Reason**" within 30 days after such notice has been given; and (3) the Participant must terminate employment with the Company no later than 30 days after the end of the 30-day period in which the Company fails to substantially remedy the event constituting "**Good Reason**."

"**Health Care Facilities**" means any senior housing facilities or facilities used or intended primarily for the delivery of health care services, including, without limitation, any active adult communities, independent living facilities, assisted living facilities, skilled nursing facilities, inpatient rehabilitation facilities, ambulatory surgery centers, outpatient medical treatment facilities, medical office buildings, hospitals not excluded below, or any similar types of facilities or enterprises, but in any event excluding acute care hospitals or integrated health care delivery systems that include acute care hospitals.

"**Health Care REIT Index**" means the FTSE NAREIT Health Care REIT Index on the Grant Date (or a successor index including a comparable universe of publicly traded U.S. real estate investment trusts), in each case adjusted and reweighted to exclude the Company from the index. Any health care REIT organization that is not in existence for the entire Performance Period shall be omitted from this index.

"**Index Return**" means, with respect to the Performance Period, the return of either the Health Care REIT Index, or the All REIT Index, as applicable, over the Performance Period expressed as a percentage. For the avoidance of doubt, the intent of the Compensation Committee is that Index Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company's TSR and the Index Return for the purpose of determining Relative Performance. In the case of the Health Care REIT Index, the Index Return shall be computed as the sum of each component company's weighted TSR with each component company's weight as the average of its relative market capitalization at the beginning of the Performance Period.

"**Net Debt + Preferred**" means the sum of (a) the Company's long-term debt, less cash and cash equivalents, and (b) the total amount of the Company's preferred stock as of the end of the Performance Period (or other applicable designated period).

"**Options**" means the rights to purchase shares of Common Stock granted pursuant to Article IV of the Equity Plan, including both ISOs and Nonstatutory Options.

"**Participant**" means an executive or employee of the Company or any Subsidiary selected by the Compensation Committee to participate in the Program.

"**Performance Award**" means an award, expressed as a number of restricted stock units reflecting achievement of the Target Award. Such number of restricted stock units shall be equal to the sum arrived at by (1) applying the weighting of each applicable performance goal set forth on Exhibit A to the aggregate target value of the award (expressed in dollars) established by the Compensation Committee at the time of grant, (2) dividing the weighted target value for each performance goal by the Common Stock Price on the Grant Date (as described in further detail in Exhibit A), and (3) rounding to the nearest whole share of Common Stock, that vests upon the achievement of performance goals at the end of a Performance Period.

"**Performance Period**" means the period commencing on January 1, 2023 and concluding on the earlier of (i) December 31, 2025, or (ii) a Change in Corporate Control.

"**Program**" means this Welltower Inc. 2023-2025 Long-Term Incentive Program, as amended from time to time.

"**Qualified Termination**" means termination of a Participant's employment for Good Reason, by reason of the Participant's death, Disability, by the Company without Cause, Retirement and in the case of a Participant who is party to a fixed-term employment agreement with the Company, a non-renewal by the Company of the term of such agreement.

"**Relative Performance**" means the Company's TSR relative to the applicable Index Return, as expressed as an Annualized TSR Percentage.

"**Restricted Period**" means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.

"**Restrictive Determination Period**" means (a) the Performance Period in the case of a Performance Award and (b) the period of time during which the applicable Time Restriction has not yet fully lapsed in the case of a Time-Based Award.

"**Retirement**" means the voluntary termination of employment by a Participant after attaining age 55 and completing ten consecutive full years of service; provided, however, that the sum of the Participant's age and consecutive full years of service to the Company shall be equal to 70 or more; and provided further that the Participant (a) delivers to the Company, so that the Company receives or is deemed to have received in accordance with Section 12(i) at least six months prior to the date of his or her retirement, written notice specifying such retirement date, (b) remains in the continuous service of the Company from the date the written notice is received until his or her retirement date, and (c) enters into a retirement agreement with the Company in such form as shall be

determined by the Company from time to time that includes both (i) a customary release of claims covering the Company and its affiliates, and (ii) an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and nondisclosure covenants in favor of the Company and related persons as set forth in Section 4.

"**Target Award**" means a Participant's target award, expressed as a number of restricted stock units, for the Performance Period, as set forth in the Participant's Award Notice.

"**Time-Based Award**" means an award, expressed as a number of Options and/or restricted stock units, that vests upon the lapse of the Time Restriction. (A Time-Based Award in the form of restricted stock units is a type of "Other Stock Unit Award" as classified under the Equity Plan.)

"**Time Restriction**" means the period of time set forth in the Award Notice during which a Time-Based Award (or portion thereof) is unvested and forfeitable based on the completion of periods of continued employment with the Company or as otherwise expressly set forth in this Program.

"**Total Shareholder Return**" or "**TSR**" means for the common stock of the applicable company, the total shareholder return (share price appreciation/depreciation during the applicable Performance Period plus the value attributable to reinvested dividends paid on the shares during the applicable Performance Period). The TSR shall be expressed as a percentage. The calculation of TSR will be based on the average closing price of the shares for the twenty trading days immediately preceding the first day of the Performance Period and the average closing price of the shares for the twenty trading days immediately preceding the last day of the applicable Performance Period. The TSR will be calculated assuming that cash dividends (including extraordinary cash dividends) paid on the shares are reinvested in additional shares on the ex-dividend date and that any securities distributed to shareholders in a spinoff transaction are sold and the proceeds reinvested in additional shares on the ex-dividend date.

"**Vested Award**" means a Time-Based Award (or portion thereof) that is fully vested and nonforfeitable due to the lapse of the applicable Time Restriction.

3. ADMINISTRATION

(a) The Program shall be administered by the Compensation Committee in accordance with the Equity Plan. The Compensation Committee shall have the discretionary authority to make all determinations (including, without limitation, the interpretation and construction of the Program and the determination of relevant facts) regarding the entitlement to any Award hereunder and the amount of any Award to be paid under the Program (including the number of shares of Common Stock issuable to any Participant), provided such determinations are not made in bad faith and are not inconsistent with the terms, purpose and intent of the Program. The Compensation Committee may delegate to one or more officers or employees of the Company some or all of its authority to administer the Program as described in this Section 3, and in the event of such delegation, references to the Compensation Committee in this Section 3 shall apply in the same manner to such delegate or delegates to the extent of such delegated authority. In particular, but without limitation and subject to the foregoing, the Compensation Committee shall have the authority:

(i) to select Participants under the Program in its sole discretion;

(ii) with respect to Performance Awards, to determine the Target Award and any formula or criteria for the determination of the Target Award for each Participant and such individual's Performance Award and to determine the Earned Award;

(iii) with respect to Time-Based Awards, to determine the applicable Time Restriction;

(iv) to determine the terms and conditions, consistent with the terms of this Program, which shall govern Award Notices and all other written instruments evidencing an Award hereunder, including the waiver or modification of any such conditions;

(v) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Program as it shall from time to time deem advisable; and

(vi) to interpret the terms and provisions of the Program and any Award granted under the Program (and any Award Notices or other agreements relating thereto) and to otherwise supervise the administration of the Program.

(b) Subject to the terms hereof, all decisions made by the Compensation Committee (or any officer or employee of the Company to whom it has delegated some or all of its authority to administer the Program) not made in bad faith pursuant to the Program shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Compensation Committee, and no officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination, or interpretation taken or made not in bad faith with respect to this Program, and all members of the Compensation Committee and each and every officer or employee of the Company acting on their behalf shall, to the fullest extent not prohibited by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

4. CONDITIONS OF PARTICIPATION

As a condition of entitlement to participate in the Program, whether or not the Participant receives any payment or other benefit under the Program, each Participant shall comply with the following restrictive covenants.

(a) Protection of Confidential Information. Participant, both during employment with the Company and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Company while employed by the Company. Upon Participant's termination of employment, Participant shall return to the Company all Confidential Information and shall not retain any Confidential Information in Participant's possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 4(a) shall not apply to Confidential Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 4 or any other duty owed to the Company by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Program, Confidential Information means, without limitation, any nonpublic confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Company, in any form, including electronic media. Confidential Information also includes, but is not limited to the Company's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Company.

(b) Non-Competition. In the course of the performance of Participant's job responsibilities for the Company, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Company's business (including confidential information relating to the Company and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and development plans and prospects). Accordingly, during employment with the Company and for the applicable Restricted Period following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Company or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities; (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.

Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Company or any of its affiliates in any area described above and other activities that do not compete with the Company or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Company and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 4(b).

(c) Non-Solicitation. During employment with the Company and for one year following the end of Participant's employment with the Company, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Company or any subsidiary or affiliate of the Company.

(d) Non-Disparagement. At all times during and following Participant's employment with the Company, Participant will not make or direct anyone else to make on Participant's behalf any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(e) Remedies. For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Company may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein. Notwithstanding any other provision of this Program, by becoming entitled to receive any payments or other benefits under this Program, Participant is deemed to have agreed that damages would be an inadequate remedy for the Company in the event of a breach or threatened breach by Participant of any of Sections 4(a) through 4(d), inclusive. In the event of any such breach or threatened breach, and without relinquishing any other rights or remedies that the Company may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Program, the Company may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 4 and requiring Participant to comply with its provisions. The Company may present this Section 4 to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Company contends violates this Section 4, if the Company has reason to believe Participant has or may have breached a provision of this Section 4.

5. DETERMINATION OF AWARDS

(a) Each Participant's Award Notice shall specify, as applicable, such Participant's Target Award (expressed as a number of restricted stock units) and threshold, target, and high payout multiples or Time Restriction.

(b) With regard to a Performance Award, the percentage of a Participant's Target Award that may be earned for the Performance Period shall be determined as follows: 40 percent of the Target Award shall be earned based on the Company's Relative Performance to the Health Care REIT Index; 40 percent of the Target Award shall be earned based on the Company's Relative Performance to the All REIT Index; and 20 percent of the Target Award shall be earned based on the Company's (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio; all as further set forth on Exhibit A.

(c) Depending on the score for each of the performance goals of a Performance Award as determined pursuant to Exhibit A, the Earned Award for the Performance Period shall be determined based on the Participant's individual threshold, target and high payout multiples described in the Participant's Award Notice. For performance between two different tiers, the percentage payable shall be calculated using linear interpolation between tiers. The level of achievement for each listed performance goal shall be determined independently.

(d) With regard to a Time-Based Award, the Time Restriction included in the Award Notice shall generally not be less than three years from the Date of Grant; provided, that such an Award Notice may permit pro rata vesting over such time.

(e) Except as otherwise provided herein, the Earned Award and Vested Award shall be paid in shares of Common Stock upon satisfaction of the requirements as set forth in Section 8.

6. CHANGE IN CORPORATE CONTROL. In the event that prior to December 31, 2025, a Change in Corporate Control occurs, then the following provisions shall apply:

(a) In the case of a Performance Award, each such outstanding Award will be deemed earned as of the date of such Change in Corporate Control in accordance with the computation described in Section 5(b) as if the Performance Period ended on the day prior to the consummation of the Change in Corporate Control, except that corporate metrics not tied to TSR shall be calculated based on the results through the most recent completed fiscal quarter, but each Award shall further be multiplied by a fraction, the numerator of which shall be the number of full and partial months from the beginning of the Performance Period through the Change in Corporate Control and the denominator of which shall be 36. Notwithstanding Sections 4 and 8(b), any shares of Common Stock issued to satisfy such outstanding Earned Awards shall be fully vested and nonforfeitable.

(b) In the case of a Time-Based Award, the Time Restriction applicable to such Time-Based Award shall lapse in its entirety and such award shall become a Vested Award if either (i) the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace such other awards on proportionate and equitable terms or (ii) the Participant is terminated without Cause upon or within 12 months following the Change in Corporate Control.

7. TERMINATION OF PARTICIPANT'S EMPLOYMENT.

(a) If a Participant's employment with the Company terminates, the provisions of this Section 7 shall govern the treatment of the Participant's Award exclusively, regardless of the provisions of any employment, change in control or other agreement or arrangement to which the Participant is a party, or any termination or severance policies of the Company then in effect, which shall be superseded by this Program.

(b) In the event of termination of a Participant's employment by reason of a Qualified Termination prior to the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) In the case of a Performance Award, the Compensation Committee shall determine the Participant's Earned Award in accordance with the computation described in Section 5(b) as if the Performance Period ended on the calendar quarter end immediately preceding the date of the Participant's Qualified Termination; provided, however, that the Earned Award of such terminated Participant for the Performance Period shall be multiplied by a fraction, the numerator of which shall be the number of complete months during which the Participant was an employee of the Company during the Performance Period and the denominator of which shall be the total number of months in the Performance Period. The pro-rated Earned Award shall be paid out in shares of Common Stock that are fully vested.

(ii) In the case of a Time-Based Award, the Participant shall retain the portion of the Time-Based Award that is a Vested Award with any Time-Based Award in the form of Options that has not yet been exercised remaining outstanding and exercisable as set forth in the Award Notice. Unless otherwise determined by the Compensation Committee, the unvested portion of the Time-Based Award shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested portion of the Time-Based Award.

(c) In the event of termination of a Participant's employment by reason of a Qualified Termination after the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) Any portion of the Participant's Earned Award or Time-Based Award in the form of restricted stock units that has not yet been settled shall become fully vested and shall be paid out in shares of Common Stock; and

(ii) Any portion of the Participant's Time-Based Award in the form of Options that has not yet been exercised shall remain outstanding and exercisable as set forth in the Award Notice.

(d) As a condition of receiving any payments or benefits under this Program on account of Participant's Qualified Termination, the Company may, in its sole discretion, require Participant to deliver an irrevocable, effective release of claims in the form determined by the Company and/or an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

(e) In the event of a termination of a Participant's employment for any reason other than a Qualified Termination prior to the end of the applicable Restrictive Determination Period, except as otherwise set forth in the Participant's Award Notice or as otherwise determined by the Compensation Committee, the Award held by the Participant during the Performance Period or portion of the Award for which the Time Restriction has not lapsed shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Award. In the event of a termination of a Participant's employment for any reason other than a Qualified Termination after the end of the applicable Restrictive Determination Period, any portion of the Earned Award or Time-Based Award that has not yet been settled in shares of Common Stock shall be forfeited.

8. PAYMENT OF AWARDS.

(a) As soon as practicable following the end of the applicable Restrictive Determination Period:

(i) The portion of a Time-Based Award in the form of restricted stock units for which the Time Restriction has lapsed shall be settled in shares of Common Stock; and

(ii) In the case of a Performance Award, the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period.

The date on which such settlement of the Awards occurs shall be referred to herein as the "**Issuance Date**". In no event shall the Issuance Date with respect to the end of the Restrictive Determination Period for an Award be later than 74 days after the end of the applicable Restrictive Determination Period or on such later date as provided by the Compensation Committee (or in the case of a Performance Award, as set forth under Section 8(b) below); provided that (i) in the case of the Performance Period (in the case of a Performance Award) or Time Restriction (in the case of a Time-Based Award) that ends upon a Change in Corporate Control, the Issuance Date shall be no later than immediately prior to the consummation of the Change in Corporate Control, and (ii) in the case of a determination required by Section 7(b), the Issuance Date shall generally be no later than 74 days after the date of the Participant's Qualified Termination or on such later date as provided by the Compensation Committee.

The portion of a Time-Based Award in the form of Options for which the Time Restriction has lapsed shall be paid in shares of Common Stock following the exercise of such Time-Based Award in accordance with the terms set forth in the Award Notice.

(b) Except as otherwise provided in Sections 6 and 7, on the vesting date described below, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Performance Award a number of shares of Common Stock equal to the vested portion of the Earned Award. Subject to a Participant's continued employment with the Company or a subsidiary and continued compliance with the restrictive covenants set forth in Section 4 through such date, the Shares subject to a Participant's Earned Award shall be vested as of the date that the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period. In addition, on the vesting date (or on the Issuance Date with regard to an Earned Award settled in accordance with Section 6 or 7), the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(b) on such date.

(c) Except as otherwise provided in Sections 6 and 7, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Time-Based Award a number of shares of Common Stock equal to the vested portion of the Time-Based Award on the Issuance Date or, if applicable, the exercise date. In addition, on the Issuance Date, the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(c) on such date.

(d) Notwithstanding any other provision of the Program to the contrary, the Company shall pay in cash to each Participant holding a Time-Based Award in the form of restricted stock units granted under the Program an amount equal to the dividends and other distributions paid on a Share (multiplied by the number of restricted stock units held by such Participant) for which the record date occurred on or after the date that such restricted stock units were granted and prior to the final settlement date on which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares).

9. ADJUSTMENTS. Without duplication with the provisions of Sections 3 and 12 of the Equity Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of Shares, sale of all or substantially all of the assets or Shares of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Compensation Committee necessitates action by way of adjusting the terms of the Program, then and in that event, the Compensation Committee shall take such action as shall be necessary to maintain the Participants' rights hereunder so that they are substantially the same rights existing under this Program prior to such event.

10. RESTRICTIONS AND CONDITIONS; NON-TRANSFERABILITY OF AWARDS. Subject to the provisions of the Equity Plan and this Program, except as may otherwise be permitted by the Compensation Committee, a Participant shall not be permitted voluntarily or involuntarily to sell, assign, transfer, or otherwise encumber or dispose of = any Award granted hereunder; provided that the foregoing restriction shall not apply to Shares actually issued to a Participant.

11. WITHHOLDING OF TAX. Unless otherwise agreed to between the Company and a Participant, the Company will cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of Shares to be issued to a Participant with an aggregate Fair Market Value that would satisfy the withholding amount due. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on tax withholding obligations being satisfied by such Participant or through the Company's exercise of its authority. The Compensation Committee expressly provides that the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) of an Award granted to a Participant who is an officer within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended, shall be satisfied by withholding a number of whole Shares to be issued to the Participant with an aggregate Fair Market Value that fully satisfies the withholding amount due.

12. MISCELLANEOUS.

(a) Amendment and Termination. The Company reserves the right to amend or terminate the Program at any time in its discretion without the consent of any Participant, but no such amendment shall adversely affect the rights of the Participants with regard to outstanding Awards in any material respect.

(b) No Contract for Continuing Services. This Program shall not be construed as creating any contract for continued services between the Company or any of its Subsidiaries and any Participant, and nothing herein contained shall give any Participant the right to be retained as an employee or consultant of the Company or any of its Subsidiaries or to receive any future awards or benefits under the Equity Plan.

(c) Governing Law. The Program and each Award Notice awarded under the Program shall be construed in accordance with and governed the laws of the State of Ohio, without regard to principles of conflict of laws of such state; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

(d) Arbitration. Subject to Section 4(e) hereof, all claims, disputes, questions, or controversies arising out of or relating to this Program, will be resolved exclusively in final and binding arbitration held under the auspices of Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") in accordance with JAMS then current Employment Arbitration Rules and Procedures, or successor rules then in effect. The arbitration will be held in New York, New York, and will be conducted and administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Participant and the Company will select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided by this Program, the Federal Arbitration Act will govern the administration of the arbitration proceedings. The arbitrator will apply the substantive law (and the law of remedies, if applicable) of the State of Ohio, or federal law, if Ohio law is preempted, and the arbitrator is without jurisdiction to apply any different substantive law. Participant and the Company will each be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator consistent with the nature of the claim(s) in dispute. The arbitrator will have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and will apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator will render a written award and supporting opinion that will set forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be

entered in any court of competent jurisdiction. The Company will pay the arbitrator's fees, as well as all administrative fees, associated with the arbitration. Each party will be responsible for paying its own attorneys' fees and costs (including expert witness fees and costs, if any), provided, however, that the arbitrator may award attorney's fees and costs to the prevailing party, except as prohibited by law. If the Company is the prevailing party, the arbitration may award some or all of the costs for the arbitrator's fees and/or other administrative fees to the fullest extent not prohibited by law. The existence and subject matter of all arbitration proceedings, including, any settlements or awards thereunder, shall remain confidential.

(e) Construction. Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

(f) Headings. The Section headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of this Program, the text shall control.

(g) Effect on Other Plans. Nothing in this Program shall be construed to limit the rights of Participants under the Company's or its Subsidiaries' benefit plans, programs or policies.

(h) Clawback Policy. All Awards granted under this Program shall be subject to forfeiture (as determined by the Compensation Committee) in accordance with the terms of the Company's clawback or recoupment policy (as in effect from time to time). Furthermore, prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein.

(i) Notices. Any notice provided for under this Program shall be in writing and may be delivered in person or sent by overnight courier, certified mail, or registered mail (return receipt requested), postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

If to the Company: Welltower Inc., 4500 Dorr Street, Toledo, OH 43615 Attention: Legal Department

If to a Participant, at the address on file with the Company's Human Resources Department.

The actual date of mailing, as shown by a mailing receipt therefor, shall determine the time at which notice was given. Any Participant may change the address at which notice shall be given by notifying the Company in the manner set forth in this Section 12(i). The Company may change the address at which notice shall be given by notifying each Participant in the manner set forth in this Section 12(i).

(j) Section 409A.

(1) This Program is intended to either be exempt from or comply with Section 409A of the Code ("**Code Section 409A**") and will be interpreted in a manner consistent with such intent. Any provision that would cause this Program or any payment hereunder to fail to satisfy Code Section 409A of the Code shall have no force or effect until amended to the minimum extent required to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits that may be considered "deferred compensation" under Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Program, references to a "retirement," "termination," "termination of employment" or like terms shall mean such a "separation from service".

(2) Any payment scheduled to be made under this Program that may be considered made under a "nonqualified deferred compensation plan" subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A), that are otherwise due on or within the six-month period following termination of employment will accrue during such six-month period and will instead become payable in a lump sum payment on the first business day period following such six-month period. Furthermore,

notwithstanding any contrary provision herein, if any other payments of money or other benefits due to a Participant under this Agreement could cause the application of an accelerated or additional tax under Code Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax.

(3) Notwithstanding any contrary provision herein, a Participant's right to any payment (including each installment payment) under this Program shall be treated as a "separate payment" within the meaning of Code Section 409A.

END OF PROGRAM DOCUMENT

Exhibit A

2023-2025 LTI — Forward Looking	Weighting	Threshold[4]	Target	High[5]
Payout for Relative TSR Performance Measures		*25%*	*100%*	*300%*
Relative Performance to Health Care REIT Index[1]	40%	-600 bps	0 bps	+ 600 bps
Relative Performance to All REIT Index (MSCI)[2]	40%	-600 bps	0 bps	+ 600 bps
Payout for Financial Performance Measure		*50%*	*100%*	*200%*
(Net Debt + Preferred) / Adjusted Annualized EBITDA[3]	20%	6.9x	6.4x	5.9x

Matching the index performance is achievement at the "Target" level. Exceeding index performance by 600 basis points results in payout at the "High" level, which is the maximum payout level. Trailing index performance by 600 basis points results in a payout at the "Threshold" level.

2. Same as #1 above.

3. The "Target" payout level is set at the (Net Debt + Preferred)/Adjusted Annualized EBITDA ratio of 6.4x. "Threshold" will be met at a ratio at 6.9x. The "High" payout level will be met at a ratio at or below 5.9x.

4. "Threshold" payout is 25% of the "Target" level for all Participants for the relative TSR performance measures and 50% of the "Target" level for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.

5. "High" payout is 300% of the "Target" level for all Participants for the relative TSR performance measures and 200% of the "Target" level for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.

The program also has a stock price cap of $150. In addition, after vesting, the named executive officers have a 2-year holding period requirement while all other participants have a 1-year holding period requirement.

In the event the Parent Member's performance shall fall between two levels in the above chart, linear interpolation shall be used to determine the percentage of the Target Award earned.

In the event the Company's performance shall fall between two levels in the above chart, linear interpolation shall be used to determine the percentage of the Target Award earned. Achievement of a performance goal expressed as a percentage shall be rounded to the nearest tenth of a whole percentage point.

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EXHIBIT 10.2

LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT

THIS LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT (the "**Agreement**"), made this [________________], 2023, between Welltower Inc., a Delaware corporation (the **"Corporation"),** and [____________________] (the "**Participant**").

WHEREAS, the Participant is an employee of the Corporation; and

WHEREAS, the Corporation adopted the Welltower Inc. 2022 Long-Term Incentive Plan (the "**Plan**") and the 2023-2025 Long-Term Incentive Program (the "**LTIP**") in order to provide select executives and key employees with incentives to achieve long term corporate objectives; and

WHEREAS, the Compensation Committee of the Corporation's Board of Directors has determined that the Participant should be granted a restricted stock unit award subject to performance-based vesting conditions and/or time-based vesting conditions on the terms set forth in the LTIP and herein;

WHEREAS, the restricted stock unit award granted to the Participant shall be payable in shares of the Corporation's common stock, $1.00 par value per share ("**Common Stock**"),upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

WHEREAS, any Options granted to the Participant hereunder shall be exercised for shares of Common Stock upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP.

NOW, THEREFORE, in consideration of the past and future services provided to the Corporation by the Participant and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. GRANT OF AWARD.

The Corporation hereby grants to the Participant one or both of the following:

- A Performance Award of [ ] Performance-based restricted stock units (the "**Target Award**") on [_], 2023 (the "**Date of Grant**"),payable in shares of Restricted Stock, subject to satisfaction of the restrictions, vesting conditions and other terms set forth in this Agreement.

- An Other Stock Unit Award (the "**Time-Based Award**") of [ ] time-based restricted stock units and/or [ ] time-based Options on the Date of Grant, which shall vest subject to the Participant's continued employment, in accordance with the following schedule: one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on [January 15], 2024, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on [January 15], 2025, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on [January 15], 2026, and one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on [January 15], 2027 (each such date, the "**Vesting Date**"). Upon vesting, the restricted stock units shall become issuable in shares of Common Stock and the Options shall become exercisable for shares of Common Stock. The exercise price of any time-based Options shall be $_______. Such Options shall not have any common stock dividends or dividend equivalents paid and shall have a maximum term of ten years.

The Target Award and the Time-Based Award shall be referred to herein as the "**Award**". The Participant shall not be required to provide the Corporation with any payment (other than his or her past and future services to the Corporation or payment of the exercise price upon exercise of any exercisable Options) in exchange for the Award or in exchange for the issuance of shares of Common Stock (upon (1) the determination of the Earned Award and satisfaction of the applicable periods of continued service with the Corporation in the case of a Performance Award or (2) the lapse of the applicable Time Restriction in the case of a Time-Based Award and the payment of the exercise price in the case of exercisable Options).

2. DELIVERY OF SHARES.

(a) The Participant shall not be entitled to the issuance of shares of Common Stock or to receive any distributions with respect to the Performance Award or Time-Based Award until the determination of the Earned Award (in the case of the Performance Award) as provided in the LTIP and in Section 3 or 5 below or lapse of the applicable Time Restriction, and in the case of Options, the payment of the exercise price (in the case of the Time-Based Award). Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant. However, notwithstanding the foregoing, for any restricted stock units granted hereby, the Participant shall be entitled to receive any dividends and other distributions paid on a share of Common Stock to the extent provided in the LTIP.

(b) The Participant's Performance Award and Time-Based Award may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under this Agreement may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture. Any attempt to dispose of the Participant's Award or shares issued thereunder in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

3. ISSUANCE OF SHARES.

The Corporation shall issue shares of Common Stock to the Participant in accordance with the provisions of Section 8 of the LTIP. Any shares of Common Stock subject to Options shall not be issued until exercised in accordance with Section 4.1 of the Plan.

4. TAX WITHHOLDING.

The Corporation shall satisfy its tax withholding obligations in accordance with Section 11 of the LTIP.

5. TERMINATION OF EMPLOYMENT.

In the event of the end of the Participant's employment with the Corporation prior to the time that all vested shares of Common Stock, if any, are issued under the LTIP, the Award shall be administered in accordance with Section 7 of the LTIP. Any Options that are part of a Vested Award shall remain exercisable after the end of the Participant's employment with the Corporation for the following periods (but in no event longer than the ten year maximum term of the Options): (1) eighteen (18) months in the event of the Participant's death, (2) twelve (12) months in the event of the Participant's Qualified Termination other than death, (3) three (3) months in the event of the Participant's termination of employment that is neither a Qualifying Termination nor for Cause, and (4) no period of time following the Participant's termination of employment in the event of a termination for Cause.

6. DEFINITIONS.

Capitalized terms used herein without definitions shall have the meanings given to those terms in the LTIP.

7. SECURITIES LAWS.

The Corporation may from time to time impose such conditions on the vesting of the Award, and/or the issuance of shares of Common Stock upon vesting (and in the case of Options, exercise) of the Award, as it deems reasonably necessary to ensure that any grant of the Award and issuance of shares of Common Stock under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur on the earliest date on which it would not violate applicable law.

8. GRANT NOT TO AFFECT EMPLOYMENT.

Neither this Agreement nor the Award granted hereunder shall confer upon the Participant any right to continued employment with the Corporation. This Agreement shall not in any way modify or restrict any rights the Corporation may have to terminate such employment.

9. ADJUSTMENTS TO AWARD.

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Award granted to the Participant under this Agreement shall be adjusted by the Compensation Committee pursuant to Section 12.2 of the Plan in such manner as the Compensation Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

10. MISCELLANEOUS.

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(c) The provisions of the Plan and LTIP are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan or the LTIP, the provisions of the Plan and the LTIP shall control.

(d) The Award granted under this Agreement is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”), under the exemption for “short-term deferrals” under Treasury Regulation Section 1.409A-1(b)(4) or options to purchase “service recipient stock” under Treasury Regulation Section 1.409A-1(b) (5), and shall be interpreted in a manner consistent with the requirements for such exemptions. To the extent that changes are necessary to ensure that the Award and any related dividend equivalent rights comply with any additional requirements for such exemptions imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend this Agreement so that the Award and any dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

PARTICIPANT WELLTOWER INC.

By: By:
[Signature] [Signature]
Name: Name:
Title: Title:

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **Shankh Mitra**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower 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.

Date: May 3, 2023 August 1, 2023

/s/ SHANKH MITRA

Shankh Mitra,

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Timothy G. McHugh**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower 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.

Date: May 3, 2023 August 1, 2023

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Shankh Mitra, the Chief Executive Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2023 June 30, 2023 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHANKH MITRA

Shankh Mitra,

Chief Executive Officer

Date: May 3, 2023 August 1, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Timothy G. McHugh, the Chief Financial Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2023 June 30, 2023 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,

Executive Vice President and Chief Financial Officer

Date: May 3, 2023 August 1, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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