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DELTA REPORT

10-Q

SABRA HEALTH CARE REIT, I

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	931
CHANGES	289
DELETIONS	378
ADDITIONS	264

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 September 30, 2023 March 31, 2024

OR

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

For the transition period from to

Commission file number 001-34950

SABRA HEALTH CARE REIT, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**27-2560479**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

18500 Von Karman Avenue, Suite 550 1781 Flight Way
Irvine, Tustin, CA 92612 92782
(888) 393-8248
(Address, zip code and telephone number of Registrant)

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, $.01 par value	SBRA	The Nasdaq Stock Market LLC

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 ☒ No ☐

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

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

Large accelerated filer	☒	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 ☒

As of November 1, 2023 May 1, 2024, there were 231,219,523 231,495,570 shares of the registrant’s $0.01 par value Common Stock outstanding.

SABRA HEALTH CARE REIT, INC. AND SUBSIDIARIES

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References throughout this document to “Sabra,” “we,” “our,” “ours” and “us” refer to Sabra Health Care REIT, Inc. and its direct and indirect consolidated subsidiaries and not any other person.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (this “10-Q”) contain “forward-looking” information as that term is defined by the Private Securities Litigation Reform Act of 1995. Any statements that do not relate to historical or current facts or matters are forward-looking statements. Examples of forward-looking statements include all statements regarding our expected future financial position, results of operations, cash flows, liquidity, financing plans, business strategy, tenants, borrowers and Senior Housing - Managed communities (as defined below), the expected amounts and timing of dividends and other distributions, projected expenses and capital expenditures, competitive position, growth opportunities, potential investments, potential dispositions, plans and objectives for future operations, and compliance with and changes in governmental regulations. You can identify some of the forward-looking statements by the use of forward-looking words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend,” “should,” “may” and other similar expressions, although not all forward-looking statements contain these identifying words.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following:

- *increased labor costs and historically low unemployment;*
- *increases in market interest rates and inflation;*
- *pandemics or epidemics, including COVID-19, and the related impact on our tenants, borrowers and Senior Housing - Managed communities;*

- *increased labor costs and historically low unemployment;*
- *increases in market interest rates and inflation;*
- *operational risks with respect to our Senior Housing - Managed communities;*
- *competitive conditions in our industry;*
- *the loss of key management personnel;*
- *uninsured or underinsured losses affecting our properties;*
- *potential impairment charges and adjustments related to the accounting of our assets;*
- *the potential variability of our reported rental and related revenues as a result of Accounting Standards Update ("ASU") 2016-02, Leases, as amended by subsequent ASUs;*
- *risks associated with our investment in our unconsolidated joint ventures;*
- *catastrophic weather and other natural or man-made disasters, the effects of climate change on our properties and a failure to implement sustainable and energy-efficient measures;*
- *increased operating costs and competition for our tenants, borrowers and Senior Housing - Managed communities;*
- *increased healthcare regulation and enforcement;*
- *our tenants' dependency on reimbursement from governmental and other third-party payor programs;*
- *the effect of our tenants, operators or borrowers declaring bankruptcy or becoming insolvent;*
- *our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties;*
- *the impact of litigation and rising insurance costs on the business of our tenants;*
- *the impact of required regulatory approvals of transfers of healthcare properties;*
- *environmental compliance costs and liabilities associated with real estate properties we own;*
- *our tenants', borrowers' or operators' failure to adhere to applicable privacy and data security laws, or laws;*
- *a material breach of our or our tenants', borrowers' or operators' information technology;*
- *our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries;*
- *the significant amount of and our ability to service our indebtedness;*
- *covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms;*
- *adverse changes in our credit ratings;*
- *our ability to make dividend distributions at expected levels;*
- *our ability to raise capital through equity and debt financings;*
- *changes and uncertainty in macroeconomic conditions and disruptions in the financial markets;*
- *risks associated with our ownership of property outside the U.S., including currency fluctuations;*
- *the relatively illiquid nature of real estate investments;*
- *our ability to maintain our status as a real estate investment trust ("REIT") under the federal tax laws;*
- *compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT;*
- *changes in tax laws and regulations affecting REITs;*

- *the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities; and*
- *the exclusive forum provisions in our bylaws.*

We urge you to carefully consider these risks and review the additional disclosures we make concerning risks and other factors that may materially affect the outcome of our forward-looking statements and our future business and operating results, including those made in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (our "2022 "2023 Annual Report on Form 10-K"), as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission (the "SEC"), including subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. We caution you that any forward-looking statements made in this 10-Q are not guarantees of future performance, events or results, and you should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this 10-Q or to reflect the occurrence of unanticipated events, unless required by law to do so.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SABRA HEALTH CARE REIT, INC.

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data)

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
March 31, 2024					
		(unaudited)		(unaudited)	
Assets	Assets				
	Real estate investments, net of accumulated depreciation of $1,002,484 and $913,345 as of September 30, 2023 and December 31, 2022, respectively	$4,603,014	$4,959,343		
Real estate investments, net of accumulated depreciation of $1,059,405 and $1,021,086 as of March 31, 2024 and December 31, 2023, respectively					
Real estate investments, net of accumulated depreciation of $1,059,405 and $1,021,086 as of March 31, 2024 and December 31, 2023, respectively					
Real estate investments, net of accumulated depreciation of $1,059,405 and $1,021,086 as of March 31, 2024 and December 31, 2023, respectively					
Loans receivable and other investments, net	Loans receivable and other investments, net	417,947	411,396		
Investment in unconsolidated joint ventures	Investment in unconsolidated joint ventures	135,755	134,962		
Cash and cash equivalents	Cash and cash equivalents	33,256	49,308		
Restricted cash	Restricted cash	5,602	4,624		
Lease intangible assets, net	Lease intangible assets, net	32,749	40,131		
Lease intangible assets, net					
Lease intangible assets, net					
Accounts receivable, prepaid expenses and other assets, net	Accounts receivable, prepaid expenses and other assets, net	152,239	147,908		
Total assets	Total assets	$5,380,562	$5,747,672		
Liabilities	Liabilities				
Liabilities					
Liabilities					
Secured debt, net					
Secured debt, net					
Secured debt, net	Secured debt, net	$ 47,789	$ 49,232		
Revolving credit facility	Revolving credit facility	32,623	196,982		

Term loans, net	Term loans, net	534,011	526,129	
Senior unsecured notes, net	Senior unsecured notes, net	1,735,055	1,734,431	
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	128,039	142,259	
Accounts payable and accrued liabilities				
Accounts payable and accrued liabilities				
Lease intangible liabilities, net	Lease intangible liabilities, net	34,192	42,244	
Total liabilities	Total liabilities	2,511,709	2,691,277	
Commitments and contingencies (Note 12)				
Total liabilities				
Total liabilities				
Commitments and contingencies (Note 13)				Commitments and contingencies (Note 13)
Equity	Equity			
Preferred stock, $0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of September 30, 2023 and December 31, 2022		—	—	
Common stock, $0.01 par value; 500,000,000 shares authorized, 231,219,523 and 231,009,295 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively		2,312	2,310	
Preferred stock, $0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2024 and December 31, 2023				
Preferred stock, $0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2024 and December 31, 2023				
Preferred stock, $0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2024 and December 31, 2023				

Common stock, $0.01 par value; 500,000,000 shares authorized, 231,494,286 and 231,266,020 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	4,491,917	4,486,967
Cumulative distributions in excess of net income	Cumulative distributions in excess of net income	(1,665,045)	(1,451,945)
Accumulated other comprehensive income	Accumulated other comprehensive income	39,669	19,063
Total equity	Total equity	2,868,853	3,056,395
Total equity			
Total equity			
Total liabilities and equity	Total liabilities and equity	$5,380,562	$5,747,672

See accompanying notes to consolidated financial statements.

SABRA HEALTH CARE REIT, INC.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) INCOME

(dollars in thousands, except per share data)

(unaudited)

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Revenues:	Revenues:				
Rental and related revenues (Note 4)		$ 93,085	$ 84,214	$ 283,229	$ 297,268
Revenues:					
Revenues:					
Rental and related revenues (Note 6)					
Rental and related revenues (Note 6)					
Rental and related revenues (Note 6)					
Resident fees and services	Resident fees and services	59,748	47,610	174,897	133,973
Resident fees and services					
Resident fees and services					

Interest and other income					
Interest and other income					
Interest and other income	Interest and other income	8,794	8,940	25,991	28,585
Total revenues	Total revenues	161,627	140,764	484,117	459,826
Total revenues					
Total revenues					
Expenses:					
Expenses:					
Expenses:	Expenses:				
Depreciation and amortization	Depreciation and amortization	43,242	47,427	140,211	137,855
Depreciation and amortization					
Depreciation and amortization					
Interest					
Interest					
Interest	Interest	28,156	27,071	85,024	77,573
Triple-net portfolio operating expenses	Triple-net portfolio operating expenses	4,304	5,120	13,243	14,983
Triple-net portfolio operating expenses					
Triple-net portfolio operating expenses					
Senior housing - managed portfolio operating expenses					
Senior housing - managed portfolio operating expenses					
Senior housing - managed portfolio operating expenses	Senior housing - managed portfolio operating expenses	44,523	36,705	132,124	103,835
General and administrative	General and administrative	10,759	9,676	30,793	28,721
General and administrative					
General and administrative					
Provision for (recovery of) loan losses and other reserves		328	(217)	549	(12)
Recovery of loan losses					
Recovery of loan losses					
Recovery of loan losses					
Impairment of real estate					
Impairment of real estate					
Impairment of real estate	Impairment of real estate	—	60,857	7,064	72,602
Total expenses	Total expenses	131,312	186,639	409,008	435,557
Other (expense) income:					
Total expenses					
Total expenses					
Other income (expense):					
Other income (expense):					
Other income (expense):					

Loss on extinguishment of debt	Loss on extinguishment of debt		—		(140)		(1,541)	(411)
Other income (expense)			2,229		994		2,570	(1,101)
Loss on extinguishment of debt								
Loss on extinguishment of debt								
Other income								
Other income								
Other income								
Net loss on sales of real estate								
Net loss on sales of real estate								
Net loss on sales of real estate	Net loss on sales of real estate		(46,545)		(80)		(75,893)	(4,581)
Total other (expense) income			(44,316)		774		(74,864)	(6,093)
Total other income (expense)								
(Loss) income before loss from unconsolidated joint ventures and income tax expense			(14,001)		(45,101)		245	18,176
Total other income (expense)								
Total other income (expense)								
Income (loss) before loss from unconsolidated joint ventures and income tax expense								
Income (loss) before loss from unconsolidated joint ventures and income tax expense								
Income (loss) before loss from unconsolidated joint ventures and income tax expense								
Loss from unconsolidated joint ventures								
Loss from unconsolidated joint ventures								
Loss from unconsolidated joint ventures	Loss from unconsolidated joint ventures		(645)		(4,384)		(2,136)	(9,715)
Income tax expense	Income tax expense		(455)		(579)		(1,509)	(1,118)
Income tax expense								
Income tax expense								
Net (loss) income		$	(15,101)	$	(50,064)	$	(3,400)	$ 7,343
Net income (loss)								
Net income (loss)								
Net income (loss)								
Net (loss) income, per:								
Net income (loss), per:								
Net income (loss), per:								
Net income (loss), per:								
Basic common share								
Basic common share								
Basic common share	Basic common share	$	(0.07)	$	(0.22)	$	(0.01)	$ 0.03
Diluted common share	Diluted common share	$	(0.07)	$	(0.22)	$	(0.01)	$ 0.03
Diluted common share								

Diluted common share					
Weighted average number of common shares outstanding, basic					
Weighted average number of common shares outstanding, basic					
Weighted average number of common shares outstanding, basic	Weighted average number of common shares outstanding, basic	231,224,692	230,982,227	231,197,375	230,936,032
Weighted average number of common shares outstanding, diluted	Weighted average number of common shares outstanding, diluted	231,224,692	230,982,227	231,197,375	231,779,750
Weighted average number of common shares outstanding, diluted					
Weighted average number of common shares outstanding, diluted					

See accompanying notes to consolidated financial statements.

SABRA HEALTH CARE REIT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) INCOME

(in thousands)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	$ (15,101)	$ (50,064)	$ (3,400)	$ 7,343
Other comprehensive income:				
Unrealized gain (loss), net of tax:				
Foreign currency translation (loss) gain	(1,347)	1,068	(1,948)	3,505
Unrealized gain on cash flow hedges	8,777	7,309	22,554	25,038
Total other comprehensive income	7,430	8,377	20,606	28,543
Comprehensive (loss) income	$ (7,671)	$ (41,687)	$ 17,206	$ 35,886

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	$ 26,254	$ (9,487)
Other comprehensive income:		
Unrealized gain (loss), net of tax:		
Foreign currency translation loss	(1,498)	(1,623)
Unrealized gain (loss) on cash flow hedges	8,948	(2)
Total other comprehensive income (loss)	7,450	(1,625)
Comprehensive income (loss)	$ 33,704	$ (11,112)

See accompanying notes to consolidated financial statements.

SABRA HEALTH CARE REIT, INC.

CONSOLIDATED STATEMENTS OF EQUITY

(dollars in thousands, except per share data)
(unaudited)

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended September 30, 2022	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2022					
Balance, December 31, 2022					
Balance, December 31, 2022					
Net loss					
Net loss					
Net loss					
Other comprehensive loss					

	Common Stock		Additional Paid-in Capital	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amounts				
Balance, June 30, 2022	230,968,872	$2,310	$4,482,239	$(1,176,968)	$ 10,145	$3,317,726
Amortization of stock-based compensation						
Net loss	—	—	—	(50,064)	—	(50,064)
Amortization of stock-based compensation						
Amortization of stock-based compensation						
Common stock issuance, net						
Common stock issuance, net						
Common stock issuance, net						
Common dividends ($0.30 per share)						
Common dividends ($0.30 per share)						
Common dividends ($0.30 per share)						
Balance, March 31, 2023						

Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

	Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Total Equity
Balance, December 31, 2023						
Balance, December 31, 2023						
Balance, December 31, 2023						
Net income						
Net income						

Net income							
Other comprehensive income	Other comprehensive income	—	—	—	—	8,377	8,377
Amortization of stock-based compensation	Amortization of stock-based compensation	—	—	2,657	—	—	2,657
Common stock issuance, net		7,734	—	(127)	—	—	(127)
Common dividends ($0.30 per share)		—	—	—	(69,836)	—	(69,836)
Balance, September 30, 2022		230,976,606	$2,310	$4,484,769	$(1,296,868)	$ 18,522	$3,208,733
		Three Months Ended September 30, 2023					
		Common Stock			Cumulative Distributions in Excess of Net	Accumulated Other Comprehensive	
		Shares	Amounts	Additional Paid-in Capital	Income	Income	Total Equity
Balance, June 30, 2023		231,218,658	$2,312	$4,489,107	$(1,579,914)	$ 32,239	$2,943,744
Net loss		—	—	—	(15,101)	—	(15,101)
Other comprehensive income		—	—	—	—	7,430	7,430
Amortization of stock-based compensation							
Amortization of stock-based compensation	Amortization of stock-based compensation	—	—	2,900	—	—	2,900
Common stock issuance, net	Common stock issuance, net	865	—	(90)	—	—	(90)
Common stock issuance, net							
Common stock issuance, net							
Common dividends ($0.30 per share)	Common dividends ($0.30 per share)	—	—	—	(70,030)	—	(70,030)
Balance, September 30, 2023		231,219,523	$2,312	$4,491,917	$(1,665,045)	$ 39,669	$2,868,853
Common dividends ($0.30 per share)							
Common dividends ($0.30 per share)							
Balance, March 31, 2024							

See accompanying notes to consolidated financial statements.

SABRA HEALTH CARE REIT, INC.

CONSOLIDATED STATEMENTS OF EQUITY (CONTINUED)

(dollars in thousands, except per share data)

(unaudited)

	Nine Months Ended September 30, 2022					
	Common Stock				Accumulated Other	
			Additional	Cumulative Distributions in	Comprehensive (Loss)	
	Shares	Amounts	Paid-in Capital	Excess of Net Income	Income	Total Equity
Balance, December 31, 2021	230,398,655	$ 2,304	$ 4,482,451	$ (1,095,204)	$ (10,021)	$ 3,379,530
Net income	—	—	—	7,343	—	7,343
Other comprehensive income	—	—	—	—	28,543	28,543
Amortization of stock-based compensation	—	—	6,513	—	—	6,513
Common stock issuance, net	577,951	6	(4,195)	—	—	(4,189)
Common dividends ($0.90 per share)	—	—	—	(209,007)	—	(209,007)

Balance, September 30, 2022	230,976,606	$ 2,310	$ 4,484,769	$ (1,296,868)	$ 18,522	$ 3,208,733

	Nine Months Ended September 30, 2023					
	Common Stock		Additional	Cumulative Distributions in	Accumulated Other	
	Shares	Amounts	Paid-in Capital	Excess of Net Income	Comprehensive Income	Total Equity
Balance, December 31, 2022	231,009,295	$ 2,310	$ 4,486,967	$ (1,451,945)	$ 19,063	$ 3,056,395
Net loss	—	—	—	(3,400)	—	(3,400)
Other comprehensive income	—	—	—	—	20,606	20,606
Amortization of stock-based compensation	—	—	7,090	—	—	7,090
Common stock issuance, net	210,228	2	(2,140)	—	—	(2,138)
Common dividends ($0.90 per share)	—	—	—	(209,700)	—	(209,700)
Balance, September 30, 2023	231,219,523	$ 2,312	$ 4,491,917	$ (1,665,045)	$ 39,669	$ 2,868,853

See accompanying notes to consolidated financial statements.

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SABRA HEALTH CARE REIT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022		
	2024			2024	2023
Cash flows from operating activities:	Cash flows from operating activities:				
Net (loss) income		$ (3,400)	$ 7,343		
Adjustments to reconcile net income to net cash provided by operating activities:					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	140,211	137,855		
Non-cash rental and related revenues	Non-cash rental and related revenues	(6,781)	4,970		
Non-cash interest income	Non-cash interest income	(380)	(1,683)		
Non-cash interest expense	Non-cash interest expense	9,179	8,300		

Stock-based compensation expense	Stock-based compensation expense	5,468	5,367
Loss on extinguishment of debt	Loss on extinguishment of debt	1,541	411
Provision for (recovery of) loan losses and other reserves		549	(12)
Loss on extinguishment of debt			
Loss on extinguishment of debt			
Recovery of loan losses			
Net loss on sales of real estate	Net loss on sales of real estate	75,893	4,581
Impairment of real estate	Impairment of real estate	7,064	72,602
Loss from unconsolidated joint ventures	Loss from unconsolidated joint ventures	2,136	9,715
Loss from unconsolidated joint ventures			
Loss from unconsolidated joint ventures			
Distributions of earnings from unconsolidated joint ventures	Distributions of earnings from unconsolidated joint ventures	1,705	—
Other non-cash items		(3,704)	2,167
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:			
Accounts receivable, prepaid expenses and other assets, net			
Accounts receivable, prepaid expenses and other assets, net			
Accounts receivable, prepaid expenses and other assets, net	Accounts receivable, prepaid expenses and other assets, net	(10,660)	(5,631)
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	3,013	2,161
Net cash provided by operating activities	Net cash provided by operating activities	221,834	248,146
Cash flows from investing activities:	Cash flows from investing activities:		
Acquisition of real estate	Acquisition of real estate	(39,630)	(83,985)
Acquisition of real estate			

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Acquisition of real estate		
Origination and fundings of loans receivable		
Origination and fundings of loans receivable		
Origination and fundings of loans receivable		
Origination and fundings of loans receivable	(9,614)	(4,500)
Origination and fundings of preferred equity investments		
Origination and fundings of preferred equity investments	(11,015)	(5,813)
Additions to real estate		
Additions to real estate	(63,794)	(33,809)
Escrow deposits for potential investments	—	(836)
Repayments of loans receivable		
Repayments of loans receivable		
Repayments of loans receivable		
Repayments of loans receivable	8,674	4,885
Repayments of preferred equity investments		
Repayments of preferred equity investments	4,828	4,173
Investment in unconsolidated joint ventures		
Investment in unconsolidated joint ventures	(4,797)	(128,019)
Net proceeds from the sales of real estate		
Net proceeds from the sales of real estate	248,222	62,816
Net proceeds from sales-type lease		
Net proceeds from sales-type lease	25,490	—
Insurance proceeds	6,001	—
Distributions in excess of earnings from unconsolidated joint ventures	544	—
Net cash provided by (used in) investing activities	164,909	(185,088)
Net cash (used in) provided by investing activities		
Net cash (used in) provided by investing activities		
Net cash (used in) provided by investing activities		
Cash flows from financing activities:		
Cash flows from financing activities:		
Net (repayments of) borrowings from revolving credit facility	(165,338)	147,353
Net borrowings from (repayments of) revolving credit facility		
Net borrowings from (repayments of) revolving credit facility		
Net borrowings from (repayments of) revolving credit facility		
Proceeds from term loans		
Proceeds from term loans	12,188	—
Principal payments on term loans	—	(63,750)
Proceeds from term loans		
Proceeds from term loans		
Principal payments on secured debt		

Principal payments on secured debt			
Principal payments on secured debt	Principal payments on secured debt	(1,479)	(17,030)
Payments of deferred financing costs	Payments of deferred financing costs	(18,135)	(6)
Payment of contingent consideration		(17,900)	(2,500)
Issuance of common stock, net			
Issuance of common stock, net			
Issuance of common stock, net	Issuance of common stock, net	(2,194)	(4,394)
Dividends paid on common stock	Dividends paid on common stock	(208,079)	(207,861)
Net cash used in financing activities	Net cash used in financing activities	(400,937)	(148,188)
Net decrease in cash, cash equivalents and restricted cash		(14,194)	(85,130)
Net increase (decrease) in cash, cash equivalents and restricted cash			
Effect of foreign currency translation on cash, cash equivalents and restricted cash	Effect of foreign currency translation on cash, cash equivalents and restricted cash	(880)	392
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	53,932	115,886
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	$ 38,858	$ 31,148
Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:		
Interest paid	Interest paid	$ 72,911	$ 68,778
Interest paid			
Interest paid			
Supplemental disclosure of non-cash investing activities:			
Supplemental disclosure of non-cash investing activities:			
Supplemental disclosure of non-cash investing activities:	Supplemental disclosure of non-cash investing activities:		
Decrease in loans receivable and other investments due to acquisition of real estate	Decrease in loans receivable and other investments due to acquisition of real estate	$ 4,644	$ 14,311
Decrease in loans receivable and other investments due to acquisition of real estate			
Decrease in loans receivable and other investments due to acquisition of real estate			

See accompanying notes to consolidated financial statements.

SABRA HEALTH CARE REIT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BUSINESS

Overview

Sabra Health Care REIT, Inc. ("Sabra" or the "Company") was incorporated on May 10, 2010 as a wholly owned subsidiary of Sun Healthcare Group, Inc. ("Sun") and commenced operations on November 15, 2010 following Sabra's separation from Sun. Sabra elected to be treated as a real estate investment trust ("REIT") with the filing of its United States ("U.S.") federal income tax return for the taxable year beginning January 1, 2011. Sabra believes that it has been organized and operated, and it intends to continue to operate, in a manner to qualify as a REIT. Sabra's primary business consists of acquiring, financing and owning real estate property to be leased to third-party tenants in the healthcare sector. Sabra primarily generates revenues by leasing properties to tenants throughout the U.S. and Canada. Sabra owns substantially all of its assets and properties and conducts its operations through Sabra Health Care Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), of which Sabra is the sole general partner and a wholly owned subsidiary of Sabra is currently the only limited partner, or by subsidiaries of the Operating Partnership. The Company's investment portfolio is primarily comprised of skilled nursing/transitional care facilities, senior housing communities ("Senior Housing - Leased"), behavioral health facilities and specialty hospitals and other facilities, in each case leased to tenants who are responsible for the operations of these facilities; senior housing communities operated by third-party property managers pursuant to property management agreements ("Senior Housing - Managed"); investments in joint ventures; investments in loans receivable; and preferred equity investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the accounts of Sabra and its wholly owned subsidiaries as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and for the three and nine month periods ended September 30, 2023 March 31, 2024 and 2022. 2023. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification and the rules and regulations of the SEC, including the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the unaudited consolidated financial statements do not include all of the information and footnotes required by GAAP for financial statements. In the opinion of management, the financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair statement of the results for such periods. Operating results for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 December 31, 2024. For further information, refer to the Company's consolidated financial statements and notes thereto for the year ended December 31, 2022 December 31, 2023 included in the Company's 2023 Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC.

GAAP requires the Company to identify entities for which control is achieved through voting rights or other means and to determine which business enterprise is the primary beneficiary of variable interest entities ("VIEs"). A VIE is broadly defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity's activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. If the Company were determined to be the primary beneficiary of the VIE, the Company would consolidate investments in the VIE. The Company may change its original assessment of a VIE due to events such as modifications of contractual arrangements that affect the characteristics or adequacy of the entity's equity investments at risk and the disposal of all or a portion of an interest held by the primary beneficiary.

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The Company identifies the primary beneficiary of a VIE as the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impact the entity's economic performance; and (ii) the obligation to absorb losses or

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the right to receive benefits of the VIE that could be significant to the entity. The Company performs this analysis on an ongoing basis. As of September 30, 2023 March 31, 2024, the Company determined that it was not the primary beneficiary of any VIEs.

As it relates to investments in loans, in addition to the Company's assessment of VIEs and whether the Company is the primary beneficiary of those VIEs, the Company evaluates the loan terms and other pertinent facts to determine whether the loan investment should be accounted for as a loan or as a real estate joint venture. If an investment has the characteristics of a real estate joint venture, including if the Company participates in the majority of the borrower's expected residual profit, the Company would account for the investment as an investment in a real estate joint venture and not as a loan investment. Expected residual profit is defined as the amount of profit, whether called interest or another name, such as an equity kicker, above a reasonable amount of interest and fees expected to be earned by a lender. At September 30, 2023 March 31, 2024, none of the Company's investments in loans were accounted for as real estate joint ventures.

As it relates to investments in joint ventures, the Company assesses any partners' rights and their impact on the presumption of control of the partnership by any single partner. The Company also applies this guidance to managing member interests in limited liability companies. The Company reassesses its determination of which entity controls the joint venture if: there is a change to the terms or in the exercisability of the rights of any partners or members, the general partner or managing member increases or decreases its ownership interests, or there is an increase or decrease in the number of outstanding ownership interests. As of September 30, 2023 March 31, 2024, the Company's determination of which entity controls its investments in joint ventures has not changed as a result of any reassessment.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Casualty Gains Recently Issued Accounting Standards Updates

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). ASU 2020-04 provides temporary optional guidance that provides transition relief for reference rate reform, including optional expedients and Losses

Income resulting from insurance recoveries of property damage exceptions for applying GAAP to contract modifications, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or business interruption losses a reference rate that is recognized when proceeds are received or contingencies related expected to the insurance recoveries are resolved.

A vacant facility owned by the Company suffered damages be discontinued as a result of vandalism reference rate reform if certain criteria are met. ASU 2020-04 is effective upon issuance, and theft. the provisions generally can be applied prospectively as of January 1, 2020 through December 31, 2024. The Company received $6.0 million of net insurance proceeds and recorded a $3.7 million gain has elected to apply the hedge accounting expedients related to probability and the property damage during assessments of effectiveness for future Canadian Dollar Offered Rate ("CDOR")-indexed cash flows to assume that the three and nine months ended September 30, 2023 index upon which is included in other income (expense) future hedged transactions will be based matches the index on the accompanying consolidated statements corresponding derivatives. For all derivatives in hedge accounting relationships, the Company will utilize the effective relief in Topic 848 that allows for the continuation of (loss) income.

A fire occurred at one hedge accounting throughout the transition process. Application of these expedients preserves the presentation of derivatives consistent with past presentation. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, which refines the scope of Topic 848 and clarifies some of its guidance. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Company's Senior Housing - Managed communities. Sunset Date of Topic 848, which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. The Company received $1.1 million does not expect the adoption of insurance proceeds ASUs 2020-04, 2021-01 and recorded $0.5 million 2022-06 to have a material impact on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 is intended to improve reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses, as well as disclosure of business interruption insurance the title and position of the chief operating decision maker ("CODM") and how the CODM uses the reported measure(s) of segment profit or loss in assessing performance. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements when adopted.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 is intended to improve income during tax disclosures, primarily through enhanced rate reconciliation disclosures, including specified categories, and enhanced income taxes paid disclosures, including disaggregation by federal, state and foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the three and nine months ended September 30, 2023 which is included in other income (expense) impact this guidance will have on the accompanying its consolidated financial statements of (loss) income. The remaining proceeds were recorded as expense reimbursements in Senior Housing - Managed portfolio operating expenses on the accompanying consolidated statements of (loss) income. when adopted.

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3. RECENT REAL ESTATE ACQUISITIONS (CONSOLIDATED)

No acquisitions were completed during the three months ended March 31, 2024. During the nine three months ended September 30, 2023 March 31, 2023, the Company acquired one Senior Housing - Leased community and one Senior Housing - Managed community. During the nine months ended September 30, 2022, the Company acquired three Senior Housing - Managed communities. The Senior Housing - Managed community acquired during the nine months ended September 30, 2023 and two of the Senior Housing - Managed communities acquired during the nine months ended September 30, 2022 were that was part of the Company's proprietary development pipeline and were was previously reflected as a preferred equity investments investment which had a book value of $4.6 million and $14.3 million, respectively, at the time of acquisition. The consideration was allocated as follows (in thousands):

	Nine Months Ended September 30,	
	2023	2022
Land	$ 3,415	$ 10,292
Building and improvements	45,333	83,118
Tenant origination and absorption costs intangible assets	2,706	4,887
Tenant relationship intangible assets	20	—
Total consideration	$ 51,474	$ 98,297

	Three Months Ended March 31, 2023
Land	$ 3,415
Building and improvements	45,333
Tenant origination and absorption costs intangible assets	2,706
Tenant relationship intangible assets	20
Total consideration	$ 51,474

The tenant origination and absorption costs intangible assets and tenant relationship intangible assets had weighted average amortization periods as of the respective dates of acquisition of one year and 22 years, respectively, for the acquisitions completed during the nine three months ended September 30, 2023. The tenant origination and absorption costs intangible assets had an amortization period as of the date of acquisition of one year for the acquisitions completed during the nine months ended September 30, 2022 March 31, 2023.

For the three and nine months ended September 30, 2023 March 31, 2023, the Company recognized $2.6 million and $6.8 $1.7 million of total revenues respectively, and $46,000 $0.2 million of net loss and less than $1,000 of net income respectively, from the facilities acquired during the nine months ended September 30, 2023. For the three and nine months ended September 30, 2022, the Company recognized $3.9 million and $6.0 million of total revenues, respectively, and $0.3 million and $0.9 million of net loss, respectively, from the facilities acquired during the nine months ended September 30, 2022.

During the three months ended June 30, 2023, the Company, in accordance with the terms of the agreements pursuant to which it purchased the facilities, paid $17.9 million in additional consideration related to two Senior Housing - Managed communities that achieved certain performance metrics. This amount is included in real estate investments, net of accumulated depreciation on the accompanying consolidated balance sheets. March 31, 2023.

4. INVESTMENT IN REAL ESTATE PROPERTIES

The Company's real estate properties held for investment consisted of the following (dollars in thousands):

As of September 30, 2023 March 31, 2024

Property Type	Property Type	Number of Properties	Number of Beds/Units	Total Real Estate at Cost	Accumulated Depreciation	Total Real Estate Investments, Net	Property Type	Number of Properties	Number of Beds/Units	Total Real Estate at Cost	Accumulated Depreciation	Total Real Estate Investments, Net
Skilled Nursing/Transitional Care	Skilled Nursing/Transitional Care	240	26,623	$3,035,231	$ (530,290)	$2,504,941						
Senior Housing - Leased	Senior Housing - Leased	43	3,473	572,633	(106,063)	466,570						
Senior Housing - Managed	Senior Housing - Managed	61	6,041	1,278,352	(250,772)	1,027,580						
Behavioral Health	Behavioral Health	18	1,077	492,236	(68,654)	423,582						
Specialty Hospitals and Other	Specialty Hospitals and Other	15	392	225,443	(46,100)	179,343						
		377	37,606	5,603,895	(1,001,879)	4,602,016						
		374										
Corporate Level	Corporate Level			1,603	(605)	998						
				$5,605,498	$(1,002,484)	$4,603,014						
				$								

As of December 31, 2023

Property Type	Number of Properties	Number of Beds/Units	Total Real Estate at Cost	Accumulated Depreciation	Total Real Estate Investments, Net
Skilled Nursing/Transitional Care	241	26,769	$ 3,050,861	$ (535,653)	$ 2,515,208
Senior Housing - Leased	43	3,473	573,274	(109,601)	463,673
Senior Housing - Managed	61	6,041	1,289,485	(255,803)	1,033,682
Behavioral Health	18	1,159	496,737	(71,943)	424,794
Specialty Hospitals and Other	15	392	225,443	(47,454)	177,989
	378	37,834	5,635,800	(1,020,454)	4,615,346

Corporate Level			2,547	(632)	1,915
			$ 5,638,347	$ (1,021,086)	$ 4,617,261

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As of December 31, 2022

	March 31, 2024	December 31, 2023
Building and improvements	$ 4,843,475	$ 4,843,258
Furniture and equipment	239,086	238,185
Land improvements	10,253	10,306
Land	543,909	546,598
Total real estate at cost	5,636,723	5,638,347
Accumulated depreciation	(1,059,405)	(1,021,086)
Total real estate investments, net	$ 4,577,318	$ 4,617,261

Property Type	Number of Properties	Number of Beds/Units	Total Real Estate at Cost	Accumulated Depreciation	Total Real Estate Investments, Net
Skilled Nursing/Transitional Care	264	29,136	$ 3,385,221	$ (492,495)	$ 2,892,726
Senior Housing - Leased	47	3,550	590,694	(97,716)	492,978
Senior Housing - Managed	59	5,942	1,205,283	(222,089)	983,194
Behavioral Health	17	965	465,143	(58,481)	406,662
Specialty Hospitals and Other	15	392	225,443	(42,038)	183,405
	402	39,985	5,871,784	(912,819)	4,958,965
Corporate Level			904	(526)	378
			$ 5,872,688	$ (913,345)	$ 4,959,343

	September 30, 2023	December 31, 2022
Building and improvements	$ 4,815,199	$ 5,034,470
Furniture and equipment	234,882	262,644
Land improvements	10,241	7,085
Land	545,176	568,489
Total real estate at cost	5,605,498	5,872,688
Accumulated depreciation	(1,002,484)	(913,345)
Total real estate investments, net	$ 4,603,014	$ 4,959,343

Operating Leases Capital and Other Expenditures

As of September 30, 2023 March 31, 2024, the substantial majority of the Company's real estate properties (excluding 61 Senior Housing - Managed communities) were aggregate commitment for future capital and other expenditures associated with facilities leased under triple-net operating leases with expirations ranging from less than one year to 19 years. As of September 30, 2023, the leases had a weighted average remaining term of eight years. The leases generally include provisions to extend the lease terms and other negotiated terms and conditions. The Company, through its subsidiaries, retains substantially all of the risks and benefits of ownership of the real estate assets leased to the tenants. The Company may receive additional security under these operating leases in the form of letters of credit and security deposits from the lessee or guarantees from the parent of the lessee. Security deposits received in cash related to tenant leases was approximately $21 million. These commitments are included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets and totaled $17.0 million and $13.0 million as of September 30, 2023 and December 31, 2022, respectively, and letters of credit deposited with the Company totaled approximately $57 million as of each of September 30, 2023 and December 31, 2022. In addition, the Company's tenants have deposited with the Company $11.6 million and $13.3 million as of September 30, 2023 and December 31, 2022, respectively, principally for future real estate taxes, insurance expenditures and tenant improvements related to the Company's properties and their operations, and these amounts are included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets.

Lessor costs that are paid by the lessor and reimbursed by the lessee are included in the measurement of variable lease revenue and the associated expense. As a result, the Company recognized variable lease revenue and the associated expense of $3.8 million and $11.4 million during the three and nine months ended September 30, 2023, respectively, and $4.3 million and $13.7 million during the three and nine months ended September 30, 2022, respectively.

The Company monitors the creditworthiness of its tenants by evaluating the ability of the tenants to meet their lease obligations to the Company based on the tenants' financial performance, including, as applicable and appropriate, the evaluation of any parent guarantees (or the guarantees of other related parties) of such lease obligations. The primary basis for the Company's evaluation of the credit quality of its tenants (and more specifically the tenant's ability to pay their rent obligations to the Company) is the tenant's lease coverage ratio as supplemented by the parent's fixed charge coverage ratio for those entities with a parent guarantee. These coverage ratios include earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") to rent and earnings before interest, taxes, depreciation, amortization, rent and management fees ("EBITDARM") to rent at the lease level and consolidated EBITDAR to total fixed charges at the parent guarantor level when such a guarantee exists. The Company obtains various financial and operational information from the majority of its tenants each month and reviews this information in conjunction with the above-described coverage metrics to identify financial and operational trends, evaluate the impact of the industry's operational and financial environment (including the impact of

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government reimbursement), and evaluate the management of the tenant's operations. These metrics help the Company identify potential areas of concern relative to its tenants' credit quality and ultimately the tenant's ability to generate sufficient liquidity to meet its obligations, including its obligation to continue to pay the rent due to the Company.

During the third quarter of 2022, the Company concluded that its leases with North American Health Care, Inc. should no longer be accounted for on an accrual basis and wrote off $15.6 million of straight-line rent receivable balances related to these leases. The facilities were transitioned to the Ensign Group or Avamere, as applicable, effective February 1, 2023.

For the three and nine months ended September 30, 2023, no tenant relationship represented 10% or more of the Company's total revenues.

As of September 30, 2023, the future minimum rental payments from the Company's properties held for investment under non-cancelable operating leases were as follows and may materially differ from actual future rental payments received (in thousands):

October 1 through December 31, 2023	$	91,919
2024		371,661
2025		366,190
2026		350,583
2027		327,530
Thereafter		1,508,364
	$	3,016,247

facilities.

Senior Housing - Managed Communities

The Company's Senior Housing - Managed communities offer residents certain ancillary services that are not contemplated in the lease with each resident (i.e., housekeeping, laundry, guest meals, etc.). These services are provided and paid for in addition to the standard services included in each resident lease (i.e., room and board, standard meals, etc.). The Company bills residents for ancillary services one month in arrears and recognizes revenue as the services are provided, as the Company has no continuing performance obligation related to those services. Resident fees and services include ancillary service revenue of $0.4 million $0.7 million and $1.4 $0.5 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $0.4 2023, respectively.

The Company received $1.3 million of insurance proceeds related to a fire that occurred at one of the Company's Senior Housing - Managed communities, and $1.0 recorded $0.9 million for of business interruption insurance income during the three and nine months ended September 30, 2022, respectively.

Capital and Other Expenditures

As March 31, 2024 which is included in other income on the accompanying consolidated statements of September 30, 2023, income (loss). The remaining proceeds were recorded as expense reimbursements in Senior Housing - Managed portfolio operating expenses on the Company's aggregate commitment for future capital and other expenditures associated with facilities leased under triple-net operating leases was approximately $44 million. These commitments are principally for improvements to its facilities. accompanying consolidated statements of income (loss).

Investment in Unconsolidated Joint Ventures

The following is a summary of the Company's investment in unconsolidated joint ventures (dollars in thousands):

		Property Type	Number of Properties as of September 30, 2023 / Number of Properties as of March 31, 2024	Ownership as of September 30, 2023 (1) / Ownership as of March 31, 2024 (1)	Book Value: September 30, 2023 / March 31, 2024	Book Value: December 31, 2022 / December 31, 2023
Sienna Joint Venture	Sienna Joint Venture	Senior Housing - Managed	12	50 %	$118,150	$120,269
Marlin Spring Joint Venture	Marlin Spring Joint Venture	Senior Housing - Managed	4	85 %	17,605	14,693
					$135,755	$134,962

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(1) These investments are not consolidated because the Company does not control, through voting rights or other means, the joint ventures.

During the nine months ended September 30, 2023

5. ASSETS HELD FOR SALE, IMPAIRMENT OF REAL ESTATE AND DISPOSITIONS

Assets Held for Sale

As of March 31, 2024, the Company's joint venture Company determined that four skilled nursing/transitional care facilities with Marlin Spring (the "Marlin Spring Joint Venture") an aggregate net book value of $4.4 million met the criteria to be classified as assets held for sale, and this balance is included in accounts receivable, prepaid expenses and other assets, net on the consolidated balance sheets. Subsequent to March 31, 2024, the Company completed the acquisition sale of one additional senior housing community that is being managed by a third-party property manager. The gross investment in the additional acquisition was CAD $30.0 million, excluding acquisition costs. In addition, the Marlin Spring Joint Venture assumed and financed three of these facilities for an aggregate CAD $23.6 million gross sales price of debt associated with the additional acquisition. The Company's equity investment in the additional acquisition was CAD $6.1 $6.2 million.

During the fourth quarter of 2022, due to the confluence of labor shortages, increased labor costs, elevated interest rates and a slower than anticipated recovery in the operating performance of the underlying facilities, the Company concluded that

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the estimated fair value of its investment in its joint venture with affiliates of TPG Real Estate, the real estate platform of TPG (the "Enlivant Joint Venture") had declined to zero based on updated future cash flow analyses. This decline was deemed to be other-than-temporary, and the Company recorded an impairment charge totaling $57.8 million during the three months ended December 31, 2022.

Effective January 1, 2023, the Company discontinued applying the equity method of accounting to the Enlivant Joint Venture, in which it had a 49% equity interest. Effective May 1, 2023, the Company withdrew and resigned its membership in the Enlivant Joint Venture and accordingly, no longer has an equity interest in the Enlivant Joint Venture as of such date.

During the nine months ended September 30, 2022, the Enlivant Joint Venture was a significant equity method investee of the Company. The following table presents summarized financial information for the Enlivant Joint Venture and, except for basis adjustments and loss from unconsolidated joint venture, reflects the historical cost basis of the assets which pre-dated the Company's investment in the Enlivant Joint Venture (in thousands):

	Nine Months Ended September 30, 2022	
Total revenues	$	237,144
Operating expenses		215,293
Net loss		(7,177)
Company's share of net loss	$	(3,525)
Basis adjustments		5,755
Loss from unconsolidated joint venture	$	(9,280)

Certain amounts in the financial information for the Enlivant Joint Venture have been reclassified to conform to Sabra's presentation. The Company's share of net loss in the Enlivant Joint Venture reflects its 49% equity interest and excludes certain equity-like compensation expense and the related income tax impact as such expense is not the responsibility of the Company under the terms of the joint venture agreement.

Net Investment in Sales-Type Lease

As of December 31, 2022, the Company had a $25.5 million net investment in one skilled nursing/transitional care facility leased to a tenant under a sales-type lease, as the tenant is obligated to purchase the property at the end of the lease term. During the three months ended March 31, 2023, the tenant purchased the skilled nursing/transitional care facility for net proceeds of $25.5 million as obligated under the terms of the lease.

5. IMPAIRMENT OF REAL ESTATE AND DISPOSITIONS

Impairment of Real Estate

During the nine three months ended September 30, 2023, March 31, 2024 and 2023, the Company recognized $7.1 million of real estate impairment of $3.1 million related to three skilled nursing/transitional care facilities that are held for sale and $7.1 million related to one skilled nursing/transitional care facility that has sold.

During the nine months ended September 30, 2022, the Company recognized $72.6 million of real estate impairment related to ten skilled nursing/transitional care facilities that have sold. sold, respectively.

To estimate the fair value of the impaired facilities, the Company utilized a market approach which considered binding sale agreements, non-binding offers from unrelated third parties or model-derived valuations with significant unobservable inputs (Level 3 measurements), as applicable.

The Company continues to evaluate additional assets for sale as part of its initiative to recycle capital and further improve its portfolio quality. This could lead to a shorter hold period and could result in the determination that the full amount of the Company's investment is not recoverable, resulting in an impairment charge or loss on sale which could be material.

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Dispositions

No dispositions were completed during the three months ended March 31, 2024. The following table summarizes the Company's dispositions for the periods period presented (dollars in millions):

	Nine Months Ended September 30,	
	2023	2022
Number of facilities	27	11
Consideration, net of closing costs	$ 256.2	$ 62.8
Net carrying value	332.1	67.4
Net loss on sale	$ (75.9)	$ (4.6)
Net loss (1)	$ (80.3)	$ (63.1)

	Three Months Ended March 31, 2023
Number of facilities	8
Consideration, net of closing costs	$ 160.3
Net carrying value	181.8
Net loss on sale	$ (21.5)

(1) In addition to The Company recognized net loss of $22.1 million during the three months ended March 31, 2023, which includes net loss on sale net loss includes impairment of real estate of $7.1 million and $65.8 million for the nine months ended September 30, 2023 and 2022, respectively.from these facilities.

The sale of the disposition facilities does not represent a strategic shift that has or will have a major effect on the Company's operations and financial results, and therefore the results of operations attributable to these facilities have remained in continuing operations.

6. OPERATING LEASES

Lessor Accounting

As of March 31, 2024, the substantial majority of the Company's real estate properties (excluding 66 Senior Housing - Managed communities) were leased under triple-net operating leases with expirations ranging from less than one year to 20 years. As of March 31, 2024, the leases had a weighted average remaining term of seven years. The leases generally include provisions to extend the lease terms and other negotiated terms and conditions. The Company, through its subsidiaries, retains substantially all of the risks and benefits of ownership of the real estate assets leased to the tenants. The Company may receive additional security under these operating leases in the form of letters of credit and security deposits from the lessee or guarantees from the parent of the lessee. Security deposits received in cash related to tenant leases are included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets and totaled $8.0 million and $16.4 million as of March 31, 2024 and December 31, 2023, respectively, and letters of credit deposited with the Company totaled approximately $64 million and $56 million as of March 31, 2024 and December 31, 2023, respectively. In addition, the Company's tenants have deposited with the Company $12.0 million and $12.4 million as of March 31, 2024 and December 31, 2023, respectively, for future real estate taxes, insurance expenditures and tenant improvements related to the Company's properties and their operations, and these amounts are included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets.

Lessor costs that are paid by the lessor and reimbursed by the lessee are included in the measurement of variable lease revenue and the associated expense. As a result, the Company recognized variable lease revenue and the associated expense of $3.3 million and $3.8 million during the three months ended March 31, 2024 and 2023, respectively.

The Company monitors the creditworthiness of its tenants by evaluating the ability of the tenants to meet their lease obligations to the Company based on the tenants' financial performance, including, as applicable and appropriate, the evaluation of any parent guarantees (or the guarantees of other related parties) of such lease obligations. The primary basis for

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the Company's evaluation of the credit quality of its tenants (and more specifically the tenant's ability to pay their rent obligations to the Company) is the tenant's lease coverage ratio as supplemented by the parent's fixed charge coverage ratio for those entities with a parent guarantee. These coverage ratios include earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") to rent and earnings before interest, taxes, depreciation, amortization, rent and management fees ("EBITDARM") to rent at the lease level and consolidated EBITDAR to total fixed charges at the parent guarantor level when such a guarantee exists. The Company obtains various financial and operational information from the majority of its tenants each month and reviews this information in conjunction with the above-described coverage metrics to identify financial and operational trends, evaluate the impact of the industry's operational and financial environment (including the impact of government reimbursement), and evaluate the management of the tenant's operations. These metrics help the Company identify potential areas of concern relative to its tenants' credit quality and ultimately the tenant's ability to generate sufficient liquidity to meet its obligations, including its obligation to continue to pay the rent due to the Company.

For the three months ended March 31, 2024, no tenant relationship represented 10% or more of the Company's total revenues.

As of March 31, 2024, the future minimum rental payments from the Company's properties held for investment under non-cancelable operating leases were as follows and may materially differ from actual future rental payments received (in thousands):

April 1 through December 31, 2024	$	278,698
2025		367,860
2026		351,473
2027		329,118
2028		305,441
Thereafter		1,300,476
	$	2,933,066

Lessee Accounting

For operating leases greater than 12 months for which the Company is the lessee, such as corporate office leases and ground leases, the Company recognizes a right-of-use ("ROU") asset and related lease liability on its consolidated balance sheets at inception of the lease. ROU assets represent the Company's right to use underlying assets for the lease term, and lease liabilities are determined based on the estimated present value of the Company's minimum lease payments under the agreements. The discount rate used to determine the lease liabilities is based on the estimated incremental borrowing rate on a lease-by-lease basis. Certain of the Company's lease agreements have options to extend or terminate the contract terms upon meeting certain criteria. The lease term utilized in the calculation of the lease liability includes these options if exercise is considered reasonably certain. As of March 31, 2024 and December 31, 2023, the Company had $11.4 million and $11.6 million of ROU assets included in accounts receivable, prepaid expenses and other assets, net, and $12.4 million and $12.5 million of lease liabilities included in accounts payable and accrued liabilities, respectively, on its consolidated balance sheets.

During the three months ended March 31, 2024 and 2023, the Company incurred lease expense of $0.4 million and $0.3 million, respectively. As of March 31, 2024, the weighted average remaining lease term and discount rate were 17 years and 8%, respectively, and the future minimum lease payments under the operating leases included in the Company's lease liability were as follows (in thousands):

April 1 through December 31, 2024	$	996
2025		1,802
2026		1,324
2027		1,347
2028		1,330
Thereafter		18,104
Undiscounted minimum lease payments included in the lease liability		24,903
Less: imputed interest		(12,480)
Present value of lease liability	$	12,423

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7. LOANS RECEIVABLE AND OTHER INVESTMENTS

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's loans receivable and other investments consisted of the following (dollars in thousands):

	As of September 30, 2023
	As of March 31, 2024
Investment	
Investment	

Investment	Investment	Quantity as of September 30, 2023	Property Type	Principal Balance as of September 30, 2023 (1)	Book Value as of September 30, 2023	Book Value as of December 31, 2022	Weighted Average Contractual Interest Rate / Rate of Return	Weighted Average Annualized Effective Interest Rate / Rate of Return	Maturity Date as of September 30, 2023	Quantity as of March 31, 2024		Property Type	Principal Balance as of March 31, 2024 (1)	Book Value as of March 31, 2024	Book Value as of December 31, 20
Loans Receivable:	**Loans Receivable:**														
Mortgage															
Mortgage															
Mortgage	Mortgage	2	Behavioral Health	$319,000	$319,000	$319,000	7.6 %	7.6 %	11/01/26 - 01/31/27	2	Behavioral Health	Behavioral Health	$ 319,000	$ $ 319,000	$ $
Other	Other	10	Multiple	52,133	48,703	47,936	7.5 %	7.0 %	08/31/23 - 05/01/29						
		12		371,133	367,703	366,936	7.6 %	7.6 %							
Other															
Other										12		Multiple	53,620	50,181	
		14													
Allowance for loan losses	Allowance for loan losses			—	(6,677)	(6,611)									
				$371,133	$361,026	$360,325									
Allowance for loan losses															
Allowance for loan losses															
				$											
				$											
				$											
Other Investments:															
Other Investments:															
Other Investments:	**Other Investments:**														
Preferred Equity	Preferred Equity	5	Skilled Nursing / Senior Housing	56,760	56,921	51,071	11.0 %	11.0 %	N/A						
Preferred Equity															
Preferred Equity										5		Skilled Nursing / Senior Housing	59,632	59,819	
Total	Total	17		$427,893	$417,947	$411,396	8.1 %	8.0 %							

(1) Principal balance includes amounts funded and accrued but unpaid interest / preferred return and excludes capitalizable fees.

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March 31, 2024, the Company has committed to provide up to $1.8 million of future funding related to one preferred equity investment and one loan receivable investment.

Additional information regarding the Company's loans receivable is as follows (dollars in thousands):

		Nine Months Ended September 30,			
		2023	2022		
		Three Months Ended March 31,		Three Months Ended March 31,	
		2024		2024	2023
Allowance for loan losses:	Allowance for loan losses:				
Balance at beginning of the period	Balance at beginning of the period	$ 6,611	$ 6,344		
Provision for loan losses		549	83		
Write-off of uncollectible balances		(483)	—		
Balance at beginning of the period					
Balance at beginning of the period					
Recovery of loan losses					
Balance at end of the period					
Balance at end of the period					
Balance at end of the period	Balance at end of the period	$ 6,677	$ 6,427		

		September 30, 2023	December 31, 2022	
		March 31, 2024		
		March 31, 2024		
		March 31, 2024		December 31, 2023
Deteriorated credit quality:	Deteriorated credit quality:			
Number of loans receivable investments				
Number of loans receivable investments				
Number of loans receivable investments	Number of loans receivable investments	1	1	
Principal balance	Principal balance	$ 1,214	$ 1,214	
Book value	Book value	—	—	
Nonaccrual status:	Nonaccrual status:			
Number of loans receivable investments	Number of loans receivable investments	3	3	

Number of loans receivable investments		
Number of loans receivable investments		
Book value	Book value	$ — $ —

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company did not consider any preferred equity investments to be impaired, and no preferred equity investments were on nonaccrual status.

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8. DEBT

Secured Indebtedness

The Company's secured debt consists of the following (dollars in thousands):

		As of September 30, 2023						Principal Balance as of				
Interest Rate Type	Interest Rate Type	Principal Balance as of September 30, 2023 (1)	Principal Balance as of December 31, 2022 (1)	Weighted Average Interest Rate	Weighted Average Effective Interest Rate (2)	Maturity Date	Interest Rate Type	March 31, 2024 (1)	December 31, 2023 (1)	Weighted Average Interest Rate	Weighted Average Effective Interest Rate (2)	Maturity Date
Fixed Rate	Fixed Rate	$48,643	$50,123	2.85 %	3.34 %	May 2031 - August 2051	Fixed Rate	$ 47,640	$ $ 48,143	2.85 2.85 %	3.35 %	May 2031 - August 2051

(1) Principal balance does not include deferred financing costs, net of $0.9 million $0.8 million as of each of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(2) Weighted average effective interest rate includes private mortgage insurance.

Senior Unsecured Notes

The Company's senior unsecured notes consist of the following (dollars in thousands):

			Principal Balance as of				Principal Balance as of	
Title	Title	Maturity Date	September 30, 2023 (1)	December 31, 2022 (1)	Title	Maturity Date	March 31, 2024 (1)	December 31, 2023 (1)
5.125% senior unsecured notes due 2026 ("2026 Notes")	5.125% senior unsecured notes due 2026 ("2026 Notes")	August 15, 2026	$ 500,000	$ 500,000				
5.88% senior unsecured notes due 2027 ("2027 Notes")	5.88% senior unsecured notes due 2027 ("2027 Notes")	May 17, 2027	100,000	100,000				

3.90% senior unsecured notes due 2029 (“2029 Notes”)	3.90% senior unsecured notes due 2029 (“2029 Notes”)	October 15, 2029	350,000	350,000
3.20% senior unsecured notes due 2031 (“2031 Notes”)	3.20% senior unsecured notes due 2031 (“2031 Notes”)	December 1, 2031	800,000	800,000
			$1,750,000	$1,750,000
			$	

(1) Principal balance does not include discount, net of $4.1 million $4.4 million and deferred financing costs, net of $10.9 million $10.1 million as of September 30, 2023 March 31, 2024 and does not include discount, net of $3.5 million $4.3 million and deferred financing costs, net of $12.0 million $10.5 million as of December 31, 2022 December 31, 2023. In addition, the weighted average effective interest rate as of September 30, 2023 March 31, 2024 was 4.01%.

The 2026 Notes and the 2027 Notes were assumed as a result of the Company’s merger with Care Capital Properties, Inc. in 2017 and accrue interest at a rate of 5.125% and 5.88%, respectively, per annum. Interest is payable semiannually on February 15 and August 15 of each year for the 2026 Notes and on May 17 and November 17 of each year for the 2027 Notes.

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The 2029 Notes were issued by the Operating Partnership and, until redemption of the Company’s previously outstanding 5.375% senior notes due 2023 in October 2019, Sabra Capital Corporation, wholly owned subsidiaries of the Company, and accrue interest at a rate of 3.90% per annum. Interest is payable semiannually on April 15 and October 15 of each year.

The 2031 Notes were issued by the Operating Partnership, a wholly owned subsidiary of the Company, and accrue interest at a rate of 3.20% per annum. Interest is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2022.

The obligations under the 2027 Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by Sabra and one of its non-operating subsidiaries, subject to release under certain customary circumstances. The obligations under the 2026 Notes, 2029 Notes and 2031 Notes are fully and unconditionally guaranteed, on an unsecured basis, by Sabra; provided, however, that such guarantee is subject to release under certain customary circumstances.

The indentures and agreements (the “Senior Notes Indentures”) governing the 2026 Notes, 2027 Notes, 2029 Notes and 2031 Notes (collectively, the “Senior Notes”) include customary events of default and require the Company to comply with specified restrictive covenants. As of September 30, 2023 March 31, 2024, the Company was in compliance with all applicable financial covenants under the Senior Notes Indentures.

Credit Agreement

On September 9, 2019 January 4, 2023, the Operating Partnership and Sabra Canadian Holdings, LLC (together, the “Borrowers”), Sabra and the other parties thereto entered into a fifth amended and restated unsecured credit agreement (the “Prior Credit Agreement”).

The Prior Credit Agreement included a $1.0 billion revolving credit facility (the “Prior Revolving Credit Facility”), a $436.3 million U.S. dollar term loan and a CAD $125.0 million Canadian dollar term loan (collectively, the “Prior Term Loans”). Further, up to $175.0 million of the Prior Revolving Credit Facility could be used for borrowings in certain foreign currencies. The Prior Credit Agreement also contained an accordion feature that allowed for an increase in the total available borrowings to $2.75 billion, subject to terms and conditions.

During the three and nine months ended September 30, 2022, the Company recognized $0.1 million and $0.4 million, respectively, of loss on extinguishment of debt related to write-offs of deferred financing costs in connection with the partial pay downs of the U.S. dollar Prior Term Loan.

Borrowings under the Prior Revolving Credit Facility bore interest on the outstanding principal amount at a rate equal to a ratings-based applicable interest margin plus, Canadian Dollar Offered Rate (“CDOR”) for Canadian dollar borrowings, or at the Operating Partnership’s option for U.S. dollar borrowings, either (a) LIBOR or (b) a base rate determined as the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate, and (iii) one-month LIBOR plus 1.0% (the “Prior Base Rate”). The ratings-based applicable interest margin for borrowings varied based on the Debt Ratings, as defined in the Prior Credit Agreement, and ranged from 0.775% to 1.45% per annum for CDOR or LIBOR based borrowings and 0.00% to 0.45% per annum for borrowings at the Prior Base Rate. In addition, the Operating Partnership paid a facility fee ranging between 0.125% and 0.300% per annum based on the aggregate amount of commitments under the Prior Revolving Credit Facility regardless of amounts outstanding thereunder.

The U.S. dollar Prior Term Loan bore interest on the outstanding principal amount at a rate equal to a ratings-based applicable interest margin plus, at the Operating Partnership’s option, either (a) LIBOR or (b) the Prior Base Rate. The ratings-based applicable interest margin for borrowings varied based on the Debt Ratings and ranged from 0.85% to 1.65% per annum for LIBOR based borrowings and 0.00% to 0.65% per annum for borrowings at the Prior Base Rate. The Canadian dollar Prior Term Loan bore interest on the outstanding principal amount at a rate equal to CDOR plus an interest margin that ranged from 0.85% to 1.65% depending on the Debt Ratings.

On January 4, 2023, the Borrowers, and the other parties thereto entered into a sixth amended and restated unsecured credit agreement (the “Credit Agreement”). During the nine three months ended September 30, 2023 March 31, 2023, the Company recorded $18.1 million of deferred financing costs related to the Credit Agreement and recognized $1.5

million of loss on extinguishment of debt related to write-offs of deferred financing costs in connection with amending and restating the Prior Credit Agreement. No loss on extinguishment of debt was recognized during the three months ended September 30, 2023. unsecured credit agreement.

The Credit Agreement includes a $1.0 billion revolving credit facility (the "Revolving Credit Facility"), a $430.0 million U.S. dollar term loan and a CAD $150.0 million Canadian dollar term loan (collectively, the "Term Loans"). Further, up to $350.0

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$350.0 million of the Revolving Credit Facility may be used for borrowings in certain foreign currencies. The Credit

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Agreement also contains an accordion feature that can increase the total available borrowings to $2.75 billion, subject to terms and conditions.

The Revolving Credit Facility has a maturity date of January 4, 2027, and includes two six-month extension options. The Term Loans have a maturity date of January 4, 2028.

As of September 30, 2023 March 31, 2024, there was $32.6 million (CAD $44.3 $146.1 million (including CAD $40.8 million) outstanding under the Revolving Credit Facility and $967.4 million $853.9 million available for borrowing.

Borrowings under the Revolving Credit Facility bear interest on the outstanding principal amount at a rate equal to a ratings-based applicable interest margin plus, CDOR for Canadian dollar borrowings, or at the Operating Partnership's option for U.S. dollar borrowings, either (a) Daily Simple SOFR, as defined in the Credit Agreement, or (b) a base rate determined as the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate, (iii) Term SOFR, as defined in the Credit Agreement, plus 1.0% (the "Base Rate"), and (iv) 1.00%. The ratings-based applicable interest margin for borrowings will vary based on the Debt Ratings, as defined in the Credit Agreement, and will range from 0.775% to 1.450% per annum for Daily Simple SOFR-based borrowings and 0.00% to 0.450% per annum for borrowings at the Base Rate. As of September 30, 2023 March 31, 2024, the weighted average interest rate on the Revolving Credit Facility was 6.49% 6.51%. In addition, the Operating Partnership pays a facility fee ranging between 0.125% and 0.300% per annum based on the aggregate amount of commitments under the Revolving Credit Facility regardless of amounts outstanding thereunder.

The U.S. dollar Term Loan bears interest on the outstanding principal amount at a ratings-based applicable interest margin plus, at the Operating Partnership's option, either (a) Term SOFR or (b) the Base Rate. The ratings-based applicable interest margin for borrowings will vary based on the Debt Ratings and will range from 0.850% to 1.650% per annum for Term SOFR-based borrowings and 0.00% to 0.650% per annum for borrowings at the Base Rate. As of September 30, 2023 March 31, 2024, the interest rate on the U.S. dollar Term Loan was 6.66% 6.69%. The Canadian dollar Term Loan bears interest on the outstanding principal amount at a rate equal CDOR plus an interest margin that will range from 0.850% to 1.650% depending on the Debt Ratings. As of September 30, 2023 March 31, 2024, the interest rate on the Canadian dollar Term Loan was 6.64% 6.54%.

The Company has interest rate swaps and interest rate collars that fix and set a cap and floor, respectively, for the SOFR portion of the interest rate for $430.0 million of SOFR-based borrowings under its U.S. dollar Term Loan at a weighted average rate of 2.69% and interest rate swaps that fix the CDOR portion of the interest rate for CAD $150.0 million of CDOR-based borrowings under its Canadian dollar Term Loan at a rate of 1.63%. As of September 30, 2023 March 31, 2024, the effective interest rate on the U.S. dollar and Canadian dollar Term Loans was 3.94% and 2.88%, respectively. In addition, the Canadian dollar Term Loan and the CAD $44.3 $40.8 million outstanding as of September 30, 2023 March 31, 2024 under the Revolving Credit Facility are designated as net investment hedges. See Note 8, 9, "Derivative and Hedging Instruments," for further information.

The obligations of the Borrowers under the Credit Agreement are guaranteed by the Company and certain of its subsidiaries.

The Credit Agreement contains customary covenants that include restrictions or limitations on the ability to pay dividends, incur additional indebtedness, engage in non-healthcare related business activities, enter into transactions with affiliates and sell or otherwise transfer certain assets as well as customary events of default. The Credit Agreement also requires Sabra, through the Operating Partnership, to comply with specified financial covenants, which include a maximum total leverage ratio, a maximum secured debt leverage ratio, a minimum fixed charge coverage ratio, a maximum unsecured leverage ratio, a minimum tangible net worth requirement and a minimum unsecured interest coverage ratio. As of September 30, 2023 March 31, 2024, the Company was in compliance with all applicable financial covenants under the Credit Agreement.

Interest Expense

The Company incurred interest expense of $28.2 million $28.4 million and $85.0 million $28.5 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $27.1 million and $77.6 million during the three and nine months ended September 30, 2022, 2023, respectively. Interest expense includes non-cash interest expense of $3.1 million and $9.2 million for the three and nine months ended September 30, 2023, respectively, and $2.8 3.0 million and $8.3 million for the three and nine months ended September 30, 2022, March 31, 2024 and 2023, respectively. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had $21.1 $21.3 million and $18.2 million $16.5 million, respectively, of accrued interest included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets.

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Maturities

The following is a schedule of maturities for the Company's outstanding debt as of September 30, 2023 March 31, 2024 (in thousands):

	Secured Indebtedness	Revolving Credit Facility (1)	Term Loans	Senior Notes	Total

		Secured Indebtedness	Revolving Credit Facility (1)	Term Loans	Senior Notes	Total
October 1 through December 31, 2023		$ 499	$ —	$ —	$ —	$ 499
2024		2,034	—	—	—	2,034
April 1 through December 31, 2024						
2025	2025	2,089	—	—	—	2,089
2026	2026	2,147	—	—	500,000	502,147
2027	2027	2,206	32,623	—	100,000	134,829
2028						
Thereafter	Thereafter	39,668	—	540,460	1,150,000	1,730,128
Total Debt	Total Debt	48,643	32,623	540,460	1,750,000	2,371,726
Discount, net	Discount, net	—	—	—	(4,075)	(4,075)
Deferred financing costs, net	Deferred financing costs, net	(854)	—	(6,449)	(10,870)	(18,173)
Total Debt, Net	Total Debt, Net	$ 47,789	$32,623	$534,011	$1,735,055	$2,349,478

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

8. 9. DERIVATIVE AND HEDGING INSTRUMENTS

The Company is exposed to various market risks, including the potential loss arising from adverse changes in interest rates and foreign exchange rates. The Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates and foreign exchange rates. The Company's derivative financial instruments are used to manage differences in the amount of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

Certain of the Company's foreign operations expose the Company to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value in the Company's functional currency, the U.S. dollar, of the Company's investment in foreign operations, the cash receipts and payments related to these foreign operations and payments of interest and principal under Canadian dollar denominated debt. The Company enters into derivative financial instruments to protect the value of its foreign investments and fix a portion of the interest payments for certain debt obligations. The Company does not enter into derivatives for speculative purposes.

Cash Flow Hedges

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and collars as part of its interest rate risk management strategy. As of September 30, 2023 March 31, 2024, approximately $9.6 million $8.6 million of gains, which are included in accumulated other comprehensive income, are expected to be reclassified into earnings in the next 12 months.

Net Investment Hedges

The Company is exposed to fluctuations in foreign exchange rates on investments it holds in Canada. The Company uses cross currency interest rate swaps to hedge its exposure to changes in foreign exchange rates on these foreign investments.

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The following presents the notional amount of derivative instruments as of the dates indicated (in thousands):

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
		March 31, 2024			
Derivatives designated as cash flow hedges:	Derivatives designated as cash flow hedges:				

Denominated in U.S. Dollars (1)

Denominated in U.S. Dollars (1)

Denominated in U.S. Dollars (1)	Denominated in U.S. Dollars (1)	$	753,750	$436,250
Denominated in Canadian Dollars (2)	Denominated in Canadian Dollars (2)	$	300,000	$125,000
Derivatives designated as net investment hedges:	Derivatives designated as net investment hedges:			
Denominated in Canadian Dollars	Denominated in Canadian Dollars	$	56,300	$ 55,991

Denominated in Canadian Dollars

Denominated in Canadian Dollars

Financial instruments designated as net investment hedges:	Financial instruments designated as net investment hedges:			

Denominated in Canadian Dollars

Denominated in Canadian Dollars

Denominated in Canadian Dollars	Denominated in Canadian Dollars	$	194,300	$329,500
Derivatives not designated as net investment hedges:	Derivatives not designated as net investment hedges:			
Denominated in Canadian Dollars	Denominated in Canadian Dollars	$	—	$ 309

Denominated in Canadian Dollars

Denominated in Canadian Dollars

(1) Balance as of September 30, 2023 March 31, 2024 includes two forward starting interest rate swaps with an effective date of August 2024 and an aggregate notional amount of $323.8 million.

(2) Balance as of September 30, 2023 March 31, 2024 includes two forward starting interest rate swaps with an effective date of September 2024 and an aggregate notional amount of CAD $150.0 million.

Derivative and Financial Instruments Designated as Hedging Instruments

The following is a summary of the derivative and financial instruments designated as hedging instruments held by the Company at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (dollars in thousands):

			Count as of September 30, 2023	Fair Value as of		Maturity Dates						
Type			Count as of March 31, 2024									
Type												
Type	Type	Designation	Count as of	September	December	Maturity	Balance	Designation		March 31,		December

				September 30, 2023	30, 2023	31, 2022	Dates	Sheet Location				2024			31, 2023	
Assets:	**Assets:**															
Interest rate swaps																
Interest rate swaps																
Interest rate swaps	Interest rate swaps	Cash flow	5		$ 11,986	$ 11,004	2024 - 2028	Accounts receivable, prepaid expenses and other assets, net		Cash flow	5	$	$6,022	$		$6,002
Interest rate collars	Interest rate collars	Cash flow	2		5,133	6,622	2024	Accounts receivable, prepaid expenses and other assets, net	Interest rate collars	Cash flow	2	2,250		2,250	3,216	
Forward starting interest rate swaps	Forward starting interest rate swaps	Cash flow	4		18,164	—	2028	Accounts receivable, prepaid expenses and other assets, net	Forward starting interest rate swaps	Cash flow	4	14,982		14,982	6,736	
Cross currency interest rate swaps	Cross currency interest rate swaps	Net investment	2		4,048	3,851	2025	Accounts receivable, prepaid expenses and other assets, net	Cross currency interest rate swaps	Net investment	2	3,881		3,881	2,964	
					$ 39,331	$ 21,477										
				$												
Liabilities:																
Liabilities:																
Liabilities:	**Liabilities:**															
CAD borrowings under Revolving Credit Facility	CAD borrowings under Revolving Credit Facility	Net investment	1		32,623	150,982	2027	Revolving credit facility								
CAD borrowings under Revolving Credit Facility																
CAD borrowings under Revolving Credit Facility										Net investment	1		30,127			33,42
CAD Term Loan	CAD Term Loan	Net investment	1		110,460	92,288	2028	Term loans, net	CAD Term Loan	Net investment	1	110,760		110,760	113,190	
					$143,083	$243,270										
				$												

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The following presents the effect of the Company's derivative and financial instruments designated as hedging instruments on the consolidated statements of income (loss) income and the consolidated statements of equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Gain (Loss) Recognized in Other Comprehensive Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

Gain (Loss) Recognized in Other Comprehensive Income
Gain (Loss) Recognized in Other Comprehensive Income
Gain (Loss) Recognized in Other Comprehensive Income
Three Months Ended March 31,
2024
2024
2024
Cash Flow Hedges:
Cash Flow Hedges:

Cash Flow Hedges:				
Interest rate products	$ 11,373	$ 6,817	$ 28,462	$ 20,146
Net Investment Hedges:				
Foreign currency products	1,140	2,253	349	2,840
CAD borrowings under Revolving Credit Facility	42	8,790	(2,650)	11,157
CAD term loan	2,760	5,988	265	7,463
	$ 15,315	$ 23,848	$ 26,426	$ 41,606

Interest rate products
Interest rate products
Net Investment Hedges:
Net Investment Hedges:
Foreign currency products
Foreign currency products
CAD borrowings under Revolving Credit Facility
CAD borrowings under Revolving Credit Facility
CAD term loan
CAD term loan
$
$
$

		Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income			
		Three Months Ended September 30,		Nine Months Ended September 30,	
	Income Statement Location	2023	2022	2023	2022

Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
Three Months Ended March 31,

		Income Statement Location Income Statement Location Income Statement Location				
Cash Flow Hedges:	Cash Flow Hedges:					
Cash Flow Hedges:						
Cash Flow Hedges:						
Interest rate products						
Interest rate products						
Interest rate products	Interest rate products	Interest expense	$ 2,369	$ (602)	$ 5,848	$ (5,264)

During the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, no cash flow hedges were determined to be ineffective.

Derivatives Not Designated as Hedging Instruments

As of September 30, 2023 March 31, 2024, the Company's Company had no material balances related to derivatives were all not designated as hedging instruments. During the nine three months ended September 30, 2022 March 31, 2024, the Company recorded $0.1 million of other expense income related to the portion of derivatives not designated as hedging instruments and no such expense was recorded during each of the three months ended September 30, 2022 and the three and nine months ended September 30, 2023 March 31, 2023.

Offsetting Derivatives

The Company enters into master netting arrangements, which reduce credit risk by permitting net settlement of transactions with the same counterparty. The table below presents a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

		As of September 30, 2023					
						Gross Amounts Not Offset in the Balance Sheet	
		Gross Amounts of Recognized Assets / Liabilities	Gross Amounts Offset in the Balance Sheet	Financial Instruments	Net Amounts of Assets / Liabilities presented in the Balance Sheet	Cash Collateral Received	Net Amount
		As of March 31, 2024					As of March 31, 2024
		Gross Amounts of Recognized Assets / Liabilities		Financial Instruments Financial Instruments Financial Instruments		Cash Collateral Received	Net Amount
Offsetting Assets:	Offsetting Assets:						
Derivatives							
Derivatives							
Derivatives	Derivatives	$ 39,331	$ —		$ 39,331	$ —	$ —	$39,331
Offsetting Liabilities:	Offsetting Liabilities:						
Derivatives	Derivatives	$ —	$ —		$ —	$ —	$ —	$ —
Derivatives							
Derivatives							

	As of December 31, 2023			
	Gross Amounts of	Gross Amounts Offset in	Net Amounts of Assets /	Gross Amounts Not Offset in the Balance Sheet

	Recognized Assets / Liabilities	the Balance Sheet	Liabilities presented in the Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amount
Offsetting Assets:						
Derivatives	$ 18,918	$ —	$ 18,918	$ —	$ —	$ 18,918
Offsetting Liabilities:						
Derivatives	$ —	$ —	$ —	$ —	$ —	$ —

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	As of December 31, 2022					
	Gross Amounts of Recognized Assets / Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets / Liabilities presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Offsetting Assets:						
Derivatives	$ 21,477	$ —	$ 21,477	$ —	$ —	$ 21,477
Offsetting Liabilities:						
Derivatives	$ —	$ —	$ —	$ —	$ —	$ —

Credit Risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision pursuant to which the Company could be declared in default on the derivative obligation if the Company defaults on any of its indebtedness, including a default where repayment of the indebtedness has not been accelerated by the lender. As of September 30, 2023 March 31, 2024, the Company had no derivatives in a net liability position related to these agreements.

9. 10. FAIR VALUE DISCLOSURES

Under GAAP, the Company is required to measure certain financial instruments at fair value on a recurring basis. In addition, the Company is required to measure other financial instruments and balances at fair value on a non-recurring basis (e.g., carrying value of impaired loans receivable and long-lived assets). Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The GAAP fair value framework uses a three-tiered approach. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3: prices or valuation techniques where little or no market data is available that requires inputs that are both significant to the fair value measurement and unobservable.

Financial Instruments

The fair value for certain financial instruments is derived using a combination of market quotes, pricing models and other valuation techniques that involve significant management judgment. The price transparency of financial instruments is a key determinant of the degree of judgment involved in determining the fair value of the Company's financial instruments.

Financial instruments for which actively quoted prices or pricing parameters are available and whose markets contain orderly transactions will generally have a higher degree of price transparency than financial instruments whose markets are inactive or consist of non-orderly trades. The Company evaluates several factors when determining if a market is inactive or when market transactions are not orderly. The carrying values of cash and cash equivalents, restricted cash, accounts payable, accrued liabilities and the Credit Agreement are reasonable estimates of fair value because of the short-term maturities of these instruments. Fair values for other financial instruments are derived as follows:

Loans receivable: These instruments are presented on the accompanying consolidated balance sheets at their amortized cost and not at fair value. The fair values of the loans receivable were estimated using an internal valuation model that considered the expected cash flows for the loans receivable, as well as the underlying collateral value and other credit enhancements as applicable. The Company utilized discount rates ranging from 8% 6% to 15% 14% with a weighted average rate of 8% 7% in its fair value calculation. As such, the Company classifies these instruments as Level 3.

Preferred equity investments: These instruments are presented on the accompanying consolidated balance sheets at their cost and not at fair value. The fair values of the preferred equity investments were estimated using an internal valuation model that considered the expected future cash flows for the preferred equity investments, the underlying collateral value and other credit enhancements. The Company utilized discount rates ranging from 10% to 15% with a weighted average rate of 11% in its fair value calculation. As such, the Company classifies these instruments as Level 3.

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Derivative instruments: The Company's derivative instruments are presented at fair value on the accompanying consolidated balance sheets. The Company estimates the fair value of derivative instruments, including its interest rate swaps, interest rate collars and cross currency swaps, using the assistance of a third party using inputs that are observable in the market, which include forward yield curves and other relevant information. Although the Company has determined that the majority of the inputs used to value its derivative financial instruments fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivative financial instruments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by itself and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivative financial instruments. As a result, the

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Company has determined that its derivative financial instruments valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Senior Notes: These instruments are presented on the accompanying consolidated balance sheets at their outstanding principal balance, net of unamortized deferred financing costs and premiums/discounts and not at fair value. The fair values of the Senior Notes were determined using third-party market quotes derived from orderly trades. As such, the Company classifies these instruments as Level 2.

Secured indebtedness: These instruments are presented on the accompanying consolidated balance sheets at their outstanding principal balance, net of unamortized deferred financing costs and premiums/discounts and not at fair value. The fair values of the Company's secured debt were estimated using a discounted cash flow analysis based on management's estimates of current market interest rates for instruments with similar characteristics, including remaining loan term, loan-to-value ratio, type of collateral and other credit enhancements. The Company utilized a rate of 7% 6% in its fair value calculation. As such, the Company classifies these instruments as Level 3.

The following are the face values, carrying amounts and fair values of the Company's financial instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 whose carrying amounts do not approximate their fair value (in thousands):

		As of September 30, 2023			As of December 31, 2022			As of March 31, 2024			As of December 31, 2023		
		Face Value (1)	Carrying Amount (2)	Fair Value	Face Value (1)	Carrying Amount (2)	Fair Value	Face Value (1)	Carrying Amount (2)	Fair Value	Face Value (1)	Carrying Amount (2)	Fair Value
Financial assets:	Financial assets:												
Loans receivable	Loans receivable	$ 371,133	$ 361,026	$ 368,437	$ 370,364	$ 360,325	$ 370,188						
Loans receivable													
Loans receivable													
Preferred equity investments	Preferred equity investments	56,760	56,921	58,697	50,902	51,071	51,995						
Financial liabilities:	Financial liabilities:												
Senior Notes	Senior Notes	1,750,000	1,735,055	1,468,812	1,750,000	1,734,431	1,463,041						
Senior Notes													
Senior Notes													
Secured indebtedness	Secured indebtedness	48,643	47,789	34,164	50,123	49,232	38,149						

(1) Face value represents amounts contractually due under the terms of the respective agreements.

(2) Carrying amount represents the book value of financial instruments, including unamortized premiums/discounts and deferred financing costs.

The Company determined the fair value of financial instruments as of September 30, 2023 March 31, 2024 whose carrying amounts do not approximate their fair value with valuation methods utilizing the following types of inputs (in thousands):

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)

		Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:	Financial assets:				
Loans receivable					
Loans receivable					
Loans receivable	Loans receivable	$ 368,437	$ —	$ —	$ 368,437
Preferred equity investments	Preferred equity investments	58,697	—	—	58,697
Financial liabilities:	Financial liabilities:				
Senior Notes	Senior Notes	1,468,812	—	1,468,812	—
Senior Notes					
Senior Notes					
Secured indebtedness	Secured indebtedness	34,164	—	—	34,164

Disclosure of the fair value of financial instruments is based on pertinent information available to the Company at the applicable dates and requires a significant amount of judgment. Transaction volume for certain of the Company's financial instruments remains relatively low, which has made the estimation of fair values difficult. Therefore, both the actual results and the Company's estimate of fair value at a future date could be materially different.

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Items Measured at Fair Value on a Recurring Basis

During the nine three months ended September 30, 2023 March 31, 2024, the Company recorded the following amounts measured at fair value (in thousands):

		Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring Basis:	Recurring Basis:				
Financial assets:	Financial assets:				
Financial assets:					
Financial assets:					
Interest rate swaps					
Interest rate swaps					

Interest rate swaps	Interest rate swaps	$11,986	$	—	$11,986	$		—
Interest rate collars	Interest rate collars	5,133		—	5,133			—
Forward starting interest rate swaps	Forward starting interest rate swaps	18,164		—	18,164			—
Cross currency interest rate swaps	Cross currency interest rate swaps	4,048		—	4,048			—

10. 11. EQUITY

Common Stock

On February 23, 2023, the Company established an at-the-market equity offering program (the “ATM Program”) pursuant to which shares of its common stock having an aggregate gross sales price of up to $500.0 million may be sold from time to time (i) by the Company through a consortium of banks acting as sales agents or directly to the banks acting as principals or (ii) by a consortium of banks acting as forward sellers on behalf of any forward purchasers pursuant to a forward sale agreement. The use of a forward sale agreement would allow the Company to lock in a share price on the sale of shares at the time the agreement is effective, but defer receiving the proceeds from the sale of the shares until a later date. The Company may also elect to cash settle or net share settle all or a portion of its obligations under any forward sale agreement. The forward sale agreements have a one year term during which time the Company may settle the forward sales by delivery of physical shares of common stock to the forward purchasers or, at the Company’s election, in cash or net shares. The forward sale price that the Company expects to receive upon settlement will be the initial forward price established upon the effective date, subject to adjustments for (i) the forward purchasers’ stock borrowing costs and (ii) certain fixed price reductions during the term of the agreement.

During the three and nine months ended September 30, 2023 March 31, 2024, no shares were sold under the ATM Program and the Company did not utilize the forward feature of the ATM Program. As of September 30, 2023 March 31, 2024, the Company had $500.0 million available under the ATM Program.

The following table lists the cash dividends on common stock declared and paid by the Company during the nine three months ended September 30, 2023 March 31, 2024:

Declaration Date		Record Date	Amount Per Share	Dividend Payable Date
February 1, 2023 2024		February 13, 2023 2024	$ 0.30	February 28, 2023 29, 2024
	May 31, 2023			
	August 31, 2023			

During the nine three months ended September 30, 2023 March 31, 2024, the Company issued 0.2 million shares of common stock as a result of restricted stock unit vestings.

Upon any payment of shares to team members as a result of restricted stock unit vestings, the team members’ related tax withholding obligation will generally be satisfied by the Company reducing the number of shares to be delivered by a number of shares necessary to satisfy the related applicable tax withholding obligation. During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company incurred $1.4 million $2.0 million and $3.3 million $1.4 million, respectively, in tax withholding obligations on behalf of its team members that were satisfied through a reduction in the number of shares delivered to those participants.

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Accumulated Other Comprehensive Income

The following is a summary of the Company’s accumulated other comprehensive income (in thousands):

	September 30, 2023	December 31, 2022		
	March 31, 2024		March 31, 2024	December 31, 2023

Foreign currency translation (loss) gain	Foreign currency translation (loss) gain	$ (780)	$ 1,168
Unrealized gain on cash flow hedges	Unrealized gain on cash flow hedges	40,449	17,895
Total accumulated other comprehensive income	Total accumulated other comprehensive income	$ 39,669	$19,063

11. 12. EARNINGS PER COMMON SHARE

The following table illustrates the computation of basic and diluted earnings per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except share and per share amounts):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Numerator	**Numerator**				
Net (loss) income		$ (15,101)	$ (50,064)	$ (3,400)	$ 7,343
Numerator					
Numerator					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Denominator					
Denominator					
Denominator	**Denominator**				
Basic weighted average common shares and common equivalents	Basic weighted average common shares and common equivalents	231,224,692	230,982,227	231,197,375	230,936,032
Basic weighted average common shares and common equivalents					
Basic weighted average common shares and common equivalents					
Dilutive restricted stock units					
Dilutive restricted stock units					
Dilutive restricted stock units	Dilutive restricted stock units	—	—	—	843,718
Diluted weighted average common shares	Diluted weighted average common shares	231,224,692	230,982,227	231,197,375	231,779,750
Net (loss) income, per:					

Diluted weighted average common shares									
Diluted weighted average common shares									
Net income (loss), per:									
Net income (loss), per:									
Net income (loss), per:									
Basic common share									
Basic common share									
Basic common share	Basic common share	$	(0.07)	$	(0.22)	$	(0.01)	$	0.03
Diluted common share	Diluted common share	$	(0.07)	$	(0.22)	$	(0.01)	$	0.03
Diluted common share									
Diluted common share									

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, approximately 1.6 million 2,300 and 1.4 million restricted stock units, respectively, were not included in computing diluted earnings per share because they were considered anti-dilutive. During the three and nine months ended September 30, 2022, approximately 1.0 million and 10,500 0.7 million restricted stock units, respectively, were not included in computing diluted earnings per share because they were considered anti-dilutive.

12. 13. COMMITMENTS AND CONTINGENCIES

Environmental

As an owner of real estate, the Company is subject to various environmental laws of federal, state and local governments. The Company is not aware of any environmental liability that could have a material adverse effect on its financial condition or results of operations. However, changes in applicable environmental laws and regulations, the uses and conditions of properties in the vicinity of the Company's properties, the activities of its tenants and other environmental conditions of which the Company is unaware with respect to the properties could result in future environmental liabilities. As of September 30, 2023 March 31, 2024, the Company does not expect that compliance with existing environmental laws will have a material adverse effect on the Company's financial condition and results of operations.

Legal Matters

From time to time, the Company and its subsidiaries are party to legal proceedings that arise in the ordinary course of its business. Management is not aware of any legal proceedings where the likelihood of a loss contingency is reasonably possible and the amount or range of reasonably possible losses is material to the Company's results of operations, financial condition or cash flows.

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13. 14. SUBSEQUENT EVENTS

The Company evaluates subsequent events up until the date the consolidated financial statements are issued.

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Dividend Declaration

On November 6, 2023 May 8, 2024, the Company's board of directors declared a quarterly cash dividend of $0.30 per share of common stock. The dividend will be paid on November 30, 2023 May 31, 2024 to common stockholders of record as of the close of business on November 17, 2023 May 20, 2024.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion below contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed in the "Risk Factors" section in Part I, Item 1A of our 2022 2023 Annual Report on Form 10-K. Also see "Statement Regarding Forward-Looking Statements" preceding Part I.

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and the notes thereto.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is organized as follows:

- Overview
- Critical Accounting Policies and Estimates

- Recently Issued Accounting Standards Update
- Results of Operations
- Liquidity and Capital Resources
- Concentration of Credit Risk
- Skilled Nursing Facility Reimbursement Rates

Overview

We operate as a self-administered, self-managed REIT that, through our subsidiaries, owns and invests in real estate serving the healthcare industry.

Our primary business consists of acquiring, financing and owning real estate property to be leased to third party tenants in the healthcare sector. We primarily generate revenues by leasing properties to tenants and owning properties operated by third-party property managers throughout the United States ("U.S.") and Canada.

Our investment portfolio is primarily comprised of skilled nursing/transitional care facilities, senior housing communities ("Senior Housing - Leased"), behavioral health facilities, and specialty hospitals and other facilities, in each case leased to third-party operators; senior housing communities operated by third-party property managers pursuant to property management agreements ("Senior Housing - Managed"); investments in joint ventures; loans receivable; and preferred equity investments.

We expect to grow our investment portfolio while diversifying our portfolio by tenant, facility type and geography within the healthcare sector. We plan to achieve these objectives primarily through making investments directly or indirectly in healthcare real estate, including the development of purpose-built healthcare facilities with select developers. We also intend to achieve our objective of diversifying our portfolio by tenant and facility type through select asset sales and other arrangements with our tenants.

We employ a disciplined approach in our healthcare real estate investment strategy by investing in assets that provide attractive opportunities for dividend growth and appreciation of asset values, while maintaining balance sheet strength and liquidity, thereby creating long-term stockholder value.

We elected to be treated as a REIT with the filing of our U.S. federal income tax return for the taxable year beginning January 1, 2011. We believe that we have been organized and have operated, and we intend to continue to operate, in a manner to qualify as a REIT. We operate through an umbrella partnership, commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held by Sabra Health Care Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), of which we are the sole general partner and a wholly owned subsidiary of ours is currently the only limited partner, or by subsidiaries of the Operating Partnership.

Market Trends and Uncertainties

Our operations have been and are expected to continue to be impacted by economic and market conditions. Increases in interest rates, labor shortages, supply chain disruptions, high inflation and increased volatility in public equity and fixed income markets have led to increased costs and limited the availability of capital. If our tenants, borrowers and Senior Housing -

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Managed communities experience increased costs or financing difficulties due to these macroeconomic conditions, our tenants and borrowers may be unable to meet their financial obligations to us and our results of operations may be adversely affected.

The above factors, together with the impact of COVID-19, have resulted in decreased occupancy and increased operating costs for our tenants and borrowers, which have negatively impacted their operating results and may adversely impact their ability to make full and timely rental payments and debt service payments, respectively, to us. Our Senior Housing - Managed portfolio has been similarly impacted, and we expect that decreased occupancy and increased operating costs will continue to

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negatively impact the operating results of these investments. While our tenants, borrowers and Senior Housing - Managed portfolio have experienced increases in occupancy, certain of those occupancy rates are still below pre-pandemic levels. Similarly, while On the labor front, our tenants, borrowers and Senior Housing - Managed portfolio have more recently experienced small, incremental significantly reduced their reliance on agency staffing which was a mainstay in the wake of COVID-19, and while they continue to experience improvements in both permanent labor availability and overall labor costs from the worst points of the pandemic, permanent labor supply remains lower and costs remain higher than pre-pandemic levels. We are, however, encouraged by increases our tenants are receiving in reimbursement rates in our skilled nursing/transitional care portfolio, as those increases have led to margin recovery despite occupancy being below pre-pandemic levels.

In some cases, we may have to restructure or temporarily defer tenants' long-term rent obligations and may not be able to do so on terms that are as favorable to us as those currently in place. Reduced or modified rental and debt service amounts could result in the determination that the full amounts of our investments are not recoverable, which could result in an impairment charge. If our tenants and borrowers default on these obligations, such defaults could materially and adversely affect our results of operations and liquidity, in addition to resulting in potential impairment charges. Further, prolonged deterioration in the operating results for our investments in our Senior Housing - Managed portfolio could result in the determination that the full amounts of our investments are not recoverable, which could result in an impairment charge.

We regularly monitor the effects of economic and market conditions on our operations and financial position, as well as on the operations and financial position of our tenants and borrowers, in order to respond and adapt to the ongoing changes in our operating environment.

Investment in Unconsolidated Joint Venture

During the nine months ended September 30, 2023, our joint venture with Marlin Spring (the "Marlin Spring Joint Venture") completed the acquisition of one additional senior housing community with a gross investment of CAD $30.0 million, excluding acquisition costs. In addition, the Marlin Spring Joint Venture assumed and financed an aggregate CAD $23.6 million of debt associated with the additional acquisition. Our equity investment in the additional acquisition was CAD $6.1 million. See Note 4, "Investment in Real Estate Properties—Investment in Unconsolidated Joint Ventures," in the Notes to Consolidated Financial Statements for additional information regarding this investment.

Acquisitions

During the nine months ended September 30, 2023, we acquired one Senior Housing - Leased community and one Senior Housing - Managed community for aggregate consideration of $51.5 million, including acquisition costs. See Note 3, “Recent Real Estate Acquisitions,” in the Notes to Consolidated Financial Statements for additional information regarding these acquisitions.

Dispositions

During the nine months ended September 30, 2023, we completed the sale of 24 skilled nursing/transitional care facilities (including one leased to a tenant under a sales-type lease) and four senior housing communities for aggregate consideration, net of closing costs, of $281.8 million. The net carrying value of the assets and liabilities of these facilities was $357.7 million, which resulted in an aggregate $75.9 million net loss on sale. We continue to evaluate additional assets for sale as part of our initiative to recycle capital and further improve our portfolio quality.

Credit Agreement

Effective on January 4, 2023, we and certain of our subsidiaries entered into the Credit Agreement. See “—Liquidity and Capital Resources—Material Cash Requirements—Credit Agreement.”

At-The-Market Common Stock Offering Program

On February 23, 2023, we established the ATM Program (as defined below) pursuant to which shares of our common stock having an aggregate gross sales price of up to $500.0 million may be sold from time to time. See “—Liquidity and Capital Resources.”

Critical Accounting Policies and Estimates

Our consolidated interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and in conjunction with the rules and regulations of the SEC. The preparation of our financial statements

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requires significant management judgments, assumptions and estimates about matters that are inherently uncertain. These judgments affect the reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in our financial statements. Additionally, other companies may utilize different estimates that may impact the comparability of our results of operations to those of companies in similar businesses. A discussion of the accounting policies that management considers critical in that they involve significant management judgments and assumptions, require estimates about matters that are inherently uncertain and because they are important for understanding and evaluating our reported financial results is included in Part II, Item 7 of our 2022 2023 Annual Report on Form 10-K filed with the SEC. There have been no significant changes to our critical accounting policies during the nine three months ended September 30, 2023 March 31, 2024.

Recently Issued Accounting Standards Update

See Note 2, “Summary of Significant Accounting Policies,” in the Notes to Consolidated Financial Statements for information concerning recently issued accounting standards updates.

Results of Operations

As of September 30, 2023 March 31, 2024, our investment portfolio consisted of 377 374 real estate properties held for investment, 12 four assets held for sale, 14 investments in loans receivable, five preferred equity investments and two investments in unconsolidated joint ventures. As of September 30, 2022 March 31, 2023, our investment portfolio consisted of 407 396 real estate properties held for investment, one asset held for sale, one investment in a sales-type lease, 15 13 investments in loans receivable, seven six preferred equity investments and two three investments in unconsolidated joint ventures. In general, we expect that income and expenses related to our portfolio will fluctuate in future periods in comparison to the corresponding prior periods as a result of investment and disposition activity and anticipated future changes in our portfolio. The results of operations presented are not directly comparable due to ongoing acquisition and disposition activity, including our capital recycling initiative.

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Comparison of results of operations for the three months ended September 30, 2023 March 31, 2024 versus the three months ended September 30, 2022 March 31, 2023 (dollars in thousands):

	Three Months Ended September 30, 2023	2022	Increase / (Decrease)	Percentage Difference	Variance due to Acquisitions, Originations and Dispositions (1)	Remaining Variance (2)
	Three Months Ended March 31, 2024	Three Months Ended March 31,	Increase / (Decrease)	Percentage Difference	Variance due to Acquisitions, Originations and Dispositions (1)	Remaining Variance (2)
Revenues:	Revenues:					

Revenues:							
Revenues:							
Rental and related revenues							
Rental and related revenues							
Rental and related revenues	Rental and related revenues	$93,085	$84,214	$ 8,871	11 %	$ (4,115)	$12,986
Resident fees and services	Resident fees and services	59,748	47,610	12,138	25 %	3,940	8,198
Interest and other income	Interest and other income	8,794	8,940	(146)	(2) %	(644)	498
Expenses:	Expenses:						
Depreciation and amortization	Depreciation and amortization	43,242	47,427	(4,185)	(9) %	(1,706)	(2,479)
Depreciation and amortization							
Depreciation and amortization							
Interest	Interest	28,156	27,071	1,085	4 %	—	1,085
Triple-net portfolio operating expenses	Triple-net portfolio operating expenses	4,304	5,120	(816)	(16) %	(352)	(464)
Senior housing - managed portfolio operating expenses	Senior housing - managed portfolio operating expenses	44,523	36,705	7,818	21 %	2,264	5,554
General and administrative	General and administrative	10,759	9,676	1,083	11 %	—	1,083
Provision for (recovery of) loan losses and other reserves		328	(217)	545	(251) %	432	113
Recovery of loan losses							
Impairment of real estate	Impairment of real estate	—	60,857	(60,857)	(100) %	(60,857)	—
Other expense:	Other expense:						
Loss on extinguishment of debt							
Loss on extinguishment of debt							
Loss on extinguishment of debt	Loss on extinguishment of debt	—	(140)	140	(100) %	—	140
Other income	Other income	2,229	994	1,235	124 %	—	1,235
Net loss on sales of real estate	Net loss on sales of real estate	(46,545)	(80)	(46,465)	NM	(46,465)	—
Loss from unconsolidated joint ventures	Loss from unconsolidated joint ventures	(645)	(4,384)	3,739	(85) %	3,450	289
Income tax expense	Income tax expense	(455)	(579)	124	(21) %	—	124

(1) Represents the dollar amount increase (decrease) for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023 as a result of investments/dispositions made after July 1, 2022 January 1, 2023.

(2) Represents the dollar amount increase (decrease) for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023 that is not a direct result of investments/dispositions made after July 1, 2022 January 1, 2023.

Rental and Related Revenues

During the three months ended September 30, 2023 March 31, 2024, we recognized $93.1 million $91.8 million of rental income compared to $84.2 million $95.9 million for the three months ended September 30, 2022 March 31, 2023. The $8.9 million $4.1 million net increase decrease in rental income is related to (i) a $15.6 million $3.1 million decrease in straight-line rental income receivabl from properties disposed of after January 1, 2023, e write-offs primarily due to the termination of the North American leases in 2022, (ii) a $1.2 million $2.4 million increase in earned cash rents of non-cash rent and operating expense recoveries lease inducement write-offs related to leases that are no longer accounted for on an accrual basis (iii) a $0.7 million increase due to lease amendments and annual rental increases based on changes in the Consumer Price Index and (iv) a $0.5 million increase from properties acquired after July 1, 2022. These increases are partially offset by (i) a $4.6 million decrease from properties disposed of after July 1, 2022, (ii) a $2.5 million decrease from properties that were transitioned to new operators and (iii) a $2.2 million $1.1 million decrease in Genesis excess rents in accordance with the terms of the memorandum of understanding entered into with Genesis in 2017. The decreases are partially offset by (i) a $1.1 million increase from properties acquired after January 1, 2023 and (ii) a $1.2 million increase due to incremental revenue related to capital expenditures.

Our reported rental and related revenues may be subject to increased variability in the future as a result of lease accounting standards. If at any time we cannot determine that it is probable that substantially all rents over the life of a lease are collectible, rental revenue will be recognized only to the extent of payments received and all receivables associated with the lease will be written off, irrespective of amounts expected to be collectible. However, there can be no assurances regarding the timing and amount of these revenues. Amounts due under the terms of all of our lease agreements are subject to contractual increases, and contingent rental income may be derived from certain lease agreements. No material contingent rental income was derived during the three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

Resident Fees and Services

During the three months ended September 30, 2023 March 31, 2024, we recognized $59.7 million $66.0 million of resident fees and services compared to $47.6 million $56.7 million for the three months ended September 30, 2022 March 31, 2023. The $12.1 million $9.3 million net increase is due to (i) a $6.9 million $5.1 million increase

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related to nine seven facilities that were transitioned to Senior Housing - Managed communities after July 1, 2022 January 1, 2023, (ii) a $4.4 million increase from three Senior Housing - Managed communities acquired after July 1, 2022 and (iii) a $2.3 million $3.1 million increase related to increased occupancy and an increase in rates. rates and (iii) a $1.3 million increase from one Senior

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Housing - Managed community acquired after January 1, 2023. These increases are partially offset by a $1.0 million decrease related to one community that is closed due to a fire and a $0.5 million $0.4 million decrease related to one Senior Housing - Managed community disposed of after July 1, 2022 January 1, 2023.

Interest and Other Income

Interest and other income primarily consists of income earned on our loans receivable investments and preferred returns earned on our preferred equity investments. During the three months ended September 30, 2023 March 31, 2024, we recognized $8.8 million $8.9 million of interest and other income compared to $8.9 million $8.7 million for the three months ended September 30, 2022 March 31, 2023. The net decrease increase of $0.1 million $0.2 million is due to (i) a $1.1 million decrease in income from investments repaid after July 1, 2022, partially offset by a $0.6 million $0.4 million increase due to increased fundings for existing investments, and (ii) a $0.4 million $0.2 million increase from investments made after July 1, 2022 January 1, 2023 and (iii) a $0.2 million increase in bank interest income, partially offset by a $0.6 million decrease in income from investments repaid after January 1, 2023.

Depreciation and Amortization

During the three months ended September 30, 2023 March 31, 2024, we incurred $43.2 million $42.9 million of depreciation and amortization expense compared to $47.4 million $52.8 million for the three months ended September 30, 2022 March 31, 2023. The net decrease of $4.2 million $9.9 million is due to (i) an $8.2 million decrease due to accelerating the remaining useful life of a $3.4 million facility that was demolished in 2023, (ii) a $2.2 million decrease from properties disposed of after July 1, 2022 January 1, 2023 and (iii) a $3.4 million $0.7 million decrease due to assets that have been fully amortized. depreciated. These decreases are partially offset by a $1.7 million increase from properties acquired after July 1, 2022 and a $1.1 million increase from additions to real estate. estate and a $0.3 million increase from properties acquired after January 1, 2023.

Interest Expense

We incur interest expense comprised of costs of borrowings plus the amortization of deferred financing costs related to our indebtedness. During the three months ended September 30, 2023 March 31, 2024, we incurred $28.2 million $28.4 million of interest expense compared to $27.1 million $28.5 million for the three months ended September 30, 2022 March 31, 2023. The $1.1 million $0.1 million net increase decrease is primarily related to an increase in the borrowings outstanding under the Credit Agreement (as defined below) and an increase in interest rates. .

Triple-Net Portfolio Operating Expenses

During the three months ended September 30, 2023 March 31, 2024, we recognized $4.3 million of triple-net portfolio operating expenses compared to $5.1 million $4.2 million during the three months ended September 30, 2022 March 31, 2023. The $0.8 million $0.2 million net decrease increase is primarily due to adjusting our estimates related to a $0.4 million decrease due to properties disposed of after July 1, 2022 and a $0.4 million decrease due to facilities that have since been transitioned to new operators who are now paying the property taxes directly. taxes.

Senior Housing - Managed Portfolio Operating Expenses

During the three months ended September 30, 2023 March 31, 2024, we recognized $44.5 million $49.7 million of Senior Housing - Managed portfolio operating expenses compared to $36.7 million $43.6 million for the three months ended September 30, 2022 March 31, 2023. The $7.8 million $6.0 million net increase is due to (i) a $6.3 million $4.5

million increase related to nine seven facilities that were transitioned to Senior Housing - Managed communities after July 1, 2022 and January 1, 2023, (ii) a $2.8 million $0.6 million increase related to three one Senior Housing - Managed communities community acquired after July 1, 2022. January 1, 2023, (iii) a $0.5 million increase in management fees and dining expenses due to increased occupancy and (iv) a $0.3 million increase in employee compensation primarily due to increased labor rates and staffing. The increases are partially offset by a $0.5 million $0.4 million decrease related to one Senior Housing - Managed community disposed of after July 1, 2022 and a $0.6 million decrease due to one community that is closed due to a fire. January 1, 2023.

General and Administrative Expenses

General and administrative expenses include compensation-related expenses as well as professional services, office costs, other costs associated with asset management, and merger and acquisition costs. During the three months ended September 30, 2023 March 31, 2024, general and administrative expenses were $10.8 million $11.9 million compared to $9.7 million $10.5 million during the three months ended September 30, 2022 March 31, 2023. The $1.1 million $1.4 million net increase is related to (i) a $0.7 million $0.9 million increase in compensation, including a $0.3 million increase in stock-based compensation, for our team members teammates as a result of increased staffing and annual salary adjustments and (ii) a $0.2 million increase in insurance premiums and (iii) a $0.2 million increase in conference and travel expenses office expense primarily related to the 2023 Sabra operator conference. new corporate office lease.

Provision for (Recovery of) Recovery of Loan Losses and Other Reserves

During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we recognized a $0.3 million provision for $0.1 million and a $0.2 million recovery of loan losses, and other reserves, respectively, primarily associated with our loans receivable investments.

Impairment of Real Estate

During the three months ended March 31, 2024, we recognized $3.1 million impairment of real estate related to three skilled nursing/transitional care facilities that are held for sale as of March 31, 2024. During the three months ended March 31, 2023, we recognized $7.1 million impairment of real estate related to one skilled nursing/transitional care facility that has sold.

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Impairment of Real Estate

No impairment of real estate was recognized during the three months ended September 30, 2023. During the three months ended September 30, 2022, we recognized a $60.9 million impairment related to six skilled nursing/transitional care facilities that have sold. See Note 5, "Impairment "Assets Held for Sale, Impairment of Real Estate and Dispositions," in the Notes to Consolidated Financial Statements for additional information regarding these impairments.

Loss on Extinguishment of Debt

No loss on extinguishment of debt was recognized during the three months ended September 30, 2023 March 31, 2024. During the three months ended September 30, 2022, March 31, 2023, we recognized $0.1 1.5 million of loss on extinguishment of debt related to write-offs of deferred financing costs in connection with the partial pay downs of the U.S. dollar term loan (˝Prior Term Loan") under our Prior Credit Agreement (as defined below).

Other Income

During the three months ended September 30, 2023, we recognized $2.2 million of other income related to a $3.7 million gain on insurance proceeds received related to property damage incurred by a vacant facility and $0.5 million of business interruption insurance income related to one Senior Housing - Managed community that is closed due to a fire. This income is partially offset by $1.4 million of transition-related expenses related to the transition of 14 Senior Housing - Managed communities to new operators in 2023. During the three months ended September 30, 2022, we recognized $1.0 million of other income primarily related to settlement payments related to legacy Care Capital Properties investments.

Net Loss on Sales of Real Estate

During the three months ended September 30, 2023, we recognized an aggregate net loss of $46.5 million related to the disposition of 13 skilled nursing/transitional care facilities and two Senior Housing - Leased communities. During the three months ended September 30, 2022, we recognized an aggregate net loss of $0.1 million related to the disposition of three skilled nursing/transitional care facilities.

Loss from Unconsolidated Joint Ventures

During the three months ended September 30, 2023, we recognized $0.6 million of loss from our unconsolidated joint ventures compared to $4.4 million of loss for the three months ended September 30, 2022. The $3.7 million net decrease in loss is primarily related a $4.2 million decrease in loss from our joint venture with affiliates of TPG Real Estate, the real estate platform of TPG (the "Enlivant Joint Venture"). Effective January 1, 2023, we discontinued applying the equity method of accounting to the Enlivant Joint Venture and no loss was recognized during the three months ended September 30, 2023. Effective May 1, 2023, we withdrew and resigned our membership in the Enlivant Joint Venture and accordingly, no longer have an equity interest in the Enlivant Joint Venture as of such date. We have not guaranteed any obligations of and are not required to provide any support to the Enlivant Joint Venture. The decrease in loss is partially offset by $0.7 million of net loss, including $0.8 million of depreciation expense and $0.9 million of interest expense, related to four senior housing communities acquired by one joint venture after July 1, 2022.

Income Tax Expense

During the three months ended September 30, 2023, we recognized $0.5 million of income tax expense compared to $0.6 million during the three months ended September 30, 2022. The $0.1 million decrease is due to adjusting our foreign income tax estimates.

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Comparison of results of operations for the nine months ended September 30, 2023 versus the nine months ended September 30, 2022 (dollars in thousands):

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Increase / (Decrease)	Percentage Difference	Variance due to Acquisitions, Originations and Dispositions (1)	Remaining Variance (2)
Revenues:						
Rental and related revenues	$ 283,229	$ 297,268	$ (14,039)	(5)%	$ (13,782)	$ (257)
Resident fees and services	174,897	133,973	40,924	31 %	16,397	24,527
Interest and other income	25,991	28,585	(2,594)	(9)%	(3,293)	699
Expenses:						
Depreciation and amortization	140,211	137,855	2,356	2 %	(3,941)	6,297
Interest	85,024	77,573	7,451	10 %	—	7,451
Triple-net portfolio operating expenses	13,243	14,983	(1,740)	(12)%	(873)	(867)
Senior housing - managed portfolio operating expenses	132,124	103,835	28,289	27 %	10,078	18,211
General and administrative	30,793	28,721	2,072	7 %	—	2,072
Provision for (recovery of) loan losses and other reserves	549	(12)	561	NM	530	31
Impairment of real estate	7,064	72,602	(65,538)	(90)%	(65,538)	—
Other (expense) income:						
Loss on extinguishment of debt	(1,541)	(411)	(1,130)	275 %	—	(1,130)
Other income (expense)	2,570	(1,101)	3,671	(333)%	—	3,671
Net loss on sales of real estate	(75,893)	(4,581)	(71,312)	NM	(71,312)	—
Loss from unconsolidated joint ventures	(2,136)	(9,715)	7,579	(78)%	7,579	—
Income tax expense	(1,509)	(1,118)	(391)	35 %	—	(391)

(1) Represents the dollar amount increase (decrease) for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 as a result of investments/dispositions made after January 1, 2022.

(2) Represents the dollar amount increase (decrease) for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 that is not a direct result of investments/dispositions made after January 1, 2022.

Rental and Related Revenues

During the nine months ended September 30, 2023, we recognized $283.2 million of rental income compared to $297.3 million for the nine months ended September 30, 2022. The $14.0 million net decrease in rental income is related to (i) a $14.8 million decrease from properties disposed of after January 1, 2022, (ii) a $6.5 million decrease from properties that were transitioned to new operators, (iii) a $6.2 million decrease in Genesis excess rents in accordance with the terms of the memorandum of understanding entered into in 2017, (iv) a $4.1 million decrease in earned cash rents and operating expense recoveries related to leases that are no longer accounted for on an accrual basis, of which $1.5 million is due to the Avamere lease amendment effective February 1, 2022, and (v) a $1.1 million decrease from facilities transitioned from triple-net lease to Senior Housing - Managed communities. These decreases are partially offset by (i) a $15.6 million decrease in straight-line rental income receivable write-offs primarily due to the termination of the North American leases in 2022, (ii) a $1.6 million increase due to lease amendments and annual rental increases based on changes in the Consumer Price Index, (iii) a $0.9 million increase due to incremental revenue related to capital expenditures and (iv) a $1.0 million increase from properties acquired after January 1, 2022.

Our reported rental and related revenues may be subject to increased variability in the future as a result of lease accounting standards. If at any time we cannot determine that it is probable that substantially all rents over the life of a lease are collectible, rental revenue will be recognized only to the extent of payments received and all receivables associated with the lease will be written off, irrespective of amounts expected to be collectible. However, there can be no assurances regarding the timing and amount of these revenues. Amounts due under the terms of all of our lease agreements are subject to contractual increases, and contingent rental income may be derived from certain lease agreements. No material contingent rental income was derived during the nine months ended September 30, 2023 and 2022.

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Resident Fees and Services

During the nine months ended September 30, 2023, we recognized $174.9 million of resident fees and services compared to $134.0 million for the nine months ended September 30, 2022. The $40.9 million increase is due to (i) a $19.2 million increase related to nine facilities that were transitioned to Senior Housing - Managed communities after January 1, 2022, (ii) a $17.5 million increase from four Senior Housing - Managed communities acquired after January 1, 2022 and (iii) an $8.2 million increase related to increased occupancy and an increase in rates. These increases are partially offset by a $2.9 million decrease related to one community that is closed due to a fire and a $1.1 million decrease related to one Senior Housing - Managed community disposed of after January 1, 2022.

Interest and Other Income

Interest and other income primarily consists of income earned on our loans receivable investments and preferred returns earned on our preferred equity investments. During the nine months ended September 30, 2023, we recognized $26.0 million of interest and other income compared to $28.6 million for the nine months ended September 30, 2022. The net decrease of $2.6 million is due to a $3.1 million decrease in income from investments repaid after January 1, 2022 and a $2.3 million lease termination payment related to one skilled nursing/transitional care facility that sold in 2022, partially offset by a $2.1 million increase from investments made after January 1, 2022 and a $0.6 million increase due to increased fundings for existing investments.

Depreciation and Amortization

During the nine months ended September 30, 2023, we incurred $140.2 million of depreciation and amortization expense compared to $137.9 million for the nine months ended September 30, 2022. The net increase of $2.4 million is due to (i) a $7.8 million increase due to accelerating the remaining useful life of a facility that is being demolished, (ii) a $5.5 million increase from properties acquired after January 1, 2022 and (iii) a $2.1 million increase from additions to real estate. The increases are partially offset by a $9.4 million decrease from properties disposed of after January 1, 2022 and a $3.1 million decrease due to assets that have been fully amortized.

Interest Expense

We incur interest expense comprised of costs of borrowings plus the amortization of deferred financing costs related to our indebtedness. During the nine months ended September 30, 2023, we incurred $85.0 million of interest expense compared to $77.6 million for the nine months ended September 30, 2022. The $7.5 million net increase is primarily related to an increase in the borrowings outstanding under the Credit Agreement and an increase in interest rates.

Triple-Net Portfolio Operating Expenses

During the nine months ended September 30, 2023, we recognized $13.2 million of triple-net portfolio operating expenses compared to $15.0 million for the nine months ended September 30, 2022. The $1.7 million net decrease is related to a $1.3 million decrease due to facilities that have since transitioned to new operators who are now paying the property taxes directly and a $0.9 million decrease due to properties disposed of after January 1, 2022. These decreases are partially offset by an increase in our estimates related to property taxes.

Senior Housing - Managed Portfolio Operating Expenses

During the nine months ended September 30, 2023, we recognized $132.1 million of Senior Housing - Managed portfolio operating expenses compared to $103.8 million for the nine months ended September 30, 2022. The $28.3 million net increase is due to (i) an $18.2 million increase related to nine facilities that were transitioned to Senior Housing - Managed communities after January 1, 2022, (ii) an $11.3 million increase related to four Senior Housing - Managed communities acquired after January 1, 2022, (iii) a $0.8 million increase in employee compensation primarily due to increased labor rates and staffing and (iv) a $0.6 million increase in insurance premiums. These increases are partially offset by a $1.6 million decrease in operating expenses related to one community that is closed due to a fire and a $1.2 million decrease related to one Senior Housing - Managed community disposed of after January 1, 2022.

General and Administrative Expenses

General and administrative expenses include compensation-related expenses as well as professional services, office costs, other costs associated with asset management, and merger and acquisition costs. During the nine months ended September 30, 2023, general and administrative expenses were $30.8 million compared to $28.7 million during the nine months ended September 30, 2022. The $2.1 million net increase is related to (i) a $1.0 million increase in compensation for our team

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members as a result of increased staffing and annual salary adjustments, (ii) a $0.5 million increase in insurance premiums and (iii) a $0.3 million increase in conference and travel expenses primarily related to the 2023 Sabra operator conference.

Provision for (Recovery of) Loan Losses and Other Reserves

During the nine months ended September 30, 2023 and 2022, we recognized a $0.5 million provision for and a $12,000 recovery of loan losses and other reserves, respectively, associated with our loans receivable investments and sales-type lease that was terminated in March 2023.

Impairment of Real Estate

During the nine months ended September 30, 2023, we recognized a $7.1 million impairment related to one skilled nursing/transitional care facility that was sold. During the nine months ended September 30, 2022, we recognized a $72.6 million impairment related to ten skilled nursing/transitional care facilities that have sold.

Loss on Extinguishment of Debt

During the nine months ended September 30, 2023, we recognized a $1.5 million loss on extinguishment of debt related to write-offs of deferred financing costs in connection with amending and restating the fifth amended and restated unsecured credit agreement entered into by the Operating Partnership and Sabra Canadian Holdings, LLC and the other parties thereto on September 9, 2019 ("Prior Credit Agreement").

Other Income

During the nine three months ended September 30, 2022 March 31, 2024, we recognized a $0.4 million loss on extinguishment of debt related to write-offs of deferred financing costs in connection with the partial pay downs of the U.S. dollar Prior Term Loan.

Other Income (Expense)

During the nine months ended September 30, 2023, we recognized $2.6 million $0.8 million of other income primarily related to (i) a $3.7 million gain on insurance proceeds received related to property damage incurred by a vacant facility, (ii) $0.5 million of business interruption insurance income related to one Senior Housing - Managed community that is was closed due to a fire and (iii) fire. During the three months ended March 31, 2023, we recognized $0.3 million of other income related primarily due to the sale of licensed beds. This income is partially offset by $1.5 million of transition-related expenses related to the transition of 14 Senior Housing - Managed communities to new operators in 2023. During the nine months ended September 30, 2022, we recognized $1.1 million of other expense primarily related to foreign currency transaction loss related to our Canadian borrowings.

Net Loss on Sales of Real Estate

No gain or loss on sales of real estate was recognized during the three months ended March 31, 2024. During the nine three months ended September 30, 2023 March 31, 2023, we recognized an aggregate net loss of $75.9 million related to the disposition of 23 skilled nursing/transitional care facilities, three Senior Housing - Leased communities and one Senior Housing - Managed community. During the nine months ended September 30, 2022, we recognized an aggregate net loss of $4.6 million $21.5 million related to the disposition of six skilled nursing/transitional care facilities, and five one Senior Housing - Leased communities. community and one Senior Housing - Managed community.

Loss from Unconsolidated Joint Ventures Ventures

During the nine three months ended September 30, 2023 March 31, 2024, we recognized $2.1 million $0.6 million of loss from our unconsolidated joint ventures compared to $0.8 million of loss for the three months ended March 31, 2023. The $0.2 million net decrease in loss is primarily related to a $0.6 million increase in revenues net of operating expenses primarily due to increased occupancy, including $6.5 million $0.2 million related to one senior housing community acquired by one of our joint ventures after January 1, 2023. The decrease in loss is partially offset by an increase of $0.2 million of depreciation expense and $2.9 million $0.2 million of interest expense, both primarily related to 16 the senior housing communities community acquired by two joint ventures after January 1, 2022 January 1, 2023.

During the nine months ended September 30, 2022, we recognized $9.7 million of loss primarily from the Enlivant Joint Venture. Effective January 1, 2023, we discontinued applying the equity method of accounting to the Enlivant Joint Venture and no loss was recognized during the nine months ended September 30, 2023. Effective May 1, 2023, we withdrew and resigned our membership in the Enlivant Joint Venture and accordingly, no longer have an equity interest in the Enlivant Joint Venture as of such date. We have not guaranteed any obligations of and are not required to provide any support to the Enlivant Joint Venture.

Income Tax Expense

During the nine three months ended September 30, 2023 March 31, 2024, we recognized $1.5 million $0.5 million of income tax expense compared to $1.1 million for $0.7 million during the nine three months ended September 30, 2022. March 31, 2023. The $0.4 million increase $0.3 million decrease is due to adjusting our estimates related to state and foreign income taxes. lower taxable income.

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Funds from Operations and Adjusted Funds from Operations

We believe that net income as defined by GAAP is the most appropriate earnings measure. We also believe that funds from operations ("FFO"), as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts ("Nareit"), and adjusted funds from operations ("AFFO") (and related per share amounts) are important non-GAAP supplemental measures of our operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, Nareit created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from real estate dispositions and our share of gains or losses from real estate dispositions related to our unconsolidated joint ventures, plus real estate depreciation and amortization, net of amounts related to noncontrolling interests, plus our share of depreciation and amortization related to our unconsolidated joint ventures, and real estate impairment charges of both consolidated and unconsolidated entities when the impairment is directly attributable to decreases in the value of the depreciable real estate held by the entity. AFFO is defined as FFO excluding merger and acquisition costs, stock-based compensation expense, non-cash rental and related revenues, non-cash interest income, non-cash interest expense, non-cash portion of loss on extinguishment of debt, provision for (recovery of) loan losses and other reserves, non-cash lease termination income and deferred income taxes, as well as other non-cash revenue and expense items (including noncapitalizable acquisition costs, transaction costs related to operator transitions and organizational or other restructuring activities, ineffectiveness gain/loss on derivative instruments, and non-cash revenue and expense amounts related to noncontrolling interests) and our share of non-cash adjustments related to our unconsolidated joint ventures. We believe that the use of FFO and AFFO (and the related per share amounts), combined with the required GAAP presentations, improves the understanding of our operating results among investors and makes comparisons of operating results among REITs more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating and financial performance

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because, by excluding the applicable items listed above, FFO and AFFO can help investors compare our operating performance between periods or as compared to other companies. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO and AFFO also do not consider the costs associated with capital expenditures related to our real estate assets nor do they purport to be indicative of cash available to fund our future cash requirements. Further, our computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other REITs that do not define FFO in accordance with the current Nareit definition or that interpret the current Nareit definition or define AFFO differently than we do.

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The following table reconciles our calculations of FFO and AFFO for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, to net income, the most directly comparable GAAP financial measure, for the same periods (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	$ (15,101)	$ (50,064)	$ (3,400)	$ 7,343
Depreciation and amortization of real estate assets	43,242	47,427	140,211	137,855
Depreciation, amortization and impairment of real estate assets related to unconsolidated joint ventures	2,255	6,090	6,505	15,856
Net loss on sales of real estate	46,545	80	75,893	4,581
Net gain on sales of real estate related to unconsolidated joint ventures	—	—	—	(220)
Impairment of real estate	—	60,857	7,064	72,602
FFO	76,941	64,390	226,273	238,017
Stock-based compensation expense	2,235	2,117	5,468	5,367
Non-cash rental and related revenues	(1,312)	13,031	(6,781)	4,970
Non-cash interest income	8	(589)	(380)	(1,683)
Non-cash interest expense	3,088	2,798	9,179	8,300
Non-cash portion of loss on extinguishment of debt	—	140	1,541	411
Provision for (recovery of) loan losses and other reserves	328	(217)	549	(12)
Other adjustments related to unconsolidated joint ventures	133	(2,378)	371	(4,056)
Other adjustments (1)	61	36	224	2,430
AFFO	$ 81,482	$ 79,328	$ 236,444	$ 253,744
FFO per diluted common share	$ 0.33	$ 0.28	$ 0.97	$ 1.03
AFFO per diluted common share	$ 0.35	$ 0.34	$ 1.01	$ 1.09
Weighted average number of common shares outstanding, diluted:				
FFO	232,835,849	231,993,295	232,566,392	231,779,750
AFFO	233,988,463	232,858,600	233,878,874	232,810,528

(1) Other adjustments for the nine months ended September 30, 2022 includes $2.2 million of foreign currency transaction loss related to our Canadian borrowings.

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	Three Months Ended March 31,	
	2024	2023
Net income (loss)	$ 26,254	$ (9,487)
Depreciation and amortization of real estate assets	42,914	52,827
Depreciation, amortization and impairment of real estate assets related to unconsolidated joint ventures	2,229	2,048
Net loss on sales of real estate	—	21,515
Impairment of real estate	3,137	7,064
FFO	74,534	73,967
Stock-based compensation expense	2,521	2,229
Non-cash rental and related revenues	591	(2,398)
Non-cash interest income	7	(392)
Non-cash interest expense	3,071	3,014
Non-cash portion of loss on extinguishment of debt	—	1,541
Recovery of loan losses	(137)	(208)

Other adjustments related to unconsolidated joint ventures	153	69
Other adjustments	410	403
AFFO	$ 81,150	$ 78,225
FFO per diluted common share	$ 0.32	$ 0.32
AFFO per diluted common share	$ 0.35	$ 0.34
Weighted average number of common shares outstanding, diluted:		
FFO	233,365,031	231,892,769
AFFO	234,671,379	233,168,932

The following table sets forth additional information related to certain other items included in net income (loss) above, and the portions of each that are included in FFO and AFFO, which may be helpful in assessing our operating results. Please refer to "—Results of Operations" above for additional information regarding these items (in millions):

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Net Income		FFO		AFFO		Net Income		FFO		AFFO	
Rental and related revenues:												
Non-cash rental and related revenue write-offs	$ 1.0	$ 16.6	$ 1.0	$ 16.6	$ —	$ —	$ 1.5	$ 16.7	$ 1.5	$ 16.7	$ —	$ —
Interest and other income:												
Lease termination income	—	—	—	—	—	—	—	2.3	—	2.3	—	2.3
Provision for (recovery of) loan losses and other reserves	0.3	(0.2)	0.3	(0.2)	—	—	0.5	—	0.5	—	—	—
Loss on extinguishment of debt	—	0.1	—	0.1	—	—	1.5	0.4	1.5	0.4	—	—
Other income (expense):												
Insurance income	4.2	—	4.2	—	4.2	—	4.2	—	4.2	—	4.2	—
Other (expense) income	(2.0)	1.0	(2.0)	1.0	(2.0)	1.0	(1.6)	(1.1)	(1.6)	(1.1)	(1.6)	1.2
Loss from unconsolidated joint ventures:												
Grant income under government programs (1)	—	0.1	—	0.1	—	0.1	—	3.5	—	3.5	—	3.5
Deferred income tax benefit	—	0.8	—	0.8	—	—	—	1.2	—	1.2	—	—
Support payment paid to joint venture manager (2)	—	2.3	—	2.3	—	2.3	—	5.9	—	5.9	—	5.9

	Three Months Ended March 31,					
	2024	2023	2024	2023	2024	2023
	Net Income		FFO		AFFO	
Rental and related revenues:						
Non-cash rental and related revenue write-offs	$ 3.0	$ 0.5	$ 3.0	$ 0.5	$ —	$ —
Recovery of loan losses	(0.1)	(0.2)	(0.1)	(0.2)	—	—
Loss on extinguishment of debt	—	1.5	—	1.5	—	—
Other income (expense):						
Insurance income	0.9	—	0.9	—	0.9	—

(1) Table of ContentsConsists of funds specifically paid to communities in our Senior Housing - Managed portfolio from state or federal governments related to the pandemic and were incremental to the amounts that would have otherwise been received for providing care to residents.

(2) Funding for support payments did not require capital contributions from Sabra but rather were funded with proceeds received by the Enlivant Joint Venture from TPG for the issuance of senior preferred interests.

Liquidity and Capital Resources

As of September 30, 2023 March 31, 2024, we had approximately $1.0 billion $913.8 million in liquidity, consisting of unrestricted cash and cash equivalents of $33.3 million $59.9 million and available borrowings under our Revolving Credit Facility (as defined below) of $967.4 million $853.9 million. The Credit Agreement also contains an accordion feature that can increase the total available borrowings to $2.75 billion (from U.S. $1.4 billion plus CAD $150.0 million), subject to terms and conditions.

We have filed a shelf registration statement with the SEC that expires in November 2025, which allows us to offer and sell shares of common stock, preferred stock, warrants, rights, units, and certain of our subsidiaries to offer and sell debt securities, through underwriters, dealers or agents or directly to purchasers, on a continuous or delayed basis, in amounts, at prices and on terms we determine at the time of the offering, subject to market conditions.

On February 23, 2023, we established an at-the-market equity offering program (the “ATM Program”) pursuant to which shares of our common stock having an aggregate gross sales price of up to $500.0 million may be sold from time to time (i) by us through a consortium of banks acting as sales agents or directly to the banks acting as principals or (ii) by a consortium of banks acting as forward sellers on behalf of any forward purchasers pursuant to a forward sale agreement.

During the three and nine months ended September 30, 2023 March 31, 2024, no shares were sold under the ATM Program and we did not utilize the forward feature of the ATM Program. As of September 30, 2023 March 31, 2024, we had $500.0 million available under the ATM Program.

Our short-term liquidity requirements consist primarily of operating expenses, including our planned capital expenditures and funding commitments, interest expense, scheduled debt service payments under our loan agreements, dividend requirements, general and administrative expenses and other requirements described under “Material Cash Requirements” below. Based on our current assessment, we believe that our available cash, operating cash flows and borrowings available to us under our Revolving Credit Facility provide sufficient funds for such requirements for the next twelve months. In addition, we do not believe that the restrictions under our Senior Notes Indentures (as defined below) or Credit Agreement significantly limit our ability to use our available liquidity for these purposes.

Our long-term liquidity requirements consist primarily of future investments in properties, including any improvements or renovations of current or newly-acquired properties, as well as scheduled debt maturities. We expect to meet these liquidity

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needs using the sources above as well as the proceeds from issuances of common stock, preferred stock, debt or other securities, additional borrowings, including mortgage debt or a new or refinanced credit facility, and proceeds from the sale of properties. In addition, we may seek financing from U.S. government agencies, including through Fannie Mae, Freddie Mac and the U.S. Department of Housing and Urban Development, in appropriate circumstances in connection with acquisitions.

Cash Flows from Operating Activities

Net cash provided by operating activities was $221.8 million $52.8 million for the nine three months ended September 30, 2023 March 31, 2024. Operating cash inflows were derived primarily from the rental payments received under our lease agreements, resident fees and services net of the corresponding operating expenses, and interest payments from borrowers under our loan and preferred equity investments. Operating cash outflows consisted primarily of interest payments on borrowings and payment of general and administrative expenses, including corporate overhead. Increases to operating cash flows primarily relate to completed investment activity, and decreases to operating cash flows primarily relate to disposition activity and interest expense from increased borrowing activity and higher interest rates. In addition, the change in operating cash flows was impacted by the timing of collections from our tenants and borrowers and fluctuations in the operating results of our Senior Housing - Managed communities. We expect our annualized cash flows provided by operating activities to fluctuate as a result of such activity.

Cash Flows from Investing Activities

During the nine three months ended September 30, 2023 March 31, 2024, net cash provided by used in investing activities was $164.9 million $13.2 million and included $248.2 million of net proceeds from the sales of real estate, $25.5 million of net proceeds from the sale of a facility under a sales-type lease, $8.7 million in repayments of loans receivable, $6.0 million in insurance proceeds, $4.8 million in repayments of preferred equity investments and $0.5 million of distributions in excess of earnings from an unconsolidated joint venture, partially offset by $63.8 million $12.9 million used for additions to real estate, $39.6 million used for the acquisition of two facilities, $11.0 million $1.0 million used to provide funding for a preferred equity investments, $9.6 million used to provide funding for loans receivable and $4.8 million investment, $0.2 million used for the investment in an unconsolidated joint venture. venture and $0.1 million used to provide funding for a loan receivable, partially offset by $0.6 million in repayments of preferred equity investments and $0.4 million in repayments of loans receivable.

Cash Flows from Financing Activities

During the nine three months ended September 30, 2023 March 31, 2024, net cash used in financing activities was $400.9 million $20.2 million and included $208.1 million $69.4 million of dividends paid to stockholders, $165.3 million of net repayments of our Revolving Credit Facility, $18.1 million of payments of deferred financing costs related to the Credit Agreement, $17.9 million of payments of contingent consideration, $2.2 million $2.6 million of net costs related to payroll tax payments related to the issuance of common stock pursuant to equity compensation arrangements and our ATM Program, and $1.5 million $0.5 million of principal repayments on secured debt and $0.1 million of payments of deferred financing costs related to the Credit Agreement, partially offset by $12.2 million $52.4 million of net proceeds from Term Loans (as defined below). our Revolving Credit Facility.

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Please see the accompanying consolidated statements of cash flows for details of our operating, investing and financing cash activities.

Material Cash Requirements

Our material cash requirements include the following contractual and other obligations.

Senior Unsecured Notes. Our senior unsecured notes consisted of the following (collectively, the “Senior Notes”) as of September 30, 2023 March 31, 2024 (dollars in thousands):

Title	Maturity Date		Principal Balance (1)
5.125% senior unsecured notes due 2026 (the "2026 Notes")	August 15, 2026	$	500,000
5.88% senior unsecured notes due 2027 (the "2027 Notes")	May 17, 2027		100,000
3.90% senior unsecured notes due 2029 (the "2029 Notes")	October 15, 2029		350,000
3.20% senior unsecured notes due 2031 (the "2031 Notes")	December 1, 2031		800,000
		$	1,750,000

(1) Principal balance does not include discount, net of $4.1 million $4.4 million and deferred financing costs, net of $10.9 million $10.1 million as of September 30, 2023 March 31, 2024.

See Note 7, 8, "Debt," in the Notes to Consolidated Financial Statements and "Subsidiary Issuer and Guarantor Financial Information" below for additional information concerning the Senior Notes, including information regarding the indentures and agreements governing the Senior Notes (the "Senior Notes Indentures"). As of September 30, 2023 March 31, 2024, we were in compliance with all applicable covenants under the Senior Notes Indentures.

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Credit Agreement. Effective January 4, 2023, the Operating Partnership and Sabra Canadian Holdings, LLC (together, the "Borrowers"), and the other parties thereto entered into a sixth amended and restated unsecured credit agreement (the "Credit Agreement"). The Credit Agreement includes a $1.0 billion revolving credit facility (the "Revolving Credit Facility"), a $430.0 million U.S. dollar term loan and a CAD $150.0 million Canadian dollar term loan (collectively, the "Term Loans"). Further, up to $350.0 million of the Revolving Credit Facility may be used for borrowings in certain foreign currencies. The Credit Agreement also contains an accordion feature that can increase the total available borrowings to $2.75 billion, subject to terms and conditions.

The Revolving Credit Facility has a maturity date of January 4, 2027, and includes two six-month extension options. The Term Loans have a maturity date of January 4, 2028.

The obligations of the Borrowers under the Credit Agreement are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by us and one of our non-operating subsidiaries, subject to release under certain customary circumstances.

See Note 7, 8, "Debt," in the Notes to Consolidated Financial Statements for additional information concerning the Credit Agreement, including information regarding covenants contained in the Credit Agreement. As of September 30, 2023 March 31, 2024, we were in compliance with all applicable covenants under the Credit Agreement.

Secured Indebtedness. As of September 30, 2023 March 31, 2024, eight of our properties held for investment were subject to secured indebtedness to third parties, and our secured debt consisted of the following (dollars in thousands):

Interest Rate Type

Interest Rate Type

Interest Rate Type	Interest Rate Type	Principal Balance (1)	Weighted Average Interest Rate	Maturity Date			Principal Balance (1)		Weighted Average Interest Rate		Maturity Date
Fixed Rate	Fixed Rate	$48,643	2.85 %	May 2031 - August 2051	Fixed Rate	$	47,640	2.85	2.85	%	May 2031 - August 2051

(1) Principal balance does not include deferred financing costs, net of $0.9 million $0.8 million as of September 30, 2023 March 31, 2024.

Interest. Our estimated interest and facility fee payments based on principal amounts of debt outstanding as of September 30, 2023 March 31, 2024, applicable interest rates in effect as of September 30, 2023 March 31, 2024, and including the impact of interest rate swaps and collars are $29.2 $84.2 million for the remainder of 2023, $97.9 million in 2024, $99.3 $106.8 million in 2025, $99.2 $106.7 million in 2026, $66.0 million in 2027, $40.6 million in 2028 and $141.5 $100.9 million thereafter.

Capital and Other Expenditures and Funding Commitments. For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, our aggregate capital expenditures were $63.8 million $12.9 million and $33.8 million $19.5 million, respectively. As of September 30, 2023 March 31, 2024, our aggregate commitment for future capital and other expenditures related to facilities leased under triple-net operating leases was approximately $44 $21 million, of which $36 $16 million will directly result in incremental rental income, and approximately $26

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$11 million will be spent over the next 12 months. Additionally, as of September 30, 2023, anticipated We also expect to fund capital expenditures related to our Senior Housing - Managed communities were approximately $41 communities.

In addition, as of March 31, 2024, we have committed to provide up to $1.8 million of which we expect future funding related to spend approximately $34 million over the next 12 months. one preferred equity investment and one loan receivable investment.

Dividends. To maintain REIT status, we are required each year to distribute to stockholders at least 90% of our annual REIT taxable income after certain adjustments. All distributions will be made by us at the discretion of our board of directors and will depend on our financial position, results of operations, cash flows, capital requirements, debt covenants (which include limits on distributions by us), applicable law, and other factors as our board of directors deems relevant.

We paid dividends of $208.1 million $69.4 million on our common stock during the nine three months ended September 30, 2023 March 31, 2024. On November 6, 2023 May 8, 2024, our board of directors declared a quarterly cash dividend of $0.30 per share of common stock. The dividend will be paid on November 30, 2023 May 31, 2024 to common stockholders of record as of November 17, 2023 May 20, 2024.

Subsidiary Issuer and Guarantor Financial Information. In connection with the Operating Partnership's assumption of the 2026 Notes, we have fully and unconditionally guaranteed the 2026 Notes. The 2029 Notes and 2031 Notes are issued by the Operating Partnership and guaranteed, fully and unconditionally, by us.

These guarantees are subordinated to all existing and future senior debt and senior guarantees of us, as guarantor, and are unsecured. We conduct all of our business through and derive virtually all of our income from our subsidiaries. Therefore, our ability to make required payments with respect to our indebtedness (including the Senior Notes) and other obligations depends on the financial results and condition of our subsidiaries and our ability to receive funds from our subsidiaries.

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In accordance with Regulation S-X, the following aggregate summarized financial information is provided for Sabra and the Operating Partnership. This aggregate summarized financial information has been prepared from the books and records maintained by us and the Operating Partnership. The aggregate summarized financial information does not include the investments in, nor the earnings from, subsidiaries other than the Operating Partnership and therefore is not necessarily indicative of the results of operations or financial position had the Operating Partnership operated as an independent entity. Intercompany transactions have been eliminated. The aggregate summarized balance sheet information as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and aggregate summarized statement of loss information for the nine three months ended September 30, 2023 March 31, 2024 is as follows (in thousands):

		September 30, 2023	December 31, 2022		
		March 31, 2024		March 31, 2024	December 31, 2023
Total assets	Total assets	$ 86,975	$ 74,063		
Total liabilities	Total liabilities	2,206,623	2,275,511		

		Nine Months Ended September 30, 2023
		Three Months Ended March 31, 2024
		Three Months Ended March 31, 2024
		Three Months Ended March 31, 2024
Total revenues		
Total revenues		
Total revenues	Total revenues	$ 431
Total expenses	Total expenses	98,213
Total expenses		
Total expenses		
Net loss		
Net loss		
Net loss	Net loss	(100,307)

Concentration of Credit Risk

Concentrations of credit risk arise when a number of tenants or obligors related to our investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to us, to be similarly affected by changes in economic conditions. We regularly monitor our portfolio to assess potential concentrations of risks.

Management believes our current portfolio is reasonably diversified across healthcare related real estate and geographical location and does not contain any other significant concentration of credit risks. Our portfolio of 377 374 real estate properties held for investment as of September 30, 2023 March 31, 2024 is diversified by location across the U.S. and Canada.

For the three and nine months ended September 30, 2023 March 31, 2024, no tenant relationship represented 10% or more of our total revenues.

Skilled Nursing Facility Reimbursement Rates

For the nine three months ended September 30, 2023 March 31, 2024, 42.5% 39.7% of our revenues was derived directly or indirectly from skilled nursing/transitional care facilities. Medicare reimburses skilled nursing facilities for Medicare Part A services under the Prospective Payment System ("PPS"), as implemented pursuant to the Balanced Budget Act of 1997 and modified pursuant to

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subsequent laws, most recently the Patient Protection and Affordable Care Act of 2010. PPS regulations predetermine a payment amount per patient, per day, based on a market basket index calculated for all covered costs.

On October 1, 2019, a case-mix classification system called the skilled nursing facility Patient-Driven Payment Model ("PDPM") became effective pursuant to a Centers for Medicare & Medicaid Services ("CMS") final rule. PDPM focuses on clinically relevant factors, rather than volume-based service, for determining Medicare payment. PDPM adjusts Medicare payments based on each aspect of a resident's care, most notably for non-therapy ancillaries, which are items and services not related to the provision of therapy such as drugs and medical supplies, thereby more accurately addressing costs associated with medically complex patients. It further adjusts the skilled nursing facility per diem payments to reflect varying costs throughout the stay and incorporates safeguards against potential financial incentives to ensure that beneficiaries receive care consistent with their unique needs and goals.

On July 29, 2022, CMS issued a final rule regarding fiscal year 2023 Medicare rates for skilled nursing facilities providing an estimated net increase of 2.7% compared to fiscal year 2022 comprised of an increase as a result of an update to the payment rates of 5.1% (which is based on (i) a market basket increase of 3.9% plus (ii) a market basket forecast error adjustment of 1.5% and less (iii) a productivity adjustment of 0.3%), partially offset by the recalibrated PDPM parity adjustment of 2.3% (the total PDPM parity adjustment is 4.6%, and it is being phased in over a two-year period). These figures do not incorporate any of the estimated value-based purchasing reductions for skilled nursing facilities. The new payment rates became effective on October 1, 2022.

On July 31, 2023, CMS issued a final rule regarding fiscal year 2024 Medicare rates for skilled nursing facilities providing an estimated net increase of 4.0% compared to fiscal year 2023 comprised of an increase as a result of an update to

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the payment rates of 6.4% (which is based on (i) a market basket increase of 3.0% plus (ii) a market basket forecast error adjustment of 3.6% and less (iii) a productivity adjustment of 0.2%), partially offset by the second phase of the recalibrated PDPM parity adjustment of 2.3%. These figures do not incorporate any of the estimated value-based purchasing reductions for skilled nursing facilities. The new payment rates became effective on October 1, 2023.

On March 28, 2024, CMS issued a proposed rule regarding fiscal year 2025 Medicare rates for skilled nursing facilities providing an estimated net increase of 4.1% compared to fiscal year 2024 (comprised of (i) a market basket increase of 2.8% plus (ii) a market basket forecast error adjustment of 1.7% and less (iii) a productivity adjustment of 0.4%). These figures do not incorporate any of the estimated value-based purchasing reductions for skilled nursing facilities. The proposed payment rates would become effective on October 1, 2024. Additionally, the proposed rule would expand the civil monetary penalties ("CMP") that can be imposed for noncompliance to allow for more CMPs per instance and per day.

On April 22, 2024, CMS issued a final rule that establishes minimum nurse staffing requirements for long-term care facilities (the "Minimum Staffing Standards"). The Minimum Staffing Standards will require a total nurse staffing standard of 3.48 hours per resident day ("HPRD"), which must include at least 0.55 HPRD of direct registered nurse care and 2.45 HPRD of direct nurse aide care. Facilities may use any combination of nurse staff (registered nurse, licensed practical nurse and licensed vocational nurse, or nurse aide) to account for the additional 0.48 HPRD needed to comply with the total nurse staffing standard. Additionally, the Minimum Staffing Standards will require facilities to meet new facility assessment requirements and have a registered nurse onsite 24 hours a day, seven days a week, to provide skilled nursing care. The Minimum Staffing Standards are expected to take effect on June 21, 2024, with a phase-in period consisting of three phases over three years for non-rural facilities and over five years for rural facilities. We believe the Minimum Staffing Standards, if implemented in its current form, will exacerbate the staffing challenges already faced by our tenants.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to the quantitative and qualitative disclosures about market risk set forth in our 2022 2023 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon, and as of the date of, the evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024 to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

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Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None of the Company or any of its subsidiaries is a party to, and none of their respective property is the subject of, any material legal proceeding, although we are from time to time party to legal proceedings that arise in the ordinary course of our business.

ITEM 1A. RISK FACTORS

There have been no material changes in our assessment of our risk factors from those set forth in Part I, Item 1A of our 2022 2023 Annual Report on Form 10-K.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Ex.	Description
3.1	Articles of Amendment and Restatement of Sabra Health Care REIT, Inc., dated October 20, 2010, filed with the State Department of Assessments and Taxation of the State of Maryland on October 21, 2010 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Sabra Health Care REIT, Inc. on October 26, 2010).
3.1.1	Articles of Amendment to the Articles of Amendment and Restatement of Sabra Health Care REIT, Inc., dated as of July 31, 2017 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Sabra Health Care REIT, Inc. on July 31, 2017).
3.1.2	Articles of Amendment to the Articles of Amendment and Restatement of Sabra Health Care REIT, Inc., dated as of June 9, 2020 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Sabra Health Care REIT, Inc. on June 12, 2020).
3.1.3	Articles Supplementary of Sabra Health Care REIT, Inc., dated as of December 15, 2022 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Sabra Health Care REIT, Inc. on December 16, 2022).
3.2	Amended and Restated Bylaws of Sabra Health Care REIT, Inc. (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Sabra Health Care REIT, Inc. on December 16, 2022).
22.1	List of Subsidiary Issuers and Guarantors of Sabra Health Care REIT, Inc. (incorporated by reference to Exhibit 22.1 of the Annual Report on 10-K filed by Sabra Health Care REIT, Inc. on February 22, 2022).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.

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Ex.	Description
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

** Furnished herewith.

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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 undersigned, thereunto duly authorized.

SABRA HEALTH CARE REIT, INC.

Date: November 6, 2023 May 8, 2024	By:	/S/ RICHARD K. MATROS
		Richard K. Matros
		Chief Executive Officer, President and Chair
		(Principal Executive Officer)
Date: November 6, 2023 May 8, 2024	By:	/S/ MICHAEL COSTA
		Michael Costa
		Chief Financial Officer, Secretary and Executive Vice President
		(Principal Financial Officer)

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Exhibit 31.1

Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard K. Matros, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabra Health Care REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2023 May 8, 2024

/S/ RICHARD K. MATROS

Richard K. Matros

Chief Executive Officer, President and Chair

Exhibit 31.2

Certification of Chief Financial Officer pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Costa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabra Health Care REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2023 May 8, 2024

/S/ MICHAEL COSTA

Michael Costa

Chief Financial Officer, Secretary and Executive Vice President

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Sabra Health Care REIT, Inc. (the "Registrant") for the three months ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard K. Matros, as Chief Executive Officer, President and Chair of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 6, 2023 May 8, 2024

/S/ RICHARD K. MATROS

Richard K. Matros
Chief Executive Officer, President and Chair

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Sabra Health Care REIT, Inc. (the "Registrant") for the three months ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael Costa, as Chief Financial Officer, Secretary and Executive Vice President of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 6, 2023 May 8, 2024

/S/ MICHAEL COSTA

Michael Costa
Chief Financial Officer, Secretary and Executive Vice President

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