



## Quarterly Supplement

*First Quarter 2020*

**Palmer Hills**  
Bettendorf, IA

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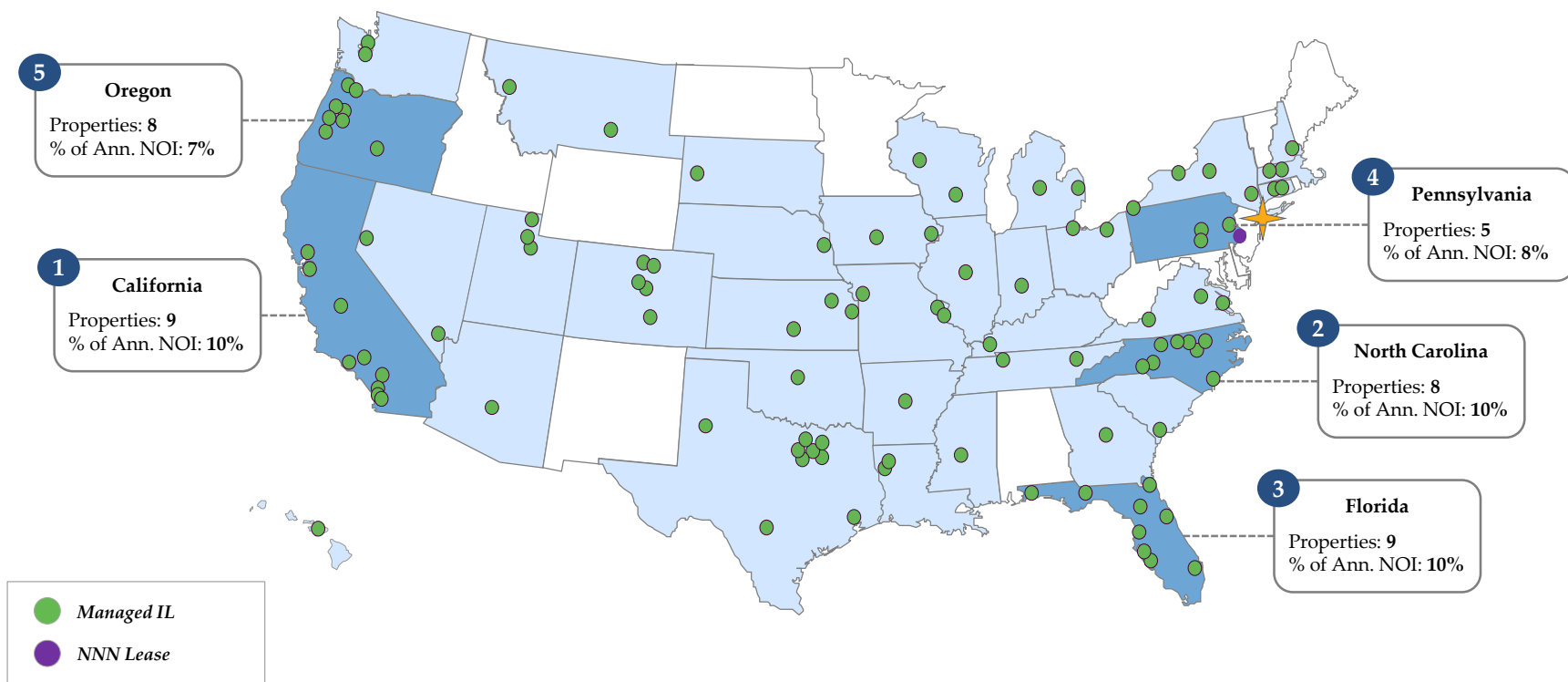
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# Portfolio Overview<sup>(1)</sup>

## Total Portfolio

(\$ in thousands)

	Properties	Beds	Units	States	Investment	TTM EBITDARM Coverage <sup>(2)</sup>	1Q20 Occupancy <sup>(2)</sup>	1Q20 Ann. NOI	1Q20 Ann. Cash NOI
Senior Housing – Managed IL	102	11,976	11,976	36	\$2,054,591	N/A	87.1%	\$135,766	\$134,546
Senior Housing – NNN <sup>(3)</sup>	1	463	429	1	\$57,974	1.29x	82.9%	\$6,330	\$5,801
<b>Total</b>	<b>103</b>	<b>12,439</b>	<b>12,405</b>	<b>36</b>	<b>\$2,112,565</b>			<b>\$142,096</b>	<b>\$140,347</b>



1) All data as of 3/31/2020 and excludes assets sold during the quarter; percentages calculated based on 1Q20 NOI.

2) NNN occupancy and EBITDARM coverage are presented one quarter in arrears from the date reported on a trailing twelve month basis.

3) Triple net lease matures in May 2030.

# Portfolio Diversification<sup>(1)</sup>

## By State

(\$ in thousands)									
Managed IL				NNN			Total		
State	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total
California	9	\$ 14,916	11%	-	\$ -	-	9	\$ 14,916	10%
North Carolina	8	14,082	10%	-	-	-	8	14,082	10%
Florida	9	13,743	10%	-	-	-	9	13,743	10%
Pennsylvania	4	5,329	4%	1	6,330	100%	5	11,659	8%
Oregon	8	10,151	7%	-	-	-	8	10,151	7%
Texas	9	9,058	7%	-	-	-	9	9,058	6%
New York	3	6,564	5%	-	-	-	3	6,564	5%
Colorado	5	6,531	5%	-	-	-	5	6,531	5%
Missouri	3	5,160	4%	-	-	-	3	5,160	4%
Wisconsin	2	3,698	3%	-	-	-	2	3,698	3%
Other states	42	46,534	34%	-	-	-	42	46,534	32%
<b>Total</b>	<b>102</b>	<b>\$ 135,766</b>	<b>100%</b>	<b>1</b>	<b>\$ 6,330</b>	<b>100%</b>	<b>103</b>	<b>\$ 142,096</b>	<b>100%</b>

## By Operator / Manager

(\$ in thousands)									
Managed IL				NNN			Total		
Operator/ Manager	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total
Holiday	98	\$ 134,064	99%	-	\$ -	-	98	\$ 134,064	94%
Watermark	-	-	-	1	6,330	100%	1	6,330	5%
Other operators	4	1,702	1%	-	-	-	4	1,702	1%
<b>Total</b>	<b>102</b>	<b>\$ 135,766</b>	<b>100%</b>	<b>1</b>	<b>\$ 6,330</b>	<b>100%</b>	<b>103</b>	<b>\$ 142,096</b>	<b>100%</b>

# Same Store Total Portfolio Results

	1Q20: Quarter-over-Quarter				1Q20: Year-over-Year			
(\$ in thousands)	Same Store Cash NOI				Same Store Cash NOI			
	# of Prop.	4Q19	1Q20	Δ	# of Prop.	1Q19	1Q20	Δ
<i>Managed IL Properties</i>	102	\$ 34,502	\$ 33,637	(2.5%)	102	\$ 33,646	\$ 33,637	-
<i>NNN Properties</i>	1	\$ 1,450	\$ 1,450	-	1	\$ 1,411	\$ 1,450	2.8%
<i>Total Same Store</i>	103	\$ 35,952	\$ 35,087	(2.4%)	103	\$ 35,057	\$ 35,087	0.1%
<i>Total Same Store Excl. COVID-19 Expenses</i>	103	\$ 35,952	\$ 35,588	(1.0%)	103	\$ 35,057	\$ 35,588	1.5%

# Same Store Managed IL Portfolio Results

Quarterly Performance							
(\$ in thousands, except RevPOR)	1Q19	2Q19	3Q19	4Q19	1Q20	QoQ	YoY
# of Properties	102	102	102	102	102	-	-
Average Available Beds	11,974	11,974	11,975	11,976	11,976	-	2
Occupancy	87.0%	87.1%	87.3%	86.9%	87.1%	20bps	10bps
RevPOR	\$2,683	\$2,701	\$2,706	\$2,711	\$2,706	(0.2%)	0.9%
<b>GAAP<sup>(1)</sup></b>							
Revenue	\$83,215	\$84,046	\$84,475	\$84,631	\$85,007	0.4%	2.2%
Expenses	(\$50,190)	(\$49,581)	(\$50,678)	(\$50,150)	(\$51,065)	1.8%	1.7%
NOI	\$33,025	\$34,465	\$33,797	\$34,481	\$33,942	(1.6%)	2.8%
<b>Cash<sup>(1)</sup></b>							
Revenue	\$83,836	\$84,517	\$84,900	\$84,652	\$84,702	0.1%	1.0%
Expenses	(\$50,190)	(\$49,581)	(\$50,678)	(\$50,150)	(\$51,065)	1.8%	1.7%
NOI	\$33,646	\$34,936	\$34,222	\$34,502	\$33,637	(2.5%)	-
Cash NOI Margin	40.1%	41.3%	40.3%	40.8%	39.7%	(110bps)	(40bps)

1) In accordance with ASC 842 effective 1/1/2019, collectability of receivables is assessed and incorporated in lease revenue.

# Managed IL Portfolio New Supply Summary

## Managed IL Portfolio<sup>(1)</sup>

Rank	Metro Market	New Senior			New Senior 5 Mile Ring							MSA Statistics			
		Number of Properties	Annualized Cash NOI (000s)	% of Total NOI <sup>(2)</sup>	Prop. / Units Under Construction	SNR Prop. / Units Impacted	% of Total NOI Impacted	75+ Population Annual Growth <sup>(3)</sup>	Median Household Income <sup>(3)</sup>	Median Household Value <sup>(3)</sup>	Construction vs. Inventory	75+ Population Annual Growth <sup>(3)</sup>	Median Household Income <sup>(3)</sup>	Median Household Value <sup>(3)</sup>	Construction vs. Inventory
1	Dallas, TX	6	\$ 6,447	4.6%	6 / 567	5 / 554	3.9%	3.9%	\$ 75,081	\$ 309,480	4.5%	4.8%	\$ 74,149	\$ 245,696	7.6%
2	Raleigh, NC	3	6,393	4.6%	2 / 443	1 / 117	1.7%	1.5%	47,643	172,267	18.4%	1.9%	51,719	175,169	11.3%
3	Riverside, CA	2	4,887	3.5%	3 / 277	1 / 116	1.6%	2.9%	90,720	437,497	25.6%	3.1%	68,142	391,096	12.9%
4	Los Angeles, CA	2	3,976	2.8%	- / -	- / -	-	4.5%	59,434	345,259	-	2.5%	78,333	693,027	6.3%
5	St. Louis, MO	2	3,697	2.6%	4 / 283	2 / 209	2.6%	0.7%	87,008	294,617	8.3%	1.5%	68,238	189,858	8.1%
6	Springfield, MA	2	3,629	2.6%	- / -	- / -	-	1.4%	54,601	215,316	-	1.5%	65,306	261,496	-
7	Sarasota, FL	2	3,480	2.5%	4 / 409	2 / 234	2.5%	2.0%	68,042	287,865	9.4%	2.1%	63,974	269,830	11.1%
8	Charlotte, NC	2	3,437	2.4%	- / -	- / -	-	5.3%	65,775	219,130	-	4.2%	67,778	221,449	7.2%
9	Hartford, CT	2	3,340	2.4%	3 / 281	1 / 112	0.8%	0.7%	79,300	244,404	19.0%	1.0%	81,996	264,029	9.4%
10	Harrisburg, PA	2	3,202	2.3%	- / -	- / -	-	1.6%	63,229	185,338	-	1.4%	71,836	203,125	-
11	Corvallis, OR	2	3,072	2.2%	- / -	- / -	-	2.7%	63,130	372,430	-	2.8%	67,561	351,320	-
12	Denver, CO	2	2,912	2.1%	3 / 458	1 / 119	1.2%	3.3%	72,038	471,615	7.1%	4.7%	85,029	448,905	6.3%
13	Seattle, WA	2	2,554	1.8%	1 / 4	1 / 115	1.2%	3.8%	87,508	566,250	0.1%	4.5%	95,339	501,374	2.7%
14	Salem, OR	2	2,421	1.7%	- / -	- / -	-	2.9%	62,076	283,833	-	2.4%	65,102	283,975	-
15	New York, NY	1	2,392	1.7%	- / -	- / -	-	0.7%	74,279	261,146	-	1.5%	86,080	477,778	8.5%
16	<b>Other Markets</b>	<b>68</b>	<b>78,708</b>	<b>56.1%</b>	<b>16 / 1494</b>	<b>13 / 1,550</b>	<b>10.0%</b>	<b>2.4%</b>	<b>63,620</b>	<b>267,739</b>	<b>2.9%</b>	<b>2.7%</b>	<b>65,678</b>	<b>265,344</b>	<b>4.6%</b>
<b>Managed IL Portfolio</b>		<b>102</b>	<b>\$ 134,546</b>	<b>95.9%</b>	<b>42 / 4,216</b>	<b>27 / 3,126</b>	<b>25.5%</b>	<b>2.6%</b>	<b>\$ 64,830</b>	<b>\$ 275,972</b>	<b>4.6%</b>	<b>3.1%</b>	<b>\$ 67,012</b>	<b>\$ 277,976</b>	<b>5.7%</b>

- 1) Data per NIC for inventory in markets reported by NIC for 1Q20, which excludes some markets represented in New Senior's portfolio. Analysis excludes properties sold during the quarter.
- 2) Percentages calculated based on 1Q20 Cash NOI.
- 3) Based on Nielsen estimates for 2020 household and 2020 – 2025 demographics trends.

# Acquisition & Disposition Activity Since January 1, 2017<sup>(1)</sup>

(\$ in millions)

## Acquisition Activity

	Date	Segment	Property Type	Property Count	Beds	Units	Purchase Price
<b>Total Acquisitions</b>	-	-	-	-	-	-	-

## Disposition Activity

	Date	Segment <sup>(2)</sup>	Property Type	Property Count	Beds	Units	Sale Price
	January 2017	Managed	AL/MC	2	214	152	\$ 15.5
	June 2017	Managed	IL	2	299	299	\$ 33.0
	November 2017	Managed	AL/MC	9	1,391	1,185	\$ 109.5
	December 2017	NNN	IL / AL/MC / CCRC	6	1,234	1,120	\$ 186.0
	April 2019	Managed AL/MC	AL/MC	1	117	113	\$ 6.3
	June 2019	Managed AL/MC	AL/MC	1	162	159	\$ 7.5
	February 2020	N/A <sup>(3)</sup>	AL/MC	28	3,140	2,841	\$ 385.0
<b>Total Dispositions</b>	-	-	-	<b>49</b>	<b>6,557</b>	<b>5,869</b>	<b>\$ 742.8</b>

1) As of 3/31/2020.

2) Represents segment at time of sale.

3) Included in Managed AL/MC segment prior to 3Q19. As of 4Q19, these properties were classified as discontinued operations.



# Debt Maturities and Composition<sup>(1)</sup>

## Debt Maturities & Scheduled Principal Amortization

(\$ in thousands)

Year	Revolving Credit Facility		Mortgage Debt		Total Debt		
	Amounts	Rate	Amounts	Rate	Amounts	Rate	% of Total Debt
2020	-	-	\$ 2,305	-	\$ 2,305	-	0.1%
2021	-	-	9,241	-	9,241	-	0.6%
2022 <sup>(2)</sup>	-	-	67,522	4.3%	67,522	4.3%	4.2%
2023	-	-	19,817	-	19,817	-	1.2%
2024	\$100,000	2.8%	24,160	-	124,160	2.8%	7.7%
2025	-	-	1,119,852	4.2%	1,119,852	4.2%	69.8%
Thereafter	-	-	261,536	3.6%	261,537	3.6%	16.4%
<b>Total Debt</b>	<b>\$100,000</b>	<b>2.8%</b>	<b>\$1,504,433</b>	<b>4.1%</b>	<b>\$1,604,433</b>	<b>4.0%</b>	<b>100.0%</b>
Deferred Financing Costs	(4,029)	-	(14,468)	-	(18,497)	-	-
<b>Total Debt, Net</b>	<b>\$95,971</b>	<b>-</b>	<b>\$1,489,965</b>	<b>-</b>	<b>\$1,585,936</b>	<b>-</b>	<b>-</b>
W.A. Maturity in Years	3.9	-	6.1	-	6.0	-	-

## Debt Composition<sup>(3)</sup>

(\$ in thousands)

	Amounts	% of Total Debt	Rate	W.A. Maturity in Years
Fixed Rate Debt	\$814,680	51%	4.4%	5.3
Variable Rate Debt	789,753	49%	3.7%	6.2
<b>Total Debt</b>	<b>\$1,604,433</b>	<b>100%</b>	<b>4.0%</b>	<b>6.0</b>

1) Debt information is as of 3/31/2020 and based on current unpaid principal balance.

2) Company has two one-year extension options to extend the maturity date on \$50 million, subject to a fee of 13bps of the total commitment.

3) Includes the impact of notional swaps to convert \$350 million LIBOR-based floating rate debt to fixed rate debt.

# Capitalization

## Total Capitalization<sup>(1)</sup>

(\$ and shares in millions, except per share data)	Price as of	Shares	Value
	3/31/20	Outstanding	
Market Capitalization	\$2.56	82.4	<b>\$210.9</b>
Debt, net			1,585.9
Cash			(135.1)
Net debt			<b>\$1,450.8</b>
Redeemable preferred stock			40.5
<b>Enterprise Value</b>			<b>\$1,702.2</b>

## Common Stock & Equivalents

Weighted Average Amounts Outstanding For:	Period
	1Q20
<u>EPS</u>	
Common shares – basic	82,386,622
Effect of dilutive securities <sup>(2)</sup> :	-
<b>Total common shares – diluted</b>	<b>82,386,622</b>
<u>FFO, Norm. FFO, AFFO and Norm. FAD</u>	
Common shares – basic	82,386,622
Effect of dilutive securities	1,527,646
<b>Total common shares – diluted</b>	<b>83,914,268</b>
<u>Period Ending</u>	
Common shares	82,386,622
Restricted stock & stock options	11,522,522
<b>Total common shares and options</b>	<b>93,909,144</b>

1) Debt information is as of 3/31/2020 and based on current unpaid principal balance.

2) During the three months ended 3/31/2020, 1,527,646 dilutive share equivalents and options were excluded as their inclusion would have been anti-dilutive given our loss from continuing operations.

# Consolidated Balance Sheet

(\$ in thousands)	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20
<u>Assets</u>	(unaudited)	(unaudited)	(unaudited)		(unaudited)
Real estate investments:					
Land	\$ 134,643	\$ 134,643	\$ 134,643	\$ 134,643	\$ 134,643
Buildings, improvements and other	1,954,287	1,959,005	1,964,853	1,970,036	1,972,758
Accumulated depreciation	(300,044)	(316,942)	(334,176)	(351,555)	(368,979)
Net real estate property	1,788,886	1,776,706	1,765,320	1,753,124	1,738,422
Acquired lease and other intangible assets	7,642	7,642	7,642	7,642	7,642
Accumulated amortization	(1,971)	(2,060)	(2,149)	(2,238)	(2,327)
Net real estate intangibles	5,671	5,582	5,493	5,404	5,315
Net real estate investments	1,794,557	1,782,288	1,770,813	1,758,528	1,743,737
Assets from discontinued operations	364,038	363,696	362,566	363,489	-
Cash and cash equivalents	41,519	35,398	35,399	39,614	135,103
Receivables and other assets, net	45,754	33,535	35,093	33,078	32,148
<b>Total Assets</b>	<b>\$ 2,245,868</b>	<b>\$ 2,214,917</b>	<b>\$ 2,203,871</b>	<b>\$ 2,194,709</b>	<b>\$ 1,910,988</b>
<u>Liabilities, Redeemable Preferred Stock &amp; Equity</u>					
Debt, net	\$ 1,605,902	\$ 1,591,542	\$ 1,591,373	\$ 1,590,632	\$ 1,585,936
Liabilities from discontinued operations	288,729	293,493	257,724	267,856	-
Accrued expenses and other liabilities	50,045	55,507	63,263	59,320	62,313
<b>Total Liabilities</b>	<b>\$ 1,944,676</b>	<b>\$ 1,940,542</b>	<b>\$ 1,912,360</b>	<b>\$ 1,917,808</b>	<b>\$ 1,648,249</b>
Redeemable preferred Stock	40,598	40,500	40,506	40,506	40,500
Common stock	822	831	830	830	829
Additional paid-in capital	898,858	899,386	900,432	901,889	902,288
Accumulated deficit	(639,086)	(660,078)	(642,990)	(660,588)	(666,424)
Accumulated other comprehensive loss	-	(6,264)	(7,267)	(5,736)	(14,454)
<b>Total Equity</b>	<b>\$ 260,594</b>	<b>\$ 233,875</b>	<b>\$ 251,005</b>	<b>\$ 236,395</b>	<b>\$ 222,239</b>
<b>Total Liabilities, Redeemable Preferred Stock &amp; Equity</b>	<b>\$ 2,245,868</b>	<b>\$ 2,214,917</b>	<b>\$ 2,203,871</b>	<b>\$ 2,194,709</b>	<b>\$ 1,910,988</b>

# Consolidated Income Statement (Unaudited)

(\$ and shares in thousands, except per share data)

	1Q19	2Q19	3Q19	4Q19	1Q20
<b>Revenues</b>					
Resident fees and services	\$ 85,749	\$ 84,821	\$ 84,373	\$ 84,630	\$ 85,007
Rental revenue	1,582	1,583	1,583	1,583	1,583
<b>Total Revenues</b>	<b>87,331</b>	<b>86,404</b>	<b>85,956</b>	<b>86,212</b>	<b>86,590</b>
<b>Expenses</b>					
Property operating expense	(52,939)	(50,693)	(50,576)	(50,149)	(51,065)
Interest expense	(19,850)	(19,570)	(18,962)	(17,982)	(17,219)
Depreciation and amortization	(16,994)	(16,988)	(17,323)	(17,502)	(17,536)
General and administrative expense	(4,978)	(5,359)	(5,410)	(5,925)	(5,846)
Acquisition, transaction and integration expense	(492)	(173)	(504)	(332)	(133)
Loss on extinguishment of debt	-	(335)	-	-	(5,884)
Other income (expense)	(1,315)	(64)	(15)	(683)	105
<b>Total Expenses</b>	<b>(96,568)</b>	<b>(93,181)</b>	<b>(92,789)</b>	<b>(92,573)</b>	<b>(97,578)</b>
Loss (gain) on sale of real estate	-	(122)	-	-	-
Litigation proceeds, net	-	-	38,226	82	-
<b>Income (Loss) Before Income Taxes</b>	<b>(9,237)</b>	<b>(6,900)</b>	<b>31,393</b>	<b>(6,279)</b>	<b>(10,988)</b>
Income tax expense	(36)	(64)	(44)	(22)	(60)
<b>Gain (Loss) From Continuing Operations</b>	<b>(9,273)</b>	<b>(6,964)</b>	<b>31,349</b>	<b>(6,301)</b>	<b>(11,048)</b>
<b>Discontinued Operations:</b>					
Gain on sale of real estate	-	-	-	-	19,992
Gain (loss) from discontinued operations	(1,920)	(2,624)	(2,499)	245	(3,107)
<b>Discontinued operations, net</b>	<b>(1,920)</b>	<b>(2,624)</b>	<b>(2,499)</b>	<b>245</b>	<b>16,885</b>
<b>Net Income (Loss)</b>	<b>(11,193)</b>	<b>(9,586)</b>	<b>28,849</b>	<b>(6,056)</b>	<b>5,837</b>
Deemed dividend on redeemable preferred stock	(598)	(599)	(605)	(605)	(598)
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ (11,791)</b>	<b>\$ (10,185)</b>	<b>\$ 28,244</b>	<b>\$ (6,661)</b>	<b>\$ 5,239</b>
<i>Income (loss) from continuing operations attributable to common stockholders</i>	<i>\$ (0.12)</i>	<i>\$ (0.09)</i>	<i>\$ 0.37</i>	<i>\$ (0.08)</i>	<i>\$ (0.14)</i>
<i>Discontinued operations, net</i>	<i>\$ (0.02)</i>	<i>\$ (0.03)</i>	<i>\$ (0.03)</i>	<i>\$ (0.00)</i>	<i>\$ 0.20</i>
<i>Net income (loss) attributable to common stockholders</i>	<i>\$ (0.14)</i>	<i>\$ (0.12)</i>	<i>\$ 0.34</i>	<i>\$ (0.08)</i>	<i>\$ 0.06</i>
<i>W.A. basic shares of common stock outstanding</i>	<i>82,203</i>	<i>82,210</i>	<i>82,210</i>	<i>82,210</i>	<i>82,387</i>
<i>W.A. diluted shares of common stock outstanding</i>	<i>82,203</i>	<i>82,210</i>	<i>83,964</i>	<i>82,210</i>	<i>82,387</i>

# NOI Reconciliation – 1Q 2020 Year-over-Year<sup>(1)</sup>

(\$ in thousands)	1Q20			1Q19		
	Managed IL Properties	Other Properties	Total	Managed IL Properties	Other Properties	Total
Same Store Cash NOI (excluding COVID-19 related expenses)	\$ 34,138	\$ 1,450	\$ 35,588	\$ 33,646	\$ 1,411	\$ 35,057
COVID-19 related expenses	(501)	-	(501)	-	-	-
<b>Same Store Cash NOI</b>	<b>33,637</b>	<b>1,450</b>	<b>35,087</b>	<b>33,646</b>	<b>1,411</b>	<b>35,057</b>
Non-Same Store Cash NOI	-	-	-	-	(249)	(249)
Straight-line rental revenue	-	134	134	-	206	206
Amortization of deferred community fees and other <sup>(2)</sup>	305	(2)	303	(620)	(2)	(622)
<b>Segment / Total NOI</b>	<b>\$ 33,942</b>	<b>\$ 1,582</b>	<b>\$ 35,525</b>	<b>\$ 33,026</b>	<b>\$ 1,366</b>	<b>\$ 34,392</b>
Interest expense			(17,219)			(19,850)
Depreciation and amortization			(17,536)			(16,994)
General and administrative expense			(5,846)			(4,978)
Acquisition, transaction & integration expense			(133)			(492)
Loss on extinguishment of debt			(5,884)			-
Other income (expense)			105			(1,315)
Income tax expense			(60)			(36)
<b>Loss from continuing operations</b>			<b>(11,048)</b>			<b>(9,273)</b>
Gain on sale of real estate			19,992			-
Loss from discontinued operations			(3,107)			(1,920)
<b>Discontinued operations, net</b>			<b>16,885</b>			<b>(1,920)</b>
<b>Net income (loss)</b>			<b>\$ 5,837</b>			<b>\$ (11,193)</b>
Deemed dividend on redeemable preferred stock			(598)			(598)
<b>Net income (loss) attributable to common stockholders</b>			<b>\$ 5,239</b>			<b>\$ (11,791)</b>

1) Totals may not sum due to rounding.

2) Includes amortization of deferred community fees and other, which includes the net change in deferred community fees and other rent discounts or incentives.

# NOI Reconciliation – 1Q 2020 Quarter-over-Quarter<sup>(1)</sup>

(\$ in thousands)	1Q20			4Q19		
	Managed IL Properties	Other Properties	Total	Managed IL Properties	Other Properties	Total
Same Store Cash NOI (excluding COVID-19 related expenses)	\$ 34,138	\$ 1,450	\$ 35,588	\$ 34,502	\$ 1,450	\$ 35,952
COVID-19 related expenses	(501)	-	(501)	-	-	-
<b>Same Store Cash NOI</b>	<b>33,637</b>	<b>1,450</b>	<b>35,087</b>	<b>34,502</b>	<b>1,450</b>	<b>35,952</b>
Straight-line rental revenue	-	134	134	-	134	134
Amortization of deferred community fees and other <sup>(2)</sup>	305	(2)	303	(21)	(2)	(23)
<b>Segment / Total NOI</b>	<b>\$ 33,942</b>	<b>\$ 1,582</b>	<b>\$ 35,525</b>	<b>\$ 34,481</b>	<b>\$ 1,583</b>	<b>\$ 36,063</b>
Interest expense			(17,219)			(17,982)
Depreciation and amortization			(17,536)			(17,502)
General and administrative expense			(5,846)			(5,925)
Acquisition, transaction & integration expense			(133)			(332)
Loss on extinguishment of debt			(5,884)			-
Other income (expense)			105			(683)
Litigation proceeds, net			-			82
Income tax expense			(60)			(22)
<b>Loss from continuing operations</b>			<b>(11,048)</b>			<b>(6,301)</b>
Gain on sale of real estate			19,992			-
Loss (income) from discontinued operations			(3,107)			245
<b>Discontinued operations, net</b>			<b>16,885</b>			<b>245</b>
<b>Net income (loss)</b>			<b>\$ 5,837</b>			<b>\$ (6,056)</b>
Deemed dividend on redeemable preferred stock			(598)			(605)
<b>Net income (loss) attributable to common stockholders</b>			<b>\$ 5,239</b>			<b>\$ (6,661)</b>

1) Totals may not sum due to rounding.

2) Includes amortization of deferred community fees and other, which includes the net change in deferred community fees and other rent discounts or incentives.

# GAAP Reconciliation of FFO, Normalized FFO, AFFO and Normalized FAD

<i>(\$ and shares in thousands, except per share data)</i>	1Q20
<b>Net income</b>	<b>\$ 5,239</b>
<b>Add (Deduct)<sup>(1)</sup>:</b>	
Gain on sale of real estate	(19,992)
Depreciation and amortization	17,536
<b>FFO</b>	<b>\$ 2,783</b>
<b>FFO per Diluted Share</b>	<b>\$ 0.03</b>
Acquisition, transaction and integration expense	1,170
Loss on extinguishment of debt	9,486
Compensation expense related to transition awards	390
Other income <sup>(2)</sup>	(294)
<b>Normalized FFO</b>	<b>\$ 13,535</b>
<b>Normalized FFO per Diluted Share</b>	<b>\$ 0.16</b>
Straight-line rent	(134)
Amortization of deferred financing costs	906
Amortization of deferred community fees and other <sup>(3)</sup>	(1,314)
Amortization of equity-based compensation	1,106
<b>AFFO</b>	<b>\$ 14,099</b>
<b>AFFO per Diluted Share</b>	<b>\$ 0.17</b>
Routine capital expenditures	(1,865)
<b>Normalized FAD</b>	<b>\$ 12,234</b>
<b>Normalized FAD per Diluted Share</b>	<b>\$ 0.15</b>
<b>AFFO</b>	<b>\$14,099</b>
COVID-19 related expenses	501
<b>AFFO Excluding COVID-19 related expenses</b>	<b>\$ 14,600</b>
<b>AFFO Excluding COVID-19 related expenses per Diluted Share</b>	<b>\$ 0.17</b>
Weighted average diluted shares outstanding	83,914

1) Includes amounts related to 28 AL/MC properties that were classified as discontinued operations as of 12/31/2019 and sold in February 2020.

2) Primarily includes insurance recoveries and casualty related charges.

3) Includes amortization of deferred community fees and other, which includes the net change in deferred community fees and other rent discounts or incentives.

# Glossary

## Cash NOI Margin

Cash NOI margin is equal to Cash NOI divided by Cash Revenue.

## Discontinued Operations

Discontinued operations consists of 28 AL/MC properties that represented the entire Managed AL/MC Properties segment prior to the fourth quarter of 2019 and were classified as discontinued operations as of December 31, 2019. The properties were subsequently sold in February 2020.

## EBITDARM

EBITDARM is a non-GAAP measure that represents earnings before interest, taxes, depreciation, amortization, rent and management fees for the period stated unless otherwise noted. We use EBITDARM in determining coverage and as a supplemental measure of the ability of the property to generate sufficient liquidity to meet related obligations to us. For our triple net lease portfolio, all facility financial performance data was derived solely from information provided by operators/tenants without independent verification by us. EBITDARM does not represent net income or cash flow from operations and should not be considered an alternative to those indications.

## EBITDARM Coverage

Facility EBITDARM divided by the aggregate of base rent and any additional rent due to us for the same period. EBITDARM coverage is a supplemental measure of a property's ability to generate cash flows for the operator/tenant (not for us) to meet the operator's/tenant's related rent and other obligations to us.

## Enterprise Value

Enterprise value is equal to market capitalization plus carrying value of mortgage notes payable, minus cash.

## FFO, Normalized FFO, AFFO and Normalized FAD

We use Funds From Operations ("FFO") and Normalized FFO as supplemental measures of our operating performance. We use the National Association of Real Estate Investment Trusts ("NAREIT") definition of FFO. NAREIT defines FFO as GAAP net income (loss) attributable to common stockholders, which includes loss from discontinued operations, excluding gains (losses) from sales of depreciable real estate assets and impairment charges of depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated entities and joint ventures to reflect FFO on the same basis. FFO does not account for debt principal payments and is not intended as a measure of a REIT's ability to satisfy such payments or any other cash requirements.

## FFO, Normalized FFO, AFFO and Normalized FAD (continued)

Normalized FFO, as defined below, measures the financial performance of our portfolio of assets excluding items that, although incidental to, are not reflective of the day-to-day operating performance of our portfolio of assets. We believe that Normalized FFO is useful because it facilitates the evaluation of our portfolio's operating performance (i) between periods on a consistent basis and (ii) to the operating performance of other real estate companies. However, comparability may be limited because our calculation of Normalized FFO may differ significantly from that of other companies, or because of features of our business that are not present in other companies.

We define Normalized FFO as FFO excluding the following income and expense items, as applicable: (a) acquisition, transaction and integration related expenses; (b) the write off of unamortized discounts, premiums, deferred financing costs, or additional costs, make whole payments and penalties or premiums incurred as the result of early repayment of debt (collectively "Gain (Loss) on extinguishment of debt"); (c) incentive compensation recognized as a result of sales of real estate; (d) the remeasurement of deferred tax assets; (e) valuation allowance on deferred tax assets, net; (f) termination fee to affiliate; (g) gain on lease termination; (h) compensation expense related to transition awards; (i) litigation proceeds; and (j) other items that we believe are not indicative of operating performance, generally reported as "Other (income) expense" in the Consolidated Statements of Operations.

We also use AFFO and Normalized FAD as supplemental measures of our operating performance. We believe AFFO is useful because it facilitates the evaluation of (i) the current economic return on our portfolio of assets between periods on a consistent basis and (ii) our portfolio versus those of other real estate companies that report AFFO. However, comparability may be limited because our calculation of AFFO may differ significantly from that of other companies, or because of features of our business that are not present in other companies.

We define AFFO as Normalized FFO excluding the impact of the following: (a) straight-line rents; (b) amortization of above / below market lease intangibles; (c) amortization of deferred financing costs; (d) amortization of premium or discount on mortgage notes payable; (e) amortization of deferred community fees and other, which includes the net change in deferred community fees and other rent discounts or incentives and (f) amortization of equity-based compensation expense.



# Glossary

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## **FFO, Normalized FFO, AFFO and Normalized FAD (continued)**

We define Normalized FAD as AFFO less routine capital expenditures, which we view as a cost associated with the current economic return. Normalized FAD, which does not reflect debt principal payments and certain other expenses, does not represent cash available for distribution to stockholders. We believe Normalized FAD is useful because it fully reflects the additional economic costs of maintaining the condition of the portfolio.

## **Gross Assets**

The carrying amount of total assets, after adding back accumulated depreciation and amortization, as reported in our consolidated financial statements.

## **Investment**

Represents the carrying amount of real estate assets, including intangibles, after adding back accumulated depreciation and amortization, for all assets owned as of the end of the respective reporting period.

## **Net Operating Income (“NOI”) and Cash NOI**

NOI and cash NOI are non-GAAP measures. We define NOI as total revenue less property operating expenses, which include property management fees and travel cost reimbursements. Cash receipts may differ due to straight-line recognition of certain rental income and the application of other GAAP policies. We define cash NOI as NOI excluding the effects of straight-line rental revenue, amortization of above / below market lease intangibles and amortization of deferred community fees and other, which includes the net change in deferred community fees and other rent discounts or incentives. We believe that NOI and cash NOI serve as useful supplemental measures to net income because they allow investors, analysts and management to measure unlevered property-level operating results and to compare our operating results between periods and to the operating results of other real estate companies on a consistent basis.

## **Occupancy**

For the managed portfolio, occupancy represents the facilities’ average operating occupancy for the applicable period. For the triple net lease portfolio, occupancy is based on the period reported unless otherwise noted. The percentages are calculated based on available beds. All occupancy data was derived solely from information provided by operators/tenants without independent verification by us.

## **RevPOR**

Represents average cash revenues per occupied bed per month. We use RevPOR to evaluate the revenue generating potential of our senior housing portfolio independent of fluctuating occupancy rates.

## **Same Store**

Same store data presented herein excludes properties acquired, sold, transitioned to other operators or between segments, or classified as held for sale or discontinued operations during the comparable periods. Same store data is intended to enable management to evaluate the performance of a consistent portfolio of real estate in a manner that eliminates variances attributable to changes in the composition of our portfolio over time, due to sales and various other factors.

Upon implementation of ASC 842 on 1/1/2019, bad debt expense is required to offset revenue as opposed to being included in operating expense under previous guidance. Accordingly, we have reclassified bad debt expense for prior years to offset revenue in order to facilitate a historical comparison. The change has no impact on the Company’s NOI or Cash NOI.

# Forward-Looking Statements, Non-GAAP and Other Information

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**IN GENERAL.** This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the “Presentation.” Throughout this Presentation, New Senior Investment Group Inc. (NYSE: SNR) is referred to as “New Senior,” the “Company,” “SNR” or “we.”

**FORWARD-LOOKING STATEMENTS.** Certain information in this Presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation statements regarding New Senior’s 2020 strategic priorities and expectations with respect to the potential range of 2020 financial results, and the declaration or amount of any future dividend. These statements are not historical facts. They represent management’s current expectations regarding future events and are subject to a number of risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties relating to the Company’s ability to successfully manage the asset management by third parties and market conditions affecting demand and supply for senior housing. Accordingly, you should not place undue reliance on any forward-looking statements contained herein. For a discussion of these and other risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s most recent annual and quarterly reports filed with the Securities and Exchange Commission, which are available on the Company’s website ([www.newseniorinv.com](http://www.newseniorinv.com)). New risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements contained herein speak only as of the date of this Presentation, and the Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

**NON-GAAP FINANCIAL INFORMATION.** This Presentation includes information based on financial measures that are not recognized under generally accepted accounting principles (“GAAP”), such as NOI, cash NOI, adjusted same store cash NOI, Normalized FFO, AFFO and Normalized FAD. You should use non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP. See the end of this Presentation for reconciliations to the most comparable GAAP measures and an explanation of each of our non-GAAP measures. Our non-GAAP measures may not be identical or comparable to measures with the same name presented by other companies due to differences in calculation, capital structure or other factors.

**PAST PERFORMANCE.** In all cases where historical results are presented or past performance is described, we note that past performance is not a reliable indicator of future results and performance.

**GLOSSARY.** See the Glossary at the end of this Presentation for an explanation of various terms used herein.