OMEGA HEALTHCARE INVESTORS, INC.
FUNDS FROM OPERATIONS RECONCILIATION
Unaudited
(In thousands, except per share amounts)

	Three Months Ended September 30, 2020
Net loss	$ (93,768)
Add back loss from real estate dispositions	749
Deduct gain from real estate dispositions - unconsolidated joint ventures	(4,483)
Sub-total	$ (97,502)
Elimination of non-cash items included in net income:	
Depreciation and amortization	81,072
Depreciation - unconsolidated joint ventures	3,379
Add back provision for impairments on real estate properties	28,105
Add back unrealized loss on warrants	87
NAREIT funds from operations ("NAREIT FFO")	**$ 15,141**
Weighted-average common shares outstanding, basic	227,507
Restricted stock and PRSUs	904
OP units	6,168
Weighted-average common shares outstanding, diluted	234,579
NAREIT funds from operations available per share	**0.0645**
Adjusted funds from operations:	
NAREIT FFO	$ 15,141
Add back	
Uncollectible accounts receivable (1)	143,296
Provision for credit losses	32,076
Stock-based compensation expense	5,122
Interest refinancing expense	896
Severance	853
Acquisition costs	36
Deduct	
Non-recurring revenue	(8,113)
Recovery on direct financing leases	(324)
Add back unconsolidated JV related	
Uncollectible accounts receivable	1,584
Interest refinancing cost	1,227
Adjusted funds from operations (Adjusted FFO)	**$ 191,794**
Adjusted FFO per share	**$ 0.8176**

(1) Straight-line accounts receivable write-off recorded as a reduction to Rental income.

Funds From Operations (“FFO”), Adjusted FFO and Funds Available for Distribution (“FAD”) are non-GAAP financial measures. For purposes of the Securities and Exchange Commission’s Regulation G, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable financial measure calculated and presented in accordance with GAAP in the income statement, balance sheet or statement of cash flows (or equivalent statements) of the company, or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable financial measure so calculated and presented. GAAP refers to generally accepted accounting principles in the United States of America. Pursuant to the requirements of Regulation G, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The Company calculates and reports FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts ("NAREIT"),and consequently, FFO is defined as net income (computed in accordance with GAAP), adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairments on real estate assets, and after adjustments for unconsolidated partnerships and joint ventures and changes in the fair value of warrants. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. The Company believes that FFO, Adjusted FFO and FAD are important supplemental measures of its operating performance. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time, while real estate values instead have historically risen or fallen with market conditions. The term FFO was designed by the real estate industry to address this issue. FFO described herein is not necessarily comparable to FFO of other real estate investment trusts, or REITs, that do not use the same definition or implementation guidelines or interpret the standards differently from the Company.

Adjusted FFO is calculated as NAREIT FFO excluding the impact of non-cash stock-based compensation and certain revenue and expense items (e.g., acquisition and merger related costs, provisions for uncollectible accounts, provisions for current expected credit losses, etc.). FAD is calculated as Adjusted FFO less non-cash interest expense and non-cash revenue, such as straight-line rent. The Company believes these measures provide an enhanced measure of the operating performance of the Company’s core portfolio as a REIT. The Company’s computation of Adjusted FFO and FAD may not be comparable to the NAREIT definition of funds from operations or to similar measures reported by other REITs, but the Company believes that they are appropriate measures for this Company.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, gain or loss on asset sales-net, provisions for impairment and certain non-recurring revenues and expenses.

The Company uses these non-GAAP measures among the criteria to measure the operating performance of its business. The Company also uses FAD among the performance metrics for performance-based compensation of officers. The Company further believes that by excluding the effect of depreciation, amortization, impairments on real estate assets and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and between other REITs. The Company offers these measures to assist the users of its financial statements in analyzing its operating performance and not as measures of liquidity or cash flow. These non-GAAP measures are not measures of financial performance under GAAP and should not be considered as measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP. Investors and potential investors in the Company’s securities should not rely on these non-GAAP measures as substitutes for any GAAP measure, including net income. These materials should be read in conjunction with our most recent earnings release.

Our ratios of Funded Debt to adjusted annualized EBITDA and Funded Debt to adjusted pro forma annualized EBITDA as of September 30, 2020 were 5.25x and 5.12x, respectively. FUNDED DEBT is defined as balance sheet debt adjusted for premiums/discounts, deferred financing costs, and to add back cash. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA. Adjusted pro forma EBITDA adds to or subtracts from adjusted EBITDA the incremental EBITDA from (i) new investments and divestitures made during the 3rd quarter assuming a July 1st purchase or sale date and (ii) inception to date funding of construction in progress multiplied by the estimated contractual quarterly yield assuming a July 1st in-service date. Adjusted EBITDA, adjusted pro forma EBITDA and related ratios are non-GAAP financial measures. Adjusted annualized EBITDA and adjusted pro forma annualized EBITDA assume the current quarter results multiplied by four, and are not projections of future performance. Below is the reconciliation of EBITDA and adjusted EBITDA to net income.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
FUNDED DEBT COVERAGE RATIO CALCULATION
Unaudited

(000's)		Three Months Ended September 30, 2020	
Net loss	$	(93,768)	
Depreciation and amortization		81,072	
Depreciation - unconsolidated joint ventures		3,379	
Interest - net		54,257	
Income taxes		763	
EBITDA	**$**	**45,703**	
Add back			
Uncollectible accounts receivable (1)		143,296	
Provision for credit losses		32,076	
Impairment on real estate properties		28,105	
Stock-based compensation expense		5,122	
Interest refinancing expense		896	
Severance		853	
Loss on assets sold - net		749	
Unrealized loss on warrants		87	
Acquisition costs		36	
Deduct			
Non-recurring revenue		(8,113)	
Recovery on direct financing leases		(324)	
foreign currency gain		(19)	
Add back (deduct) unconsolidated JV related			
Uncollectible accounts receivable		1,584	
Interest refinancing cost		1,227	
Gain on asset solds sold - net		(4,483)	
Adjusted EBITDA	**$**	**246,795**	
Add incremental pro forma EBITDA from new investments in Q3		6,271	(2)
Add incremental pro forma EBITDA from construction in progress through Q3		451	(2)
Deduct incremental pro forma revenue from Q3 asset divestitures		(766)	(2)
Adjusted pro forma EBITDA	**$**	**252,751**	
FUNDED DEBT			
Revolving line of credit	$	170,667	
Term loans		804,280	
Secured borrowings		371,351	
Unsecured borrowings		3,870,000	
FMV adjustment of assumption of debt		105	
Premium/(discount) on unsecured borrowings - net		(20,676)	
Deferred financing costs - net		(22,766)	
Total debt	$	5,172,961	
Deduct balance sheet cash and cash equivalents		(35,951)	
Deduct FMV adjustment for assumption of debt		(105)	
Add back discount (deduct premium) on unsecured borrowings - net		20,676	
Add back deferred financing costs - net		22,766	
Funded Debt	**$**	**5,180,347**	
Funded Debt / adjusted annualized EBITDA		**5.25 x**	
Funded Debt / adjusted pro forma annualized EBITDA		**5.12 x**	

(1) Straight-line accounts receivable write-off recorded as a reduction to Rental income.
(2) Used to calculate leverage only.

Our adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charges as of September 30, 2020 were 4.5x and 4.3x, respectively. Fixed charge coverage is the ratio determined by dividing EBITDA by our fixed charges. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA.

Fixed charges consist of interest expense, amortization of other non-cash interest charges, amortization of deferred financing costs and refinancing costs. EBITDA, adjusted EBITDA and interest expense ratio are non-GAAP measures. Below is the reconciliation of EBITDA to net income.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
FIXED CHARGE AND INTEREST COVERAGE RATIO CALCULATION
Unaudited

(000's)		Three Months Ended September 30, 2020
Net loss	$	(93,768)
Depreciation and amortization		81,072
Depreciation - unconsolidated joint ventures		3,379
Interest - net		54,257
Income taxes		763
EBITDA	**$**	**45,703**
Add back		
Uncollectible accounts receivable (1)		143,296
Provision for credit losses		32,076
Impairment on real estate properties		28,105
Stock-based compensation expense		5,122
Interest refinancing expense		896
Severance		853
Loss on assets sold - net		749
Unrealized loss on warrants		87
Acquisition costs		36
Deduct		
Non-recurring revenue		(8,113)
Recovery on direct financing leases		(324)
foreign currency gain		(19)
Add back (deduct) unconsolidated JV related		
Uncollectible accounts receivable		1,584
Interest refinancing cost		1,227
Gain on asset solds sold - net		(4,483)
Adjusted EBITDA	**$**	**246,795**
FIXED CHARGES		
Interest expense	$	51,795
Amortization of non-cash deferred financing charges		2,462
Total interest expense	**$**	**54,257**
Add back: capitalized interest		2,608
Total fixed charges	**$**	**56,865**
Adjusted EBITDA / total interest expense ratio		**4.5 x**
Adjusted EBITDA / fixed charge coverage ratio		**4.3 x**

(1) Straight-line accounts receivable write-off recorded as a reduction to Rental income.

OMEGA HEALTHCARE INVESTORS, INC.
FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION
Unaudited
(In thousands, except per share amounts)

		Three Months Ended September 30, 2020
Net loss	**$**	**(93,768)**
Add back loss on assets sold - net		749
Deduct gain on assets sold - unconsolidtated joint ventures		(4,483)
Sub-total	$	(97,502)
Elimination of non-cash items included in net income:		
Depreciation and Amortization		81,072
Depreciation - unconsolidated joint ventures		3,379
Add back non-cash provision for impairments on real estate properties		28,105
Add back unrealized loss on warrants		87
NAREIT funds from operations (NAREIT FFO)	**$**	**15,141**
Adjustments:		
Add back		
Uncollectible accounts receivable (1)		143,296
Provision for credit losses		32,076
Stock-based compensation expense		5,122
Interest refinancing expense		896
Severance		853
Acquisition costs		36
Deduct		
Non-recurring revenue		(8,113)
Recovery on direct financing leases		(324)
Add back unconsolidated JV related		
Uncollectible accounts receivable		1,584
Interest refinancing cost		1,227
Adjusted funds from operations (Adjusted FFO)	**$**	**191,794**
Adjustments:		
Non-cash interest expense		2,440
Capitalized interest		(2,608)
Non-cash revenues		(8,288)
Funds available for distribution (FAD)	**$**	**183,338**
Weighted-average common shares outstanding, basic		227,507
Restricted stock and PRSUs		904
OP units		6,168
Weighted-average common shares outstanding, diluted		234,579
FAD per share, diluted	**$**	**0.7816**

(1) Straight-line accounts receivable write-off recorded as a reduction to Rental income.

Percentages of adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at September 30, 2020 were 57.0% and 42.8%, respectively. Adjusted total debt is total debt plus the discount or less the premium derived from the sale of unsecured borrowings, deferred financing costs - net and fair market value adjustment of assumed debt. Adjusted book capitalization is defined as adjusted total debt plus stockholders' equity and noncontrolling interest. Adjusted total debt, adjusted book capitalization and related ratios are non-GAAP financial measures. Total market capitalization is the total market value of our securities as of September 30, 2020 plus adjusted total debt.

OMEGA HEALTHCARE INVESTORS, INC.
BOOK AND MARKET CAPITALIZATION RATIO CALCULATIONS

Unaudited
(In thousands)

		At September 30, 2020
Revolving line of credit	$	170,667
Term loans		804,280
Secured borrowing		371,351
Unsecured borrowings		3,870,000
FMV adjustment of assumption of debt		105
Discount on unsecured borrowings - net		(20,676)
Deferred financing costs - net		(22,766)
Total debt	$	5,172,961
Deduct FMV adjustment of assumption of debt		(105)
Add back discount on unsecured borrowings - net		20,676
Add back deferred financing costs - net		22,766
Adjusted total debt	**$**	**5,216,298**
BOOK CAPITALIZATION		
Adjusted total debt	$	5,216,298
Omega stockholders' equity		3,744,560
Noncontrolling interest		193,854
Adjusted book capitalization	**$**	**9,154,712**
MARKET CAPITALIZATION		
Omega common shares and OP units outstanding at 9/30/2020		233,155
Market price of common stock at 9/30/2020	$	29.94
Market capitalization of common stock at 9/30/2020		6,980,661
Market capitalization of publicly traded securities		6,980,661
Add adjusted total debt		5,216,298
Total market capitalization	**$**	**12,196,959**
Adjusted total debt / adjusted book capitalization		**57.0%**
Adjusted total debt / total market capitalization		**42.8%**

OMEGA HEALTHCARE INVESTORS, INC.

Q3 2020 versus Q2 2020 Revenue Reconciliation
(Unaudited, amounts in thousands)

	Three Months Ended	
	September 30, 2020	June 30, 2020
Total operating revenues (as reported)	**$ 119,177**	**$ 256,395**
Add back:		
Write-off of straight-line receivables and lease inducements due to operators communicating going concern disclosures (1)(2)	142,326	-
Write-off of straight-line receivables due to the transition of facilities to new operators (1)(3)	970	1,205
Deduct – Non-recurring revenue (4)	(8,113)	(3,162)
Total operating revenue after adjusting for the above write-offs and non-recurring revenue (5)	**$ 254,360**	**$ 254,438**

(1) Primarily straight-line accounts receivable write-off recorded as a reduction to rental income.

(2) As announced on September 24, 2020, the Company revised its method of accounting for lease-related revenues of operators that have informed the Company of substantial doubt regarding their ability to continue as a going concern. Starting with the quarter ending September 30, 2020, the Company began recording revenue for such operators on a cash-basis accounting method rather than a straight-line accounting method. The Company, after consulting with its independent auditors, determined that such disclosures required this change in revenue recognition treatment and the Company recorded revenue of each operator on a cash basis and wrote-off, as a reduction to revenue, their previously recorded straight-line receivable and lease inducements, totaling $142 million.

(3) Represents the write-off of straight-line receivables related to facilities transferred to a new operator.

(4) Represents cash received related to the repayment of lease inducements and non-cash revenue related to the acceleration of below market in-place lease assets resulting from the transfer of facilities.

(5) Non-GAAP financial measure illustrating the impact of the identified write-offs and non-recurring revenue and should not be viewed as a substitute to operating revenue reported in accordance with GAAP.

OMEGA HEALTHCARE INVESTORS, INC.

Composition of Non-cash Revenue
(Unaudited, amounts in thousands)

	Three Months Ended	
	September 30, 2020	June 30, 2020
Non-cash Revenue (1)	**$ 8,288**	**$ 9,735**
Components		
Genesis – July straight-line revenue (2)	278	851
Agemo – July & August straight-line revenue (3)	1,898	3,006
All other operators	6,112	5,878
Non-cash Revenue	**$ 8,288**	**$ 9,735**

(1) Includes straight-line rent, effective interest and lease inducements.
(2) Genesis converted to cash-basis accounting treatment on August 1, 2020.
(3) Agemo converted to cash-basis accounting treatment on September 1, 2020.