

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

	<u>Three Months Ended</u> <u>March 31, 2021</u>
Net income	\$ 164,366
Deduct gain from real estate dispositions	(100,342)
Deduct gain from real estate dispositions - unconsolidated joint ventures.....	(14,924)
Sub-total.....	<u>\$ 49,100</u>
Elimination of non-cash items included in net income:.....	
Depreciation and amortization.....	84,849
Depreciation - unconsolidated joint ventures.....	3,361
Add back provision for impairments on real estate properties.....	28,689
Add back provision for impairments on real estate properties of unconsolidated joint ventures.....	4,178
Add back unrealized loss on warrants.....	72
Nareit funds from operations ("Nareit FFO")	<u><u>\$ 170,249</u></u>
Weighted-average common shares outstanding, basic.....	232,572
Restricted stock and PRUs.....	944
OP units.....	6,391
Weighted-average common shares outstanding, diluted.....	<u><u>239,907</u></u>
Nareit funds from operations available per share	<u><u>0.7096</u></u>
Adjusted funds from operations:	
Nareit FFO.....	\$ 170,249
Add back.....	
Uncollectible accounts receivable (1)	2,750
Stock-based compensation expense.....	5,396
Loss on extinguishment of debt.....	29,670
Acquisition, merger and transition related costs.....	1,814
Deduct.....	
Non-recurring revenue.....	(5,004)
Recovery on credit losses.....	(1,024)
Recovery on direct financing leases.....	(553)
Add back unconsolidated JV related.....	
Interest refinancing cost.....	457
Adjusted funds from operations (Adjusted FFO)	<u><u>\$ 203,755</u></u>
Adjusted FFO per share	<u><u>\$ 0.8493</u></u>

(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, merger and transition related costs, write-off of straight-line accounts receivable, recoveries and 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 March 31, 2021 were 5.2x and 5.1x, 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 1st quarter assuming an January 1st purchase or sale date and (ii) inception to date funding of construction in progress multiplied by the estimated contractual quarterly yield assuming a January 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)	<u>Three Months Ended</u> <u>March 31, 2021</u>
Net income.....	\$ 164,366
Depreciation and amortization.....	84,849
Depreciation - unconsolidated joint ventures	3,361
Interest - net.....	58,511
Income taxes.....	958
EBITDA.....	\$ 312,045
Add back.....	
Uncollectible accounts receivable (1)	2,750
Impairment on real estate properties.....	28,689
Stock-based compensation expense.....	5,396
Loss on extinguishment of debt.....	29,670
Unrealized loss on warrants.....	72
Acquisition, merger and transition related costs.....	1,814
Deduct.....	
Gain on assets sold - net.....	(100,342)
Recovery on credit losses.....	(1,024)
Non-recurring revenue.....	(5,004)
Recovery on direct financing leases.....	(553)
Foreign currency gain.....	(666)
Add back (deduct) unconsolidated JV related.....	
Impairments on real estate properties of unconsolidated joint venture.....	4,178
Interest refinancing cost.....	457
Gain on asset solds sold - net.....	(14,924)
Adjusted EBITDA.....	\$ 262,558
Add incremental pro forma EBITDA from new investments in Q1.....	3,764 ⁽²⁾
Add incremental pro forma EBITDA from construction in progress through Q1.....	599 ⁽²⁾
Deduct incremental pro forma revenue from Q1 asset divestitures	(2,438) ⁽²⁾
Adjusted pro forma EBITDA.....	\$ 264,483
 FUNDED DEBT	
Revolving line of credit.....	\$ 135,000
Term loans.....	50,000
Secured borrowings	367,685
Unsecured borrowings.....	4,920,000
FMV adjustment of assumption of debt	62
Premium/(discount) on unsecured borrowings - net.....	(35,190)
Deferred financing costs - net.....	(29,672)
Total debt.....	\$ 5,407,885
Deduct balance sheet cash and cash equivalents.....	(51,376)
Deduct debt borrowed to fund UK acquisitions (1).....	-
Deduct FMV adjustment for assumption of debt	(62)
Add back discount (deduct premium) on unsecured borrowings - net.....	35,190
Add back deferred financing costs - net.....	29,672
Funded Debt.....	\$ 5,421,309
 Funded Debt / adjusted annualized EBITDA	5.16 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 March 31, 2021 were 4.5x and 4.5x, 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, issuance discounts and premiums. 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
	March 31, 2021
Net income.....	\$ 164,366
Depreciation and amortization.....	84,849
Depreciation - unconsolidated joint ventures	3,361
Interest - net.....	58,511
Income taxes.....	958
EBITDA.....	\$ 312,045
Add back.....	
Uncollectible accounts receivable (1)	2,750
Impairment on real estate properties.....	28,689
Stock-based compensation expense.....	5,396
Loss on extinguishment of debt.....	29,670
Unrealized loss on warrants.....	72
Acquisition, merger and transition related costs.....	1,814
Deduct.....	
Gain on assets sold - net.....	(100,342)
Recovery on credit losses.....	(1,024)
Non-recurring revenue.....	(5,004)
Recovery on direct financing leases.....	(553)
Foreign currency gain.....	(666)
Add back (deduct) unconsolidated JV related.....	
Impairments on real estate properties of unconsolidated joint venture.....	4,178
Interest refinancing cost.....	457
Gain on asset solds sold - net.....	(14,924)
Adjusted EBITDA.....	\$ 262,558
 FIXED CHARGES	
Interest expense.....	55,758
Amortization of non-cash deferred financing charges.....	2,753
Total interest expense.....	\$ 58,511
Add back: capitalized interest.....	388
Total fixed charges.....	\$ 58,899
 Adjusted EBITDA / total interest expense ratio.....	4.5 x
 Adjusted EBITDA / fixed charge coverage ratio.....	4.5 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
March 31, 2021**

Net income	\$	164,366
Deduct gain on assets sold - net.....		(100,342)
Deduct gain on assets sold - unconsolidated joint ventures.....		(14,924)
Sub-total.....	\$	49,100
Elimination of non-cash items included in net income:.....		
Depreciation and Amortization.....		84,849
Depreciation - unconsolidated joint ventures		3,361
Add back non-cash provision for impairments on real estate properties.....		28,689
Add back non-cash provision for impairments on real estate properties of unconsolidated joint venture.....		4,178
Add back unrealized loss on warrants.....		72
Nareit funds from operations (Nareit FFO)	\$	170,249
Adjustments:		
Add back.....		
Uncollectible accounts receivable (1)		2,750
Stock-based compensation expense.....		5,396
Loss on extinguishment of debt.....		29,670
Acquisition, merger and transition related costs.....		1,814
Deduct.....		
Non-recurring revenue.....		(5,004)
Recovery on credit losses.....		(1,024)
Recovery on direct financing leases.....		(553)
Add back unconsolidated JV related.....		
Interest refinancing cost.....		457
Adjusted funds from operations (Adjusted FFO)	\$	203,755
Adjustments:		
Non-cash interest expense.....		1,880
Capitalized interest		(388)
Non-cash revenues		(12,070)
Funds available for distribution (FAD)	\$	193,177
Weighted-average common shares outstanding, basic.....		232,572
Restricted stock and PRUs.....		944
OP units.....		6,391
Weighted-average common shares outstanding, diluted		239,907
FAD per share, diluted	\$	0.8052

(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 March 31, 2021 were 56.9% and 38.4%, 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 March 31, 2021 plus adjusted total debt.

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

Unaudited
(In thousands)

		At March 31, 2021
Revolving line of credit.....	\$	135,000
Term loans.....		50,000
Secured borrowing.....		367,685
Unsecured borrowings.....		4,920,000
FMV adjustment of assumption of debt		62
Discount on unsecured borrowings - net		(35,190)
Deferred financing costs - net.....		(29,672)
Total debt.....	\$	5,407,885
Deduct FMV adjustment of assumption of debt		(62)
Add back discount on unsecured borrowings - net.....		35,190
Add back deferred financing costs - net.....		29,672
Adjusted total debt.....	\$	5,472,685
 BOOK CAPITALIZATION.....		
Adjusted total debt.....	\$	5,472,685
Omega stockholders' equity.....		3,953,392
Noncontrolling interest		194,938
Adjusted book capitalization.....	\$	9,621,015
 MARKET CAPITALIZATION.....		
Omega common shares and OP units outstanding at 3/31/2021.....		239,783
Market price of common stock at 3/31/2021.....	\$	36.63
Market capitalization of common stock at 3/31/2021.....		8,783,251
Market capitalization of publicly traded securities.....		8,783,251
Add adjusted total debt.....		5,472,685
Total market capitalization.....	\$	14,255,936
Adjusted total debt / adjusted book capitalization.....		56.9%
Adjusted total debt / total market capitalization.....		38.4%