



NEWS RELEASE

CareTrust REIT Announces \$55 Million Acquisition of Two California Facilities in Separate Transactions

2025-04-02

SAN CLEMENTE, Calif.--(BUSINESS WIRE)-- CareTrust REIT, Inc. (NYSE:CTRE) announced today the acquisition of two facilities in separate transactions with a total investment amount of approximately \$55 million.

On April 1, 2025, the company acquired a skilled nursing and assisted living campus facility located in Los Alamitos, California. The campus includes a 150-bed skilled nursing facility and a 140-bed residential care facility for the elderly. CareTrust's acquisition of the campus facility was completed through a joint venture arrangement entered into between CareTrust and a third-party healthcare real estate owner. At closing, CareTrust provided a combined common equity and preferred equity investment totaling approximately \$34 million at an initial contractual yield on its combined preferred and common equity investments in the joint venture of approximately 9.7%. The joint venture has leased the facility to affiliates of The Ensign Group (NASDAQ: ENSG) pursuant to a new 15-year NNN lease that includes two, 5-year extension options and annual CPI-based escalators.

CareTrust has also announced that on March 1, 2025, the company acquired a 160-bed residential care facility for the elderly located in Concord, California for approximately \$20.6 million, inclusive of transaction costs. The Concord facility will be operated by, and has been added to CareTrust's existing master lease with, affiliates of Kalesta Healthcare Group. Annual cash rent for the first year is approximately \$1.9 million, with CPI-based annual escalators.

"We are excited to add two additional, solidly-performing facilities to our portfolio," said James Callister, CareTrust's Chief Investment Officer. Mr. Callister went on to state that, "We are always excited to expand our relationship with affiliates of The Ensign Group as they bring their outstanding operating expertise to the employees, residents, and patients of this Los Alamitos community."

Joe Callan, a Senior Vice President at CareTrust, stated that, "To expand our relationship with an operator of Kalesta's quality is an exciting seniors housing opportunity for us as we continue our mission of matching opportunities with best-in-class operators."

The investments were funded using cash on hand.

About CareTrust™

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of skilled nursing, seniors housing and other healthcare-related properties. With a nationwide portfolio of long-term net-leased properties, and a growing portfolio of quality operators leasing them, CareTrust REIT is pursuing both external and organic growth opportunities across the United States and internationally. More information about CareTrust REIT is available at www.caretrustreit.com.

About Ensign™

The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and senior living services, physical, occupational and speech therapies and other rehabilitative and healthcare services at 343 healthcare facilities in Alabama, Alaska, Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, Nevada, Oregon, South Carolina, Tennessee, Texas, Utah, Washington and Wisconsin. More information about Ensign is available at <http://www.ensigngroup.net>.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding the Company's intent, belief or expectations, including, but not limited to, statements regarding the closing of the transaction, lease arrangements for the acquired facilities, and the Company's investment pipeline.

Words such as "anticipate," "believe," "could," "expect," "estimate," "intend," "may," "plan," "seek," "should," "will," "would," and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements, though not all forward-looking statements contain these identifying words. The Company's forward-looking statements are based on management's current expectations and beliefs, and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although the Company believes that the assumptions underlying these forward-looking statements are reasonable, they are not guarantees and the Company can give no assurance that the transaction will close in the

anticipated timeframe, or at all, or that its expectations will be attained. Factors which could have a material adverse effect on the Company's operations and future prospects or which could cause actual results to differ materially from expectations include, but are not limited to: (i) uncertainties as to the timing of closing of the transaction and other anticipated investments; (ii) the possibility that conditions to closing the transaction may not be satisfied or waived; (iii) the ability and willingness of our tenants to meet and/or perform their obligations under the triple-net leases we have entered into with them, including without limitation, their respective obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities; (iv) the risk that we may have to incur additional impairment charges related to our assets held for sale if we are unable to sell such assets at the prices we expect; (v) the impact of healthcare reform legislation, including minimum staffing level requirements, on the operating results and financial conditions of our tenants; (vi) the ability of our tenants to comply with applicable laws, rules and regulations in the operation of the properties we lease to them; (vii) the ability and willingness of our tenants to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant, as well as any obligations, including indemnification obligations, we may incur in connection with the replacement of an existing tenant; (viii) the availability of and the ability to identify (a) tenants who meet our credit and operating standards, and (b) suitable acquisition opportunities and the ability to acquire and lease the respective properties to such tenants on favorable terms; (ix) the ability to generate sufficient cash flows to service our outstanding indebtedness; (x) access to debt and equity capital markets; (xi) fluctuating interest rates; (xii) the impact of public health crises, including significant COVID-19 outbreaks as well as other pandemics or epidemics; (xiii) the ability to retain our key management personnel; (xiv) the ability to maintain our status as a real estate investment trust ("REIT"); (xv) changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; (xvi) other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and (xvii) any additional factors included in our Annual Report on Form 10-K for the year ended December 31, 2024, including in the section entitled "Risk Factors" in Item 1A of such reports, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

As used in this press release, unless the context requires otherwise, references to "CTRE," "CareTrust," "CareTrust REIT" or the "Company" refer to CareTrust REIT, Inc. and its consolidated subsidiaries.

CareTrust REIT, Inc.
(949) 542-3130
ir@caretrustreit.com

Source: CareTrust REIT, Inc.