



NEWS RELEASE

CareTrust REIT Closes \$45 Million of Investments in Skilled Nursing and Seniors Housing Facilities

2023-07-05

SAN CLEMENTE, Calif.--(BUSINESS WIRE)-- CareTrust REIT, Inc. (NYSE:CTRE) announced today that it recently closed two separate transactions on the West Coast with an aggregate initial investment amount of approximately \$45.2 million. The investments include the acquisition of a skilled nursing facility as well as the funding of a mortgage loan secured by a California skilled nursing, assisted living, and independent living campus.

On June 30, 2023, CareTrust acquired a 99-bed skilled nursing facility on the West Coast with an initial investment amount, inclusive of transaction costs, of approximately \$19.2 million. The acquisition completes the four-property transaction referenced in the Company's June 2, 2023 press release. Concurrently with closing, the newly-acquired facility was added to the Company's existing master lease with Links Healthcare Group, who will operate the facility. Annual cash rent for the first year under the Links master lease portfolio was increased to approximately \$6.8 million from \$5.4 million, second year rent was increased to approximately \$7.6 million up from \$6.1 million, and annual rent for the third year was increased to approximately \$8.9 million from \$7.1 million, with CPI-based annual escalators thereafter.

Effective June 30, 2023, CareTrust also funded a first priority mortgage loan to a regional owner of skilled nursing facilities in the amount of approximately \$26.0 million at an initial rate of 9.0% and a term of 10 years. The loan proceeds were used by the borrower to fund its acquisition of an 83-bed skilled nursing, 46-unit assisted living, and 99-unit independent living campus located in Loma Linda, California and known as Linda Valley Care Center, Linda Valley Assisted Living, and Linda Valley Villa, respectively. The skilled nursing and assisted living facilities will be operated by affiliates of The Providence Group and the independent living facility will be operated by an affiliate of Chancellor Health Care, each pursuant to new master lease agreements. The mortgage loan documents contemplate CareTrust and the borrower subsequently entering into a joint venture arrangement pursuant to

which the mortgage loan would be replaced with the Company acquiring a common equity and a preferred equity interest in the entities owning the campus facilities.

James Callister, CareTrust's Chief Investment Officer, stated that "these investments reflect our continued focus on an operator-first, relationship-based investment approach." He went on to state that, "we are excited by the opportunity to further our relationship with some of the country's top tenants by matching them with facilities that complement their operating strengths."

"Links has done a tremendous job transitioning into these facilities and we are thrilled to add another facility to our relationship with them," said Dave Sedgwick, CareTrust's Chief Executive Officer. He went on to state that, "Extending a loan on facilities operated by talented operators like Providence and Chancellor furthers our strategy of using loans primarily as a tool to strengthen relationships with operators we admire with an eye towards future investments."

The investments were funded using proceeds from the Company's \$600 million unsecured revolving credit facility as well as cash on hand. At June 30, 2023, the Company had \$280 million outstanding on the unsecured revolving credit facility. Additionally, during the second quarter, the Company utilized the forward provisions under its at-the-market equity offering program and expects to fully physically settle shares sold under equity forward contracts on one or more settlement dates prior to final settlement in the second quarter of 2024. Expected net proceeds of \$133 million represent approximately 67% of year-to-date investments completed of \$199.7 million. "We are thrilled with our year-to-date acquisitions and look forward to continuing to grow with both new and existing operators," Mr. Sedgwick said.

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. More information about CareTrust REIT is available at www.caretrustreit.com.

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

Source: CareTrust REIT, Inc.