



NEWS RELEASE

CareTrust REIT Funds \$90 Million Loan and \$9 Million Preferred Equity Investment for Acquisition of 8 Skilled Nursing Facilities in Southeast; Reports Expanded Pipeline of \$460 Million

2024-06-03

SAN CLEMENTE, Calif.--(BUSINESS WIRE)-- CareTrust REIT, Inc. (NYSE:CTRE) announced today that it has funded \$90 million of a senior mortgage loan in connection with the borrower's acquisition of an 8-facility skilled nursing portfolio located in the Southeastern United States. The portfolio, consisting of 1,011 skilled nursing beds and 150 assisted living beds, has been acquired by an experienced, regional health care real estate owner and operator, which took over operations effective June 1, 2024.

The loan is secured by a first priority lien on the borrowers' ownership interest in the real estate and carries a five-year maturity with two, 6-month extension options and a starting annual effective yield of 10.7%. CareTrust's \$90 million loan is part of a \$165 million senior mortgage term loan with an interest rate of SOFR (floor 5.15%) + 4.25%. Concurrently with closing, KeyBank National Association purchased a \$75 million participation in the mortgage loan from CareTrust.

"KeyBank is proud to partner with CareTrust to provide acquisition capital to a best-in-class regional skilled nursing owner," according to Brandon Taseff, a Senior Vice President in KeyBank's Healthcare Real Estate Group. "KeyBank's relationship with CareTrust dates back to when the Company went public in 2014, and KeyBank is excited to expand that to partnering on this debt financing. The collaboration was seamless, a testament to CareTrust's underwriting, transactional, and investment expertise in the healthcare real estate space."

In addition, CareTrust also funded a \$9 million preferred equity investment in an uptier parent entity of the borrower. CareTrust's initial contractual yield on its preferred equity investment is 11%. Prepayment of the

preferred equity investment is restricted, subject to certain carveouts, prior to the senior mortgage loan being paid off in full.

Dave Sedgwick, CareTrust's Chief Executive Officer, said, "Congratulations to James and the entire CareTrust investment team and to this new operator-borrower relationship. This deal showcases the team's capabilities today to utilize our strong balance sheet to do accretive investments that provide proven operators a chance to expand their missions for quality patient care to more facilities." Mr. Sedgwick continued, "Consistent with our lending criteria, which includes some line of sight to real estate acquisitions, this loan led to the other fee simple acquisition from the same seller we announced today."

James Callister, CareTrust's Chief Investment Officer, said, "We are honored that this exceptional regional owner-operator chose CareTrust to support their growth and we are excited to find more opportunities to work together in the future. We are happy to lend to great operators like this when we can also participate in the acquisition of a part of the portfolio as well."

In a separate press release today, the Company announced the related acquisition of 5 skilled nursing properties for \$81 million. The investments were funded using cash on hand. CareTrust also reported that with these two related investments, the Company's year-to-date investments now total approximately \$386 million, and the investment pipeline is reloaded with approximately \$460 million of near-term, actionable opportunities. CareTrust has issued 2.5 million shares under its ATM program quarter-to-date at a gross price of \$24.90 for gross proceeds of \$62.3 million bringing the total outstanding share count to 144.6 million shares. Today's cash on hand is approximately \$230 million.

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.

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 following: industry and demographic conditions, the investment environment, the Company's

investment pipeline, and financing strategy.

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 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) 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; (ii) 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; (iii) the impact of healthcare reform legislation, including minimum staffing level requirements, on the operating results and financial conditions of our tenants; (iv) the ability of our tenants to comply with applicable laws, rules and regulations in the operation of the properties we lease to them; (v) 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; (vi) 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; (vii) the ability to generate sufficient cash flows to service our outstanding indebtedness; (viii) access to debt and equity capital markets; (ix) fluctuating interest rates; (x) the impact of public health crises, including significant COVID-19 outbreaks as well as other pandemics or epidemics; (xi) the ability to retain our key management personnel; (xii) the ability to maintain our status as a real estate investment trust (“REIT”); (xiii) changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; (xiv) other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and (xv) any additional factors included in our Annual Report on Form 10-K for the year ended December 31, 2023 and our Quarterly Report on Form 10-Q for the quarter ended March 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.

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