



NEWS RELEASE

# CareTrust REIT Funds Mortgage Financing with Purchase Option on Tennessee Skilled Nursing Facilities; Reports Reloaded Pipeline of \$260 Million and Q1 ATM Activity of \$273 Million

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SAN CLEMENTE, Calif.--(BUSINESS WIRE)-- CareTrust REIT, Inc. (NYSE:CTRE) announced today that it has funded a \$26.7 million mortgage loan in connection with the borrower's acquisition of a 2-asset, skilled nursing portfolio with a total of 276 licensed beds and located in Tennessee. The borrower group under the loan is an experienced, regional health care real estate owner and investor. The facilities will be operated by affiliates of The Ensign Group, Inc. (Nasdaq: ENSG), which took over operations effective May 1, 2024, pursuant to a new, long-term triple-net master lease with the borrower.

The loan is secured by a first priority lien on the borrowers' ownership interest in the real estate and carries a seven-year maturity with one, 12-month extension and an annual interest rate of 9.10%. The terms of the loan include CareTrust having the option to purchase the facilities in the future (subject to the master lease with affiliates of The Ensign Group remaining in place). The purchase option exercise window opens during the initial 90-day period of each of the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> loan years, with the purchase option price for the facilities being calculated by dividing the amount of the then annual base rent by an agreed upon lease yield.

James Callister, CareTrust's Chief Investment Officer, stated that, "We are thrilled to announce the closing of this unique investment opportunity. When you consider the purchase option, this loan has all the hallmarks of our strategy to lend with a purpose: strong local market dynamics; the expansion of our relationship with a best-in-class operator in The Ensign Group; and the direct opportunity to acquire real estate in the future."

CareTrust also reported that with the funding of this loan, the Company's year-to-date investments now total over

\$205 million, and the investment pipeline is reloaded with approximately \$260 million of near-term, actionable opportunities. The company's CFO, Bill Wagner, commented on the strength of the balance sheet. He said, "With line of sight into a highly active investment environment, we have continued to position the balance sheet to fund our replenishing pipeline. During the first quarter, we issued 11.6 million shares at an average share price of \$23.55 for gross proceeds of approximately \$273.2 million. This brings our outstanding share total to approximately 142.1 million shares."

The investment was 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. More information about CareTrust REIT is available at [www.caretrustreit.com](http://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 302 healthcare facilities in Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, Nevada, South Carolina, Tennessee, Texas, Utah, Washington and Wisconsin. More information about Ensign is available at <http://www.ensigngroup.net>.

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