Care REIT PLC

Investing in UK care homes for everyone

Annual Results Presentation
Year ended 31 December 2024

Contents

01 Key highlights

Proposed Acquisition of Care REIT plc ("CRT") by CareTrust REIT, inc. ("CareTrust")

Potential all-cash offer by CareTrust for the entire issued and to be issued share capital of CRT (the "Offer")

Transaction Overview

- The Offer values each share at 108.0 pence, representing a premium of approximately 32.8% to the closing price per CRT share of 81.3 p[(1)]
- The Offer values the entire issued and to be issued share capital of CRT at approximately £448 million

Premium to one-month VWAP of 79.4 pence on 10th March 2025 [(1)]	Premium to three-month VWAP of 80.6 pence on 10th March 2025 [(1)]	Premium to twelve-month VWAP of 84.3 pence on 10th March 2025 [(1)]
36.0%	34.1%	28.1%

Transaction Rationale

Challenging Macro Economic Conditions	• A widespread dislocation of share prices from underlying financial fundamentals such as NAV • Investors' cost of capital increasing with a higher interest rate background • Reduced access to equity capital markets, especially for smaller market capitalisation stocks
Access to Equity Capital Markets	• The market is not giving CRT the credit for its operational and financial performance since IPO with a consistent share price discount to EPRA NTA for the last two years which shows little sign of changing • This has hindered CRT's ability to grow and exploit the opportunities presented by both economies of scale and a highly fragmented care home market • The CRT Board considers that CareTrust has the scale and superior access to capital to fuel CRT's growth
Recommendation in Context	• CRT's share price discount does not reflect the current value of its individual property assets nor the longer-term prospects of the portfolio • Many of the factors contributing to the discount are macro-economic and non-CRT specific and as such CRT is unlikely to be able to overcome them in at least the short to medium term • CareTrust's proposal allows shareholders the opportunity to exit fully in cash at a price comfortably in excess of what could be achieved via trading shares in an illiquid open market in at least the short to medium term

Structure & Timetable

KEY DATES

- **Announcement:** 11th March 2025
- **Scheme Document Publication:** within 28 days of announcement
- **Effective Date:** Q2 2025[(2)]

CONDITIONS

- Offer price may be reduced by any future dividend payments
- Transaction to be affected by means of a Scheme of Arrangement
- Scheme will require approval by 75% of shareholders voting

BACKGROUND TO CareTrust REIT, inc.

- CareTrust is NYSE listed and has an equity market capitalisation of approximately US$4.9 billion (£3.8 billion)[(1)]
- CareTrust's portfolio spans 34 states in the US, with over 400 net-leased properties, approximately 43,000 operating beds / units, and 34 operators

Note: Defined terms are as defined in the Recommended Cash Acquisition announcement released by CRT on 11 March 2025

(1) Latest Practicable Date – 10 March 2025
(2) Subject to satisfaction or waiver of all relevant conditions

Executive Summary

We invest in care homes, which are essential social infrastructure

The Platform

A specialist investor in **UK social infrastructure**	**Deployed >£600m** into UK healthcare real estate	**7,700+ beds** in listed REIT	Track record of **disciplined capital deployment**

The Market

An **ageing population**	**Acuity** is also increasing	Highly fragmented market	Care homes are part of the solution for an **NHS under pressure**

Delivering the Strategy

Progressive dividend policy	**Covered dividend**	**Robust balance sheet**	**Long-term** WAULT 20+ years

Isle Court

Sandbanks

Freeland

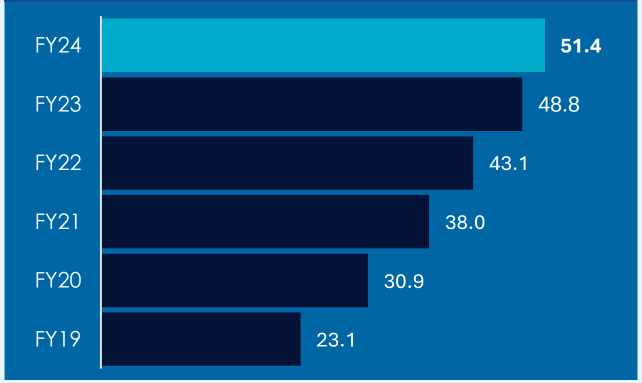
1. Laingbuisson / ONS

2024 Financial Highlights

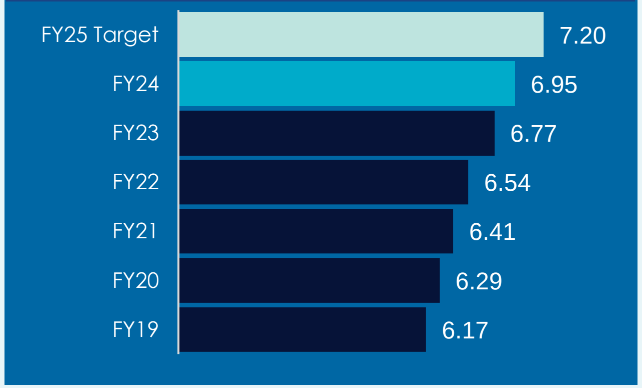
Care REIT PLC

Consistent and robust performance through a challenging period

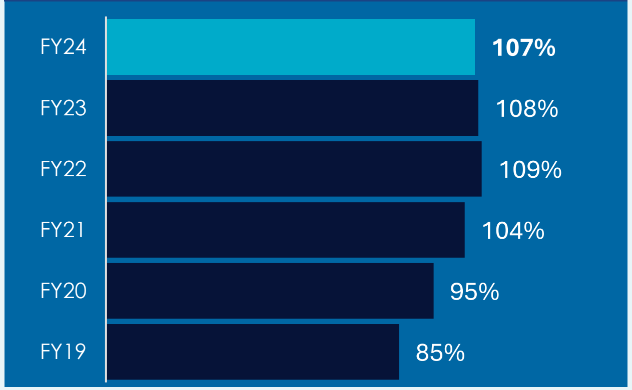
Contracted rent[1] (£m)
£51.4m (+5.3%)



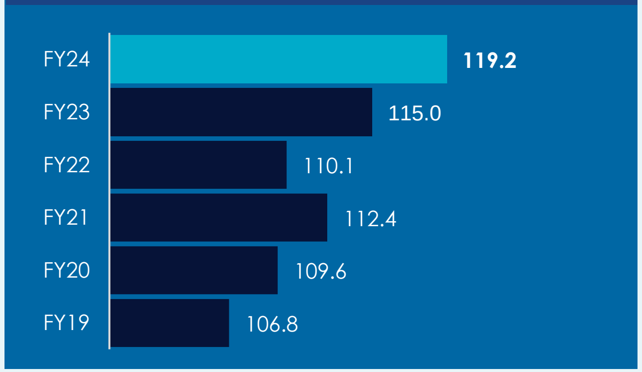
Dividends[2] (pence per share)
7.20p (+3.6%)



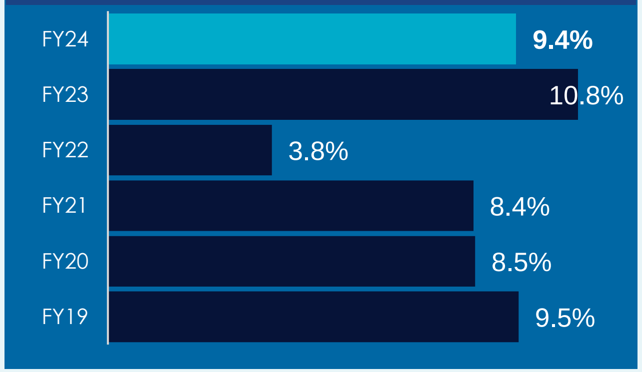
Strong adjusted earnings dividend cover
107%



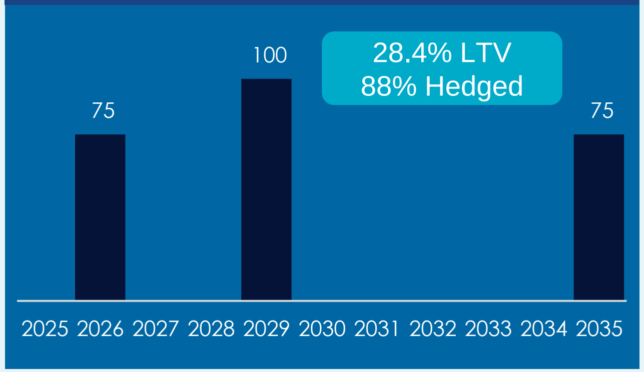
NTA per share (pence)
119.21p (+3.7%)



Total accounting return ahead of target
9.4%



Debt maturity (£m) excl. extension options
Average: 5.5 years



1. Contracted rent includes all post tax income from investment in properties, whether generated from rental income or post tax interest income.
2. This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.

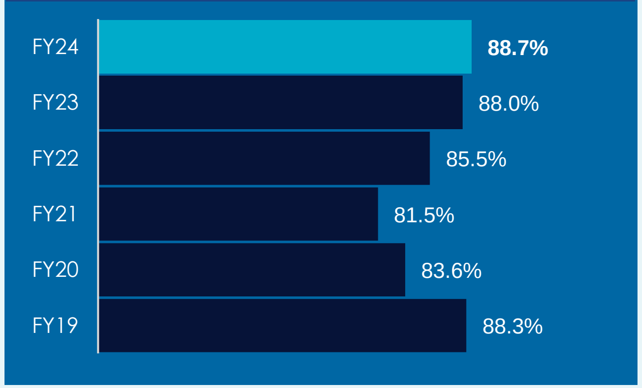
2024 Tenant Highlights

Care REIT PLC

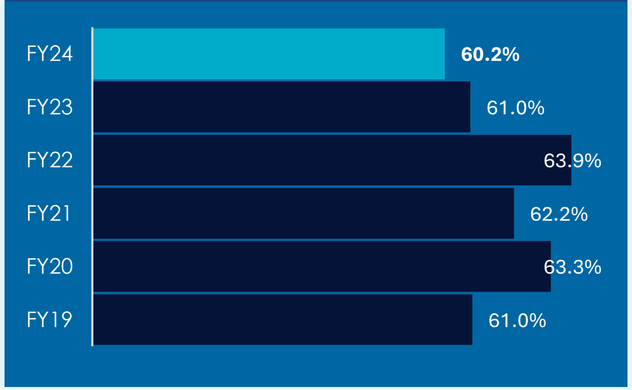
Stronger rent cover from fee growth, stabilised staff teams and recovered occupancy

Rent Cover (LTM)
2.21x (+11.4%)

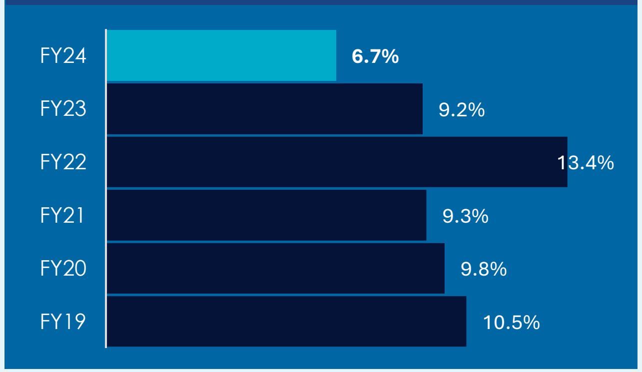
Occupancy Average % (LTM)
88.7%



Staff Cost % of Revenue (LTM)
60.2%

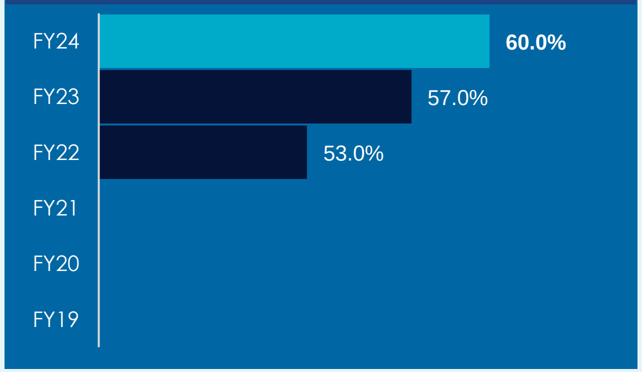


Agency Cost % of Total Staff Costs (LTM)
6.7%



Average Weekly Fee
£1,119 (+6.7%)

Assets rated EPC B or better
60%



Delivering against our financial targets over eight years since IPO in 2017

Targets we set ourselves in 2017	**Dividend yield of 6% with dividend growth**	Average annual total return of 9%	Maintain a robust balance sheet
How have we performed since?	£164m Dividends paid from 2017 to 2025 6.3% Average dividend yield covered by adjusted earnings since 2021	>70% Total accounting return since IPO 9.0% Total return annualised since IPO	119.33 pence/share NAV at its highest since IPO 28.3% Gross LTV

Why healthcare today?

An underinvested and structurally supported sector

	Structural trend		Real estate opportunity	
Last decade	E-commerce	→	Industrials/Logistics	Sectors that have outperformed the wider real estate market over the past 5 years.
	AI		Data centres	
	Education		Student accommodation	
Next decade	**Ageing societies**	→	**Healthcare**	

Principal sector themes

The AAA future

Ageing society

Increasing **A**cuity

Affordability challenges

02 Financial highlights

Continued growth in underlying earnings

Care REIT PLC

£'000	FY24	FY23	
Rental income cash received	47,162	42,513	
Interest income from portfolio loans	66	3,706	
Cash income from portfolio	**47,228**	**45,984**	**+2.2%**
Admin and other expenses	(7,476)	(7,137)	+1.4%
Loss on disposals	(20)	(16)	
Net cash finance costs	(8,938)	(8,664)	+3.2%
Corporation tax	(58)	-	
Adjusted earnings	**30,736**	**30,166**	**+1.9%**
Adjusted earnings per share	*7.42p*	*7.28p*	
Rent smoothing income	7,173	7,287	
Lease incentives and loan amortisation	(1,144)	(1,559)	
Loss on Disposals *(excluded)*	20	16	
EPRA earnings	**36,785**	**35,910**	**+2.4%**
Adjusted earnings per share	*8.88p*	*8.67p*	
Dividend	*6.95p*	*6.77p*	+2.7%
Adjusted earnings Dividend Cover	*106.7%*	*107.5%*	
EPRA earnings Dividend Cover	*127.8%*	*128.1%*	

Adjusted earnings per share
7.42p
(FY23: 7.28p)
+1.9%

EPRA earnings per share
8.88p
(FY23: 8.67)
+2.4%

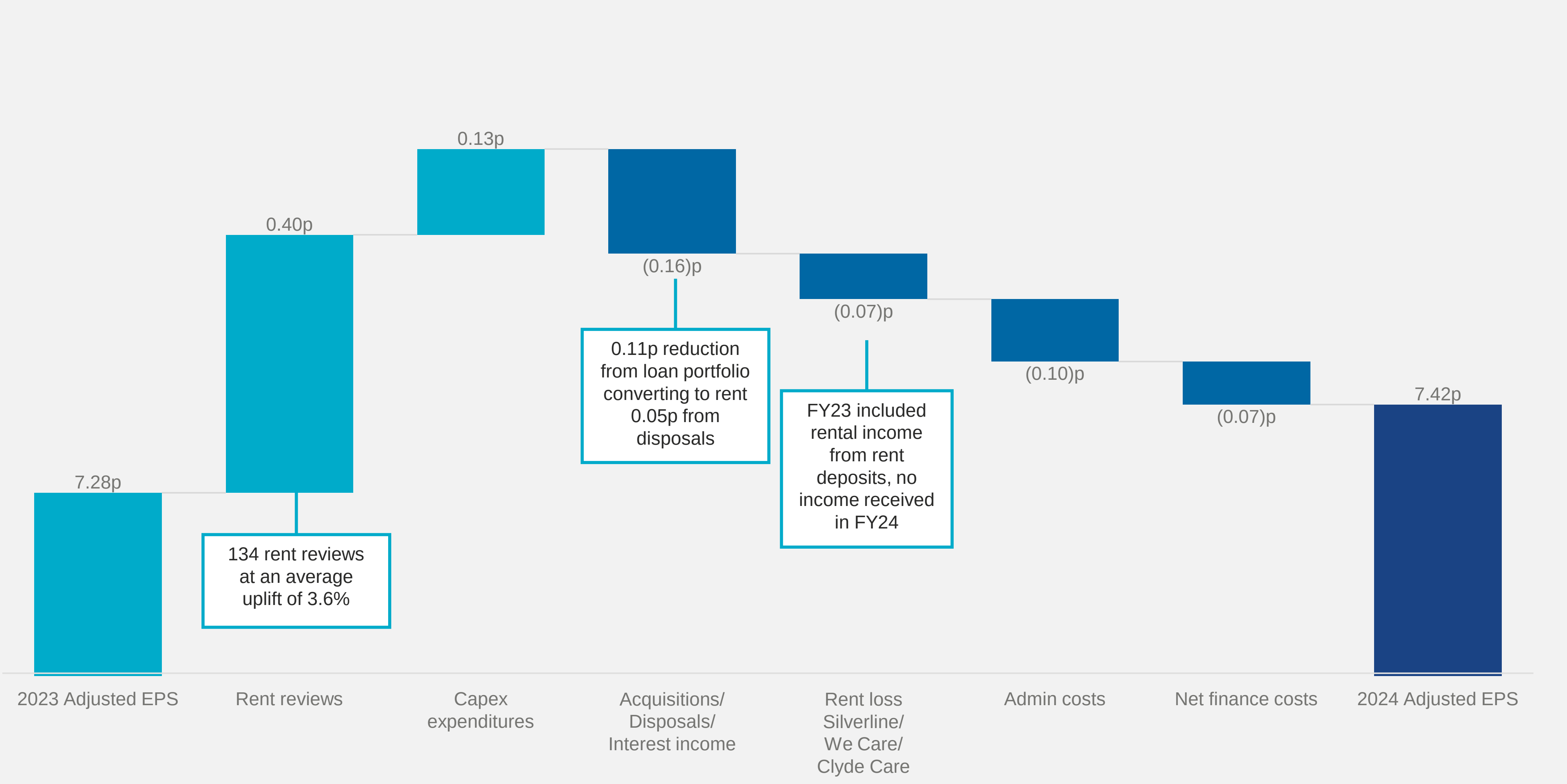
EPRA cost ratio
13.8%
(FY23: 14.4%)
-60bps

Adjusted earnings dividend cover
106.7%
(FY23: 107.5%)
-80bps

Growth in adjusted earnings of 1.9%

Continued growth from rent reviews and capital projects, partially offset by loan portfolio transition to investment assets and remaining unwind from Silverline

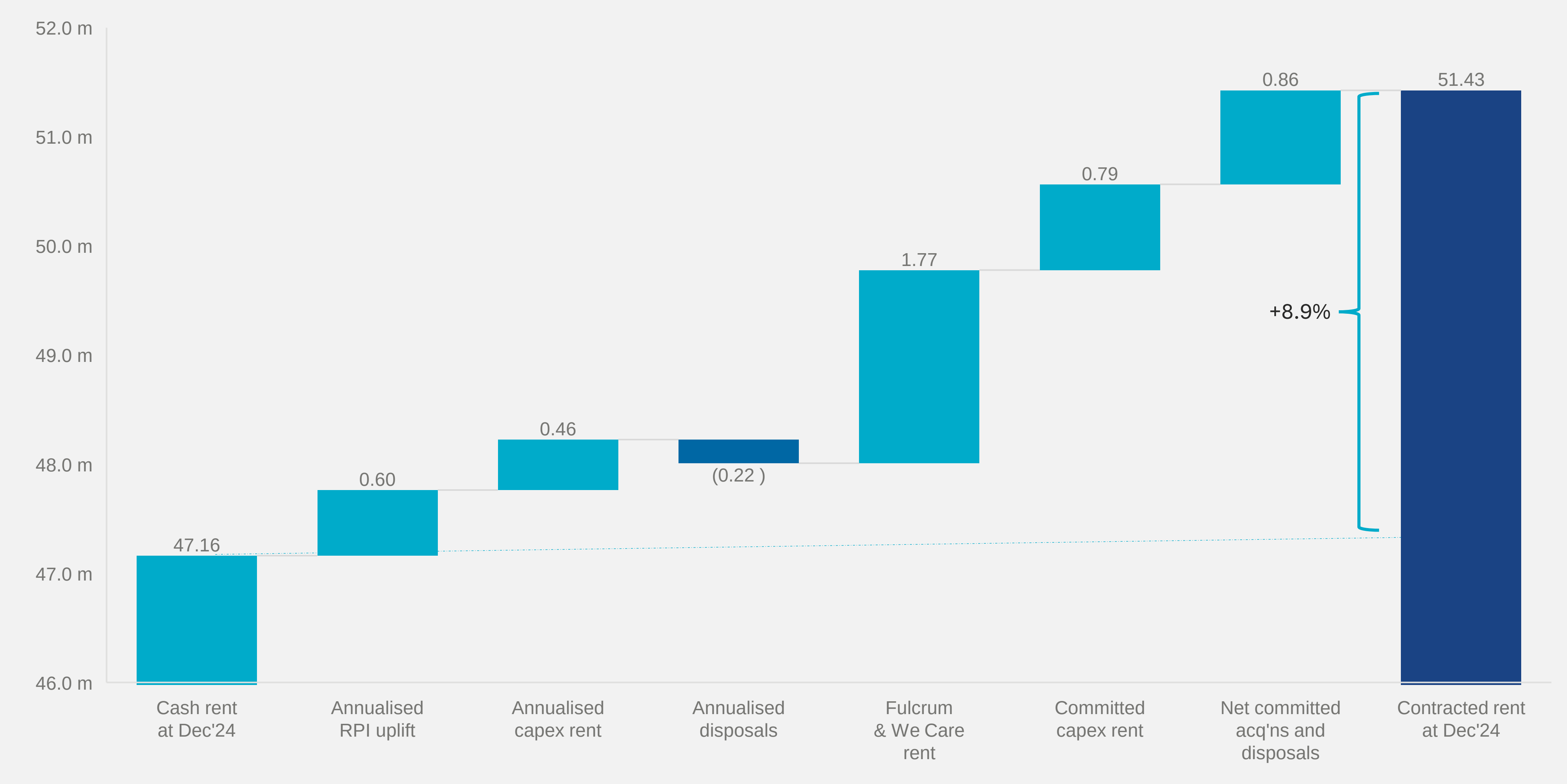
Adjusted earnings (pence)



Contracted rent bridge

Investment activity commitments will continue to deliver growth in income

Cash rent to contracted rent FY'24 (£m)



Adjusted earnings are supported by a robust balance sheet

£'000	FY24	FY23	
Portfolio value[1]	684,036	651,313	+5.0%
Net debt	194,417	181,380	+7.2%
EPRA (Net) LTV	28.4%	27.8%	+0.6pts
EPRA Net Tangible Assets (NTA)	493,971	476,357	+3.7%
NTA per share	119.21p	114.96p	+3.7%

Financial covenants for debt facilities:

- ICR min 2.00x (2.50x on loan notes)
- LTV max 50-55%

Comfortable headroom against debt covenants, even on a fully drawn basis:

- **34%** reduction in rental income needed to breach ICR covenants[2]
- **40%** reduction in property values needed to breach LTV covenants

EPRA "Topped up" Net Initial Yield (NIY)

6.96%

(FY23: 6.92%)

+4bps

Weighted average cost of debt

4.7%

(FY23: 4.6%)

+10bps

Total Accounting Return

9.40%

(FY23: 10.82%)

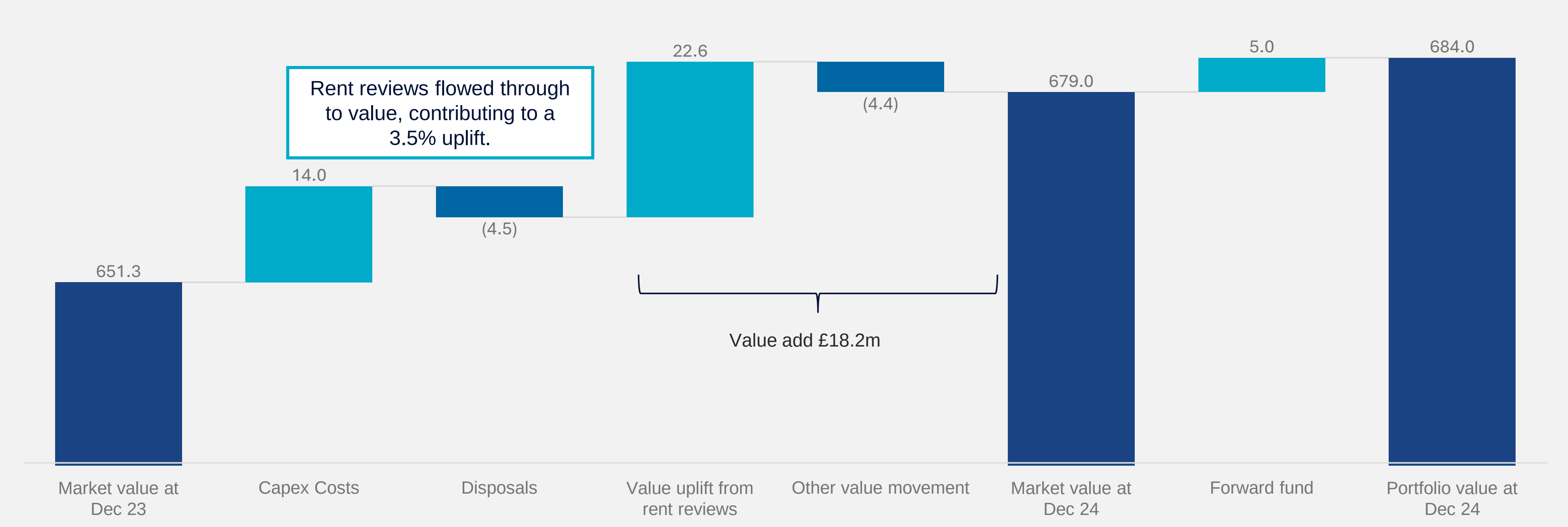
-142bps

1. FY24 property value within the EPRA (Net) LTV calculation includes the forward funded agreement with Prestige of £5.0m.
2. Assumes SONIA is 4.75%

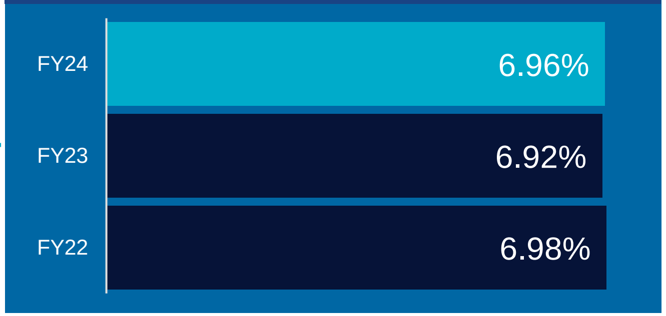
Portfolio value growth of 5.0%

Asset management activity and rent reviews continue to deliver value enhancements

Portfolio value movement (£'m)



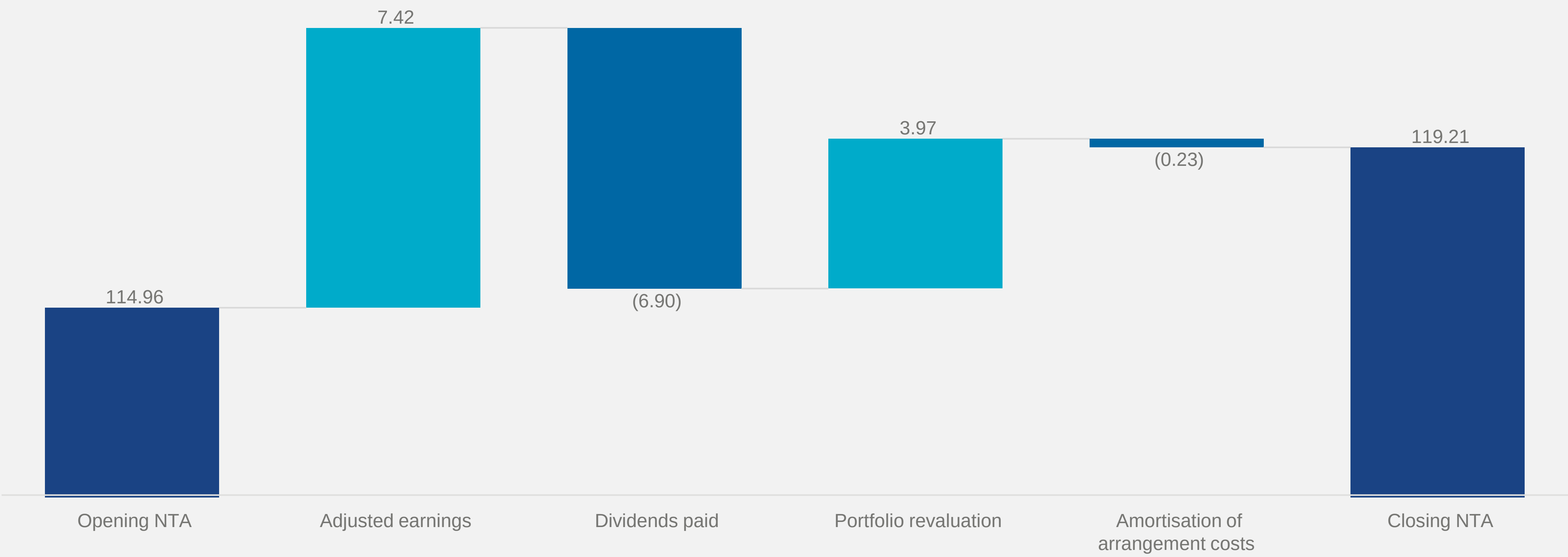
EPRA 'Topped-up' NIY



Net initial yields remaining stable primarily because of portfolio and asset management activity.

NTA grew 3.7% per share in the year

NTA per share (pence)



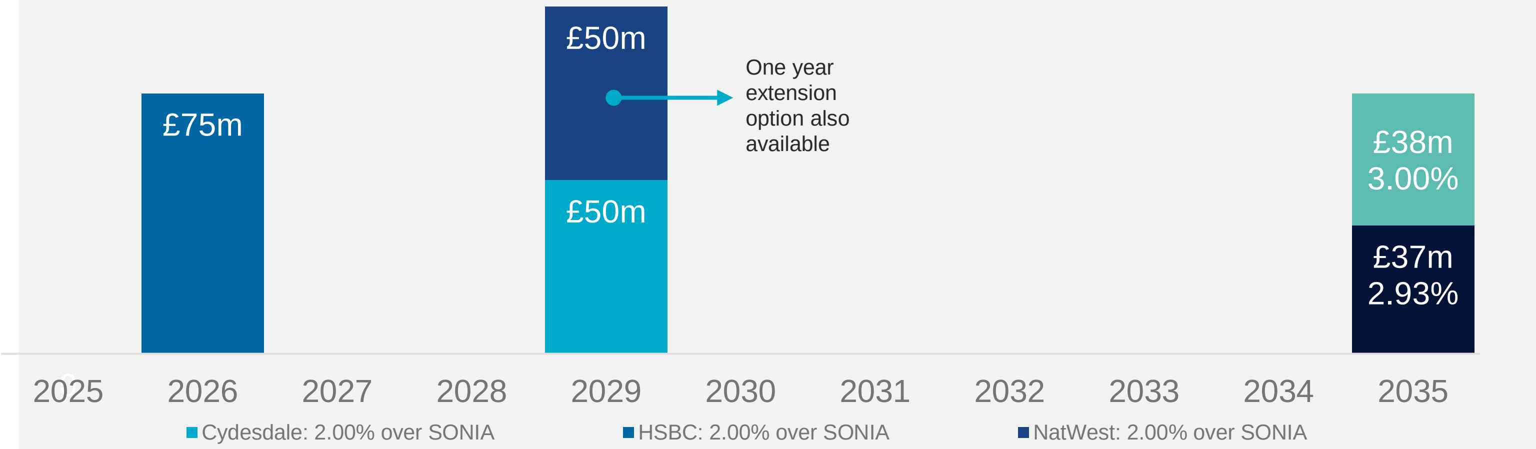
Adjusted earnings, net of dividends, contributed 0.52p to NTA growth in the year.

Growth, underpinned by rent reviews with NIY only marginally softer at 6.96%

Robust financing with continued liquidity

Debt maturity of 5.5 years and 88% of drawn debt hedged

Debt maturities



- £175m of RCF across three banks with staggered expiries over the next 6 years (including extension option)
- £75m long term loan notes with 11 years remaining at a blended fixed rate of 2.97%
- Two £50m interest rate caps at 3% and 4% running to Jan-26 and Aug-25 respectively
- The Group continues to review the renewal or replacement of the HSBC facility with strong interest from current and prospective lenders

EPRA (net) LTV
28.4%
(FY23: 27.8%)

Interest cover[2]
3.7x

Available liquidity
£62.7m

Weighted average cost of drawn debt[1]
4.7%
(FY23: 4.6%)

Effect of 25bps increase or decrease in SONIA on cost of debt
3bps
Increase in weighted average cost of drawn debt

1. One interest rate cap expires towards the end of 2025 and the other at the start of 2026.
2. Interest cover ratio is calculated as operating profit before changes in fair value and other adjustments divided by finance expenses

Continuing to deliver a strong track record

	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Contracted rental income[1]	£17.8m	£23.1m	£30.9m	£38.0m	£43.1m	£48.8m	**£51.4m**
EPRA Cost ratio	24.7%	19.2%	17.1%	15.8%	16.6%	14.4%	**13.8%**
EPS	8.57p	10.37p	9.02p	9.41p	4.33p	11.79p	**10.85p**
Adjusted EPS	5.07p	5.26p	5.93p	6.68p	7.11p	7.28p	**7.42p**
EPRA EPS	6.47p	6.95p	7.25p	8.05p	8.37p	8.33p	**8.89p**
Dividend per share	6.00p	6.17p	6.29p	6.41p	6.54p	6.77p	**6.95p**
Adjusted earnings dividend cover	84%	85%	95%	104%	109%	108%	**107%**
EPRA earnings dividend cover	108%	113%	115%	126%	128%	123%	**128%**
Property investments[2]	£223.8m	£318.8m	£418.8m	£497.6m	£568.8m	£651.3m	**£679.0m**
EPRA Topped-up NIY	6.97%	6.66%	6.71%	6.71%	6.98%	6.92%	**6.96%**
Gross LTV	11.62%	6.81%	17.77%	22.26%	23.85%	27.69%	**28.33%**
NAV	£198.3m	£340.7m	£349.5m	£394.2m	£445.9m	£478.1m	**£494.5**
NAV per share	103.18p	106.81p	109.58p	112.43p	110.17p	115.38p	**119.33p**
Total accounting return	8.47%	9.46%	8.46%	8.42%	3.78%	10.82%	**9.40%**

1. Contracted rent includes all income from investments in properties, whether generated from rental income or post-tax interest income.
2. Property investments includes portfolio valuation along with loans to operators for acquisition of property portfolio, with an option to acquire.

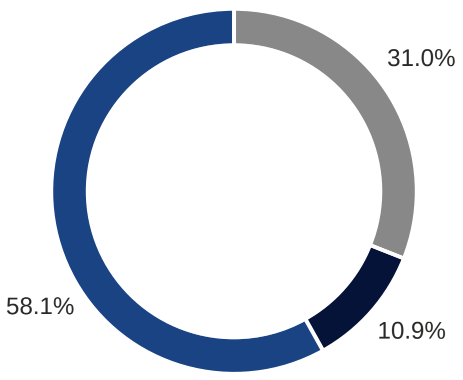
A diversified portfolio

Property evolution

Properties (Dec 23)	FY24 Acquisitions	FY24 Disposals	CQC Re-registration[1]	Properties (Dec 24)
140	-	(2)	(1)	137

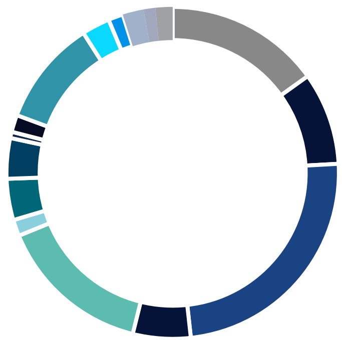
Sources of tenant income

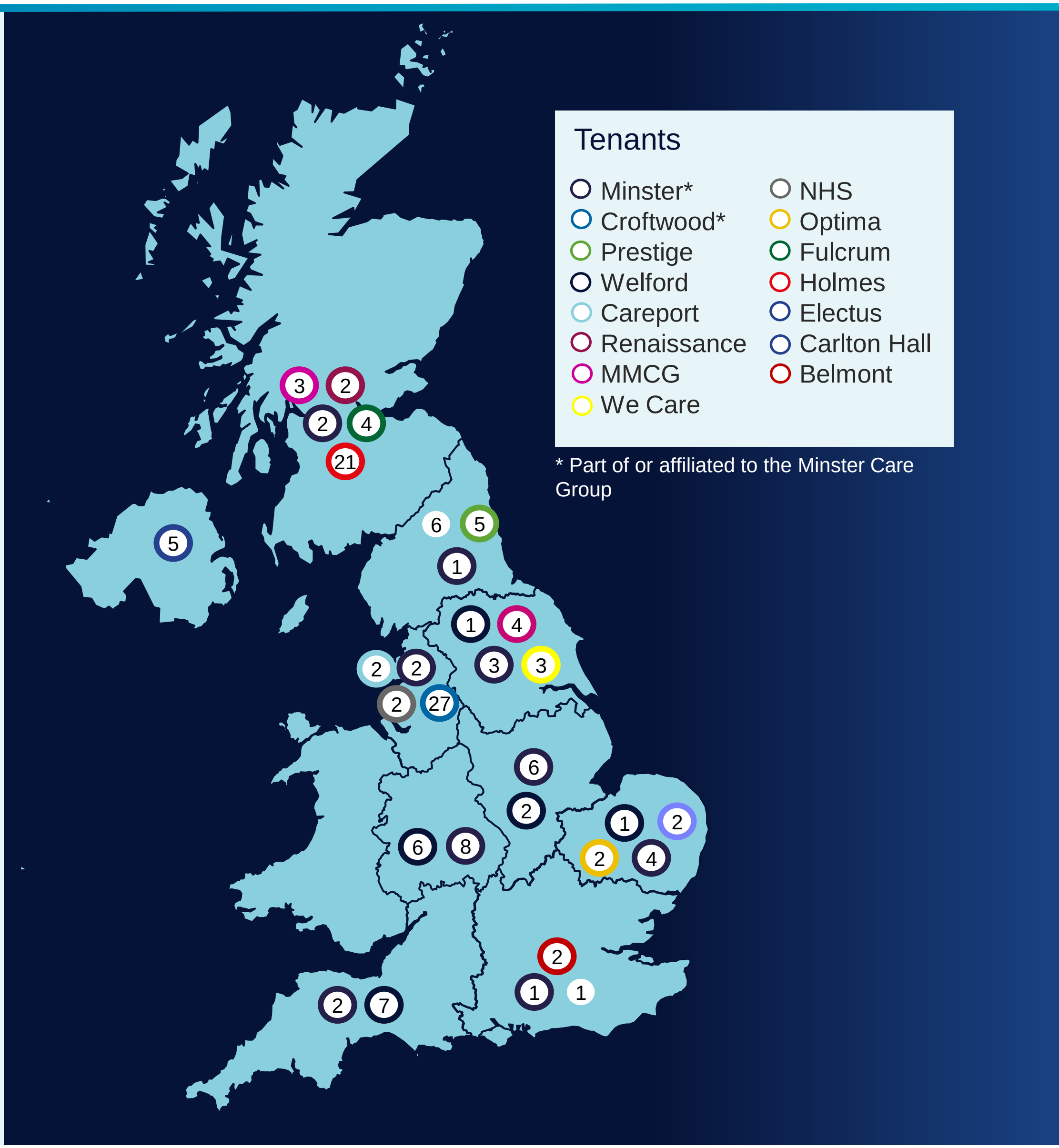
Based on % revenue, for the quarter to 31 December 2024, to care home tenants



Tenant base

Based on % of contracted income[1] at 31 December 2024

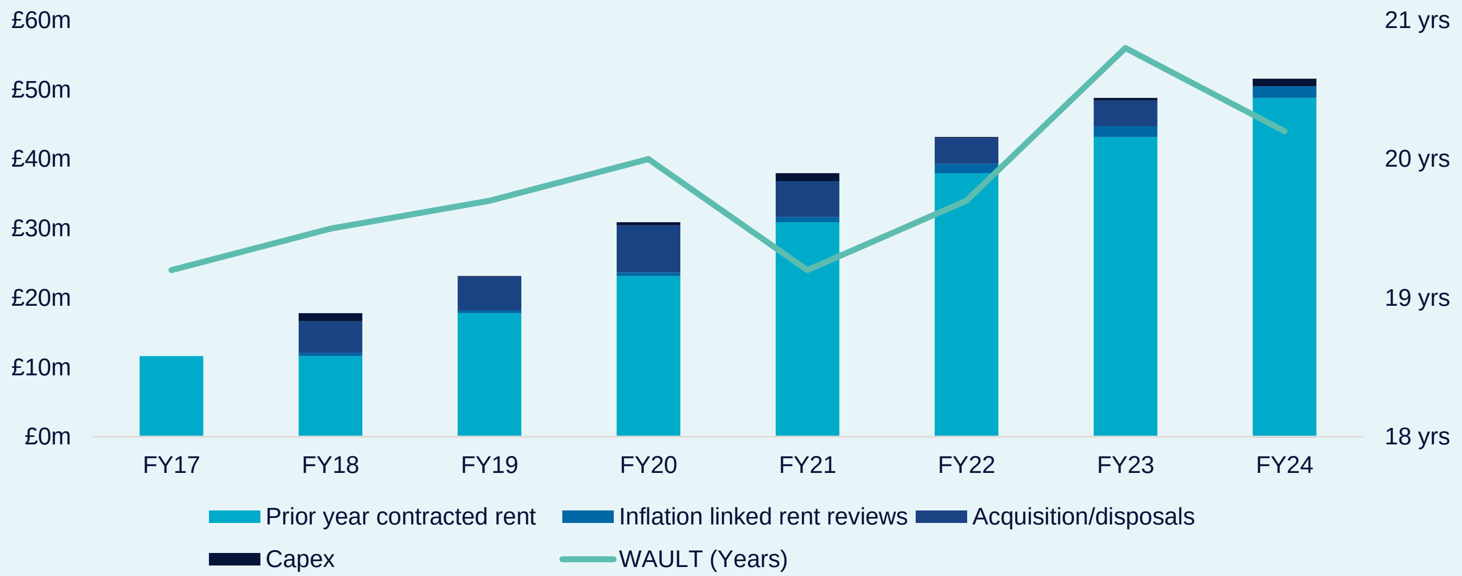


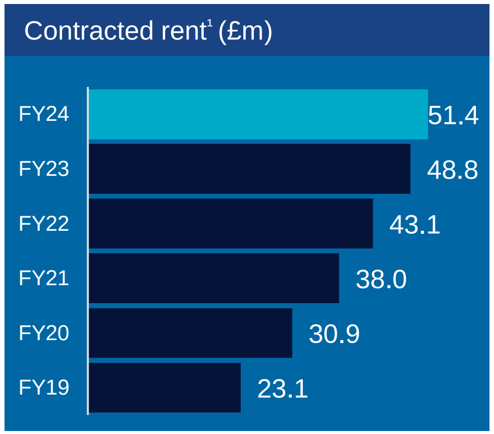


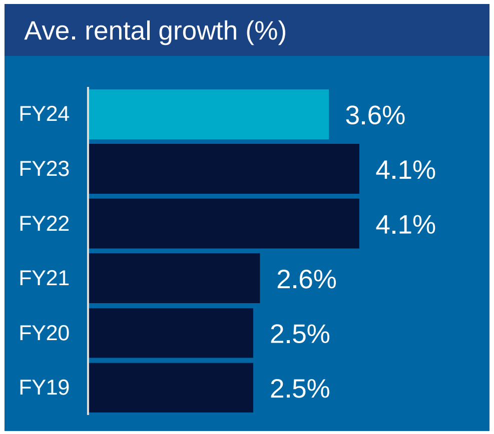
1. Fairview house and court were originally registered with CQC under two separate registrations. These became one in 2024.

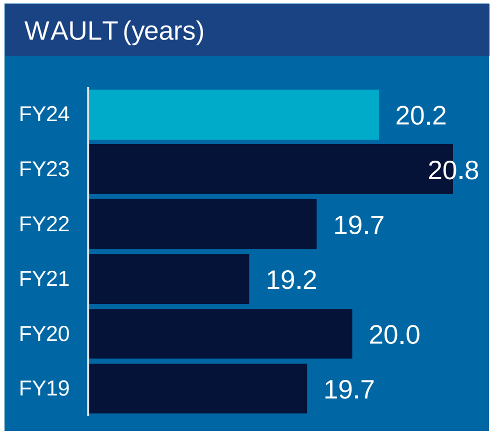
A resilient and growing rent roll

Strong rental growth from annual rent reviews (3.6% on average) and 1 new capital project committed for £1.5m post year end and £0.8m of incremental rent, increasing contracted rent to £52.2m







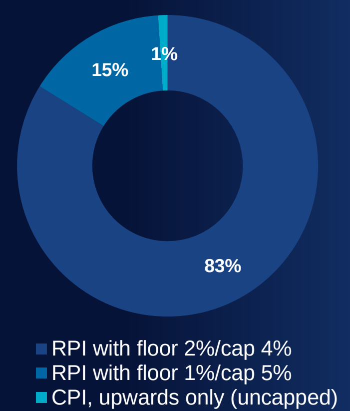


£51.4m
(Dec 23: £48.8m)
Contracted rent[1]

100%
(FY23: 99%)
Rent collection

£1.244bn
(FY23: £1.238bn)
Total rent receivable over remaining life of leases

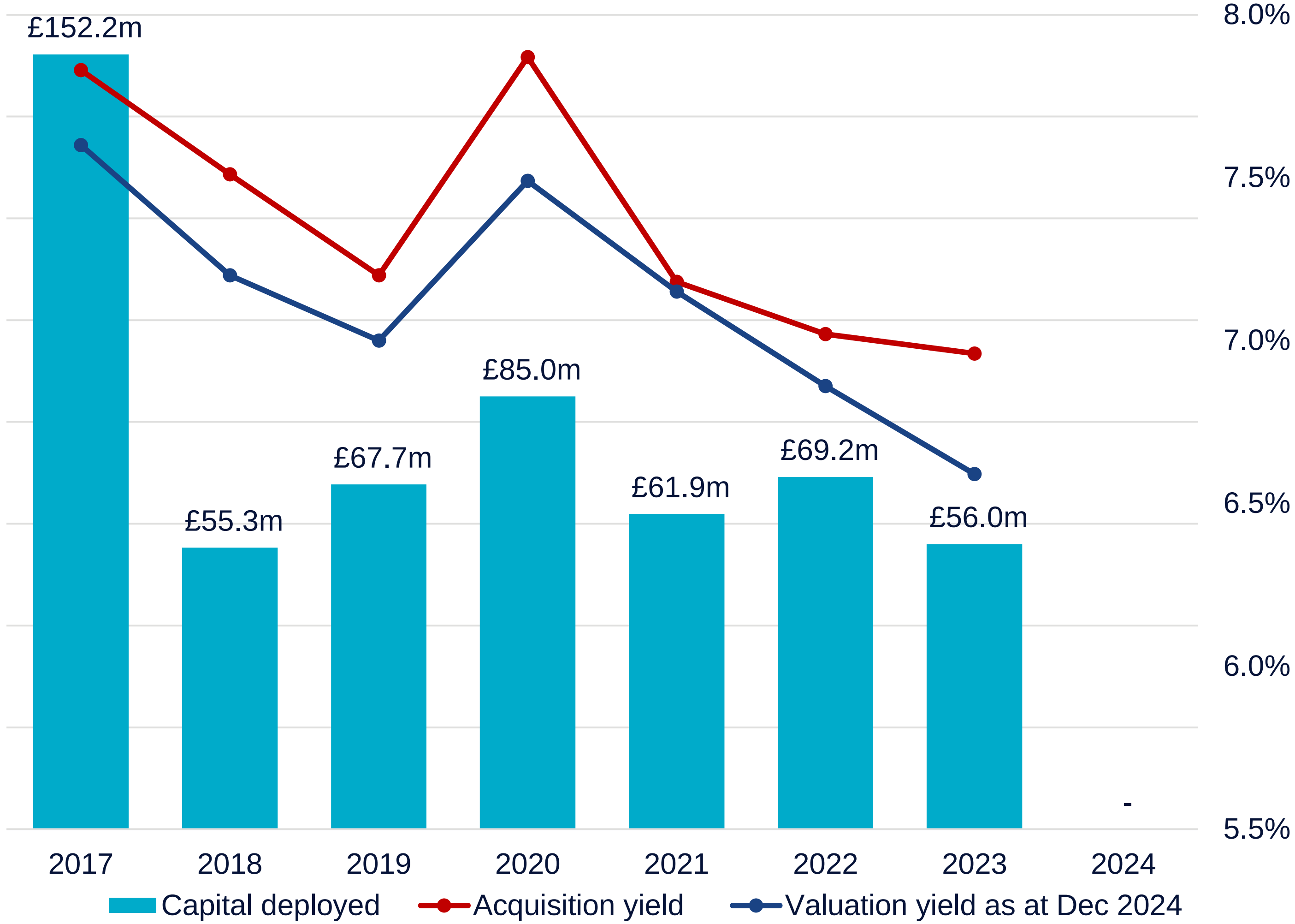
100% leases inflation-linked



- [1] The annualised rent adjusting for: rent due following rent-free periods; underlying contractual rent on temporarily varied leases (including rent due from Melrose); rent due on capex projects or profit-related deferred payments where the Group recognises a capital commitment; and post-tax income from interest received from property investments made via loans to operators for the acquisition of property portfolios.

Disciplined track record of capital deployment

Delivering consistent and defensive yields



Active in a less competitive space

Investor in proven operational assets with trading history

Ability to source the right assets

Defensive assets have less yield expansion

Project Nightingale - outperforming expectations

Demonstrates ability to create value from acquisitions

	Actual Trade at Closing	Initial Underwrite (Dec. 2024 Proj.)	Actual (Dec. 2024)	Var. to Initial Underwrite
AWF	£1,406	£1,475	£1,506	+2.1%
Occupancy	91%	92%	91%	(1.0%)
EBITDARM (Ann.) (£ '000)	6,520	8,965	10,326	+15.2%
EBITDARM Margin	23%	29%	33%	+14%
Rent Cover	1.7x	2.0x	2.6x	+27%
NIY	n.a.	7.0%	6.2%	(80bps)

- In Project Nightingale we identified an opportunity to work closely with an existing tenant, to acquire and enhance a portfolio of six well established, high-quality homes
- Despite a volatile operational environment since closing the acquisition, including a spike in inflation and ever-increasing pressure on local authority budgets, our initial underwrite has proven conservative


Stretton Hall, exterior


Radbrook, interior


Isle Court, exterior

Creating better environmental and social outcomes

Through investing in existing care homes and creation of additional capacity

Care homes are the cornerstone of social infrastructure for an ageing population

Improving environments for residents and staff through asset management projects

Enabling tenants to provide value for money care to public and privately funded residents

Investing in existing assets

Comprehensive environmental due diligence undertaken on all new acquisitions and capex projects

Reduce operational carbon

Working with tenants to reduce energy and carbon

Increasing all EPC ratings to at least a B by 2030

60% of homes rated EPC B or better[1] ahead of 2025 interim target

14 Improved EPCs

Of which 11 moved up a band.

51kg CO_2e per m^2

Decrease of 3% on a like for like basis from 2023. However, the interim target of a 15% reduction by 2025 is unlikely to be met.

£47.7 million

Spent since inception on improving stock, expansions of care homes and new-build homes

9.3

Average operator rating on carehome.co.uk (above the national average of 9.0)

69%

of our tenants' revenues from local authority or NHS commissioners.

1. Assumes English equivalent EPC rating

Engaged asset management and development

£12.7m capital deployed on range of projects benefiting tenants, residents and improving energy efficiency

Turnpike Court, Cheshire

Elm House, Cheshire

Wombwell Hall, Kent

Yew Tree, Redcar

Number of projects completed

6

Capex spent in 2024

£12.7m

Capital spend approved in 2024

£21.4m

Average yield on capital deployed

>8%

1. Includes capital committed to identified projects with planning permission that are either in progress or planned.

Case Study - Kingston Court, Carlisle

£1m investment to create new bedrooms, improve dementia offer and improve energy efficiency

- 4 additional bedrooms created from previously under-used areas
- Dedicated areas for people with more acute dementia
- £1m invested at effective yield on cost of 8.2%
- Solar panels installed on the roof
    - Electricity consumption reduced by 25% (June to Dec).
    - Payback period on solar panels 5.2 years.
- Agreement in principle to roll out solar panels on a further 7 homes with a different tenant and plan to scale up PV installation

04 Tenant performance

In 2024 tenants delivered on average a strong performance

Care REIT PLC

Occupancy recovery

89%

at 1 March 2025

Tenant occupancy risen from 88% on 31 December 2023, and a COVID low point of 78.9% in January 2021.

Strong underlying fee growth

7% p.a.

Fee growth

Underlying average weekly fee (AWF) growth over the year to 31 December 2024.

Staff costs

Staff costs fell as % of tenant revenues

Use of agency staff back to normal levels. Average staff costs per occupied bed rose 6% during 2024, less than AWF growth.

Rent cover

2.2x

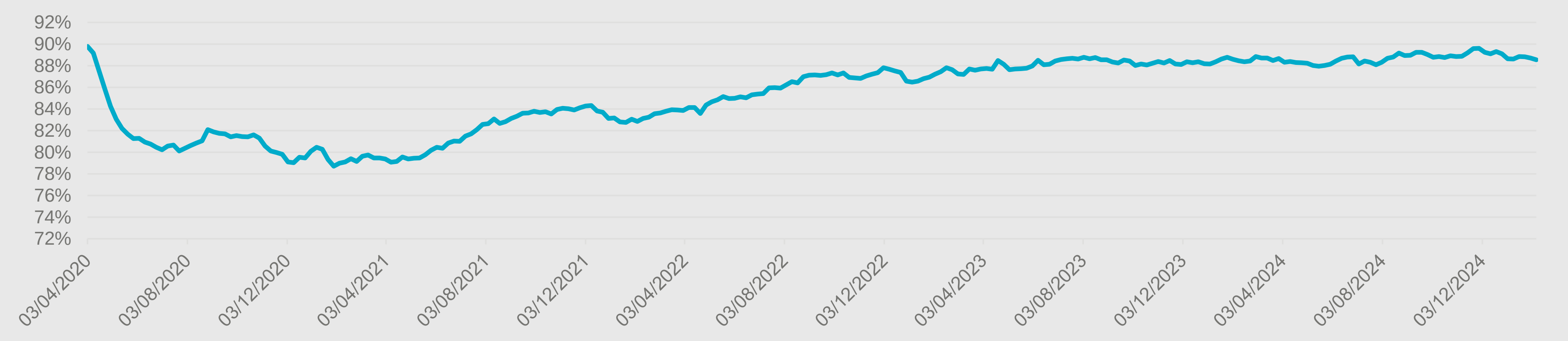
Rent cover

Average cover for 12 months to 31 December 2024.

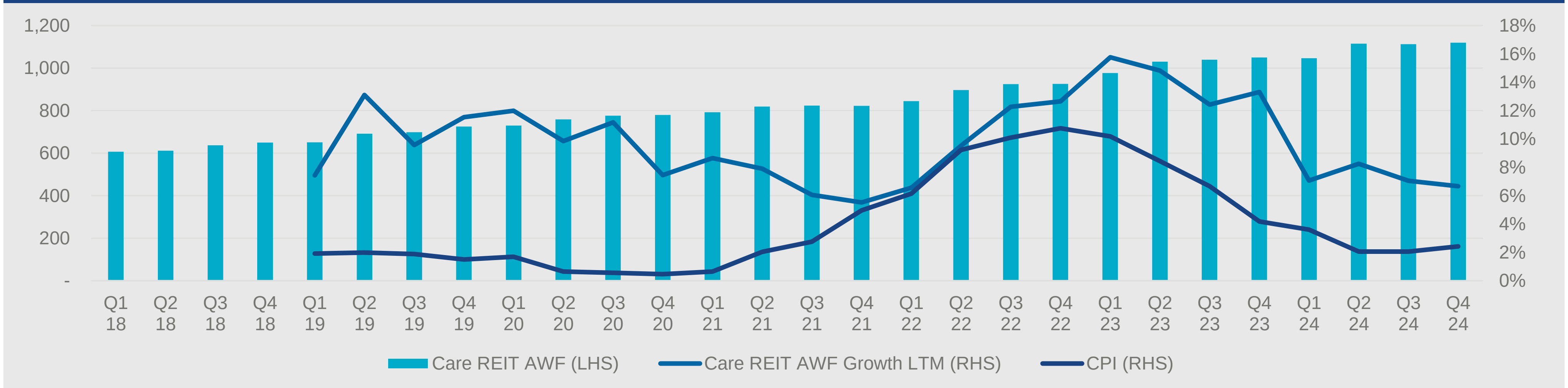
Tenant occupancy recovery and fee growth

Occupancy recovery gradual in 2024 as tenants emphasised growing fees at a rate sufficient to cover cost increases. Occupancy now 1% below pre-COVID levels

Care REIT tenants' average bed occupancy



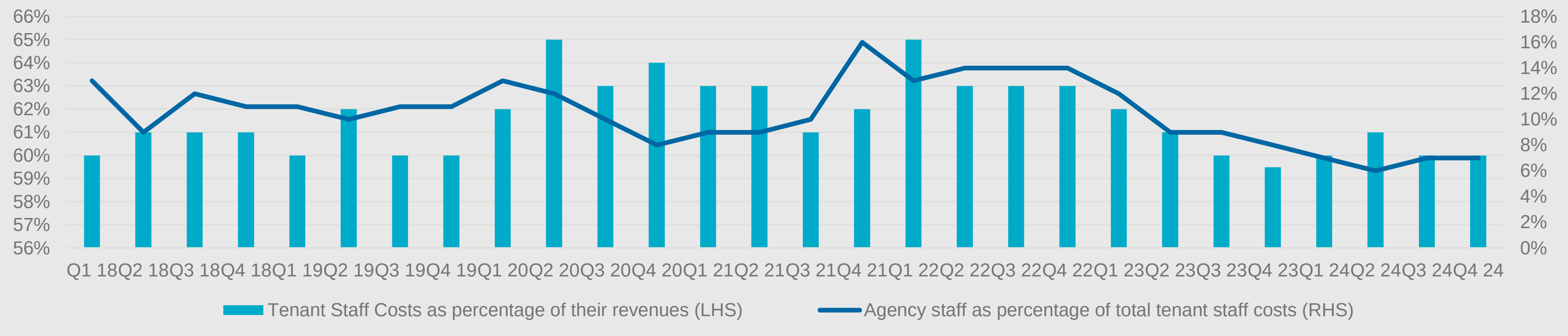
Care REIT portfolio of tenants demonstrate deliver inflation+ average weekly fee growth



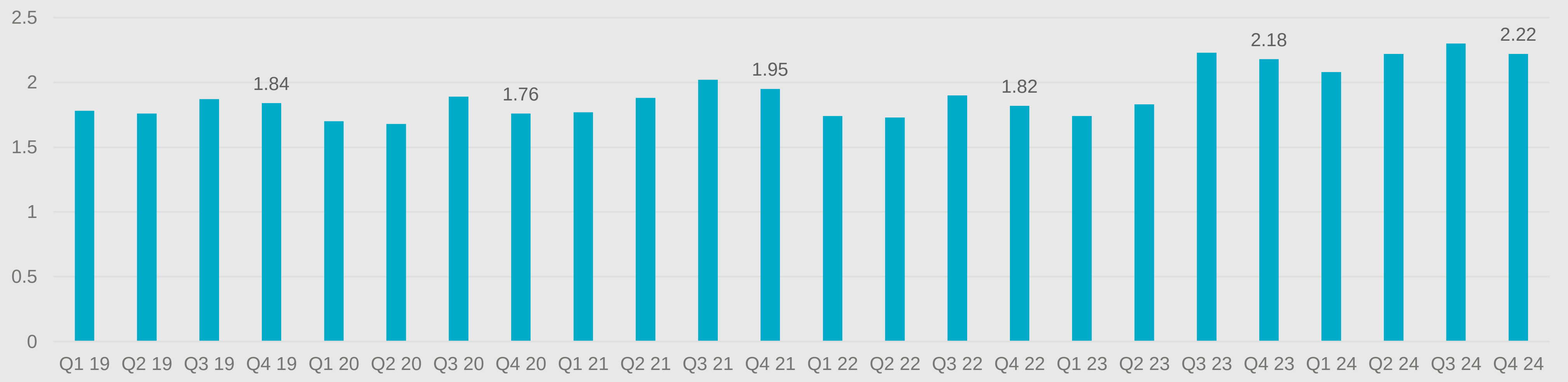
Best rent cover since inception

Tenants typically increase wages during Q1 and fees during Q2, meaning Q3 has the highest rent cover. Average rent cover across Care REITs portfolio in Q4 2024 was 2.2x's

Care REIT portfolio staff costs trending down



Care REIT group rent cover[1]



[1] Rent cover excludes seven turnaround homes, which were previously operated by Silverline and were re-tenanted in June 2023. Those homes are excluded from previous periods to ensure reporting is on a consistent basis

Potential impact of the 2024 Budget on tenants

What key themes do we expect to see in the market during 2025?

October 2024 Budget

Staff costs will rise in April 2025 as a result of increases to Employer National Insurance and the Minimum Wage announced in the budget.

Fee Increases

Local Authority fees rise in April each year. Early indications are that most fee increases will cover higher staff costs.

Occupancy recovery

Many operators reported a slightly higher than anticipated number of deaths over the winter of 2024 / 2025. Occupancy mostly recovered.

Regulation

In England, the industry regulator, the Care Quality Commission has been in a state of flux, with a new leadership team now in place.

- Tenants report that they will need to achieve average fee increases of circa 6% to cover additional staffing costs created by the November 2024 budget, which will come into effect in April 2025

Fee increases by 153 Local Authorities in England

Year to March 2024	
Average actual fee increase	12%
CPI 12 months to March 2024	3.2%
Year to March 2025	
Average forecast fee increase	6%
CPI 12 months to January 2025	3.0%

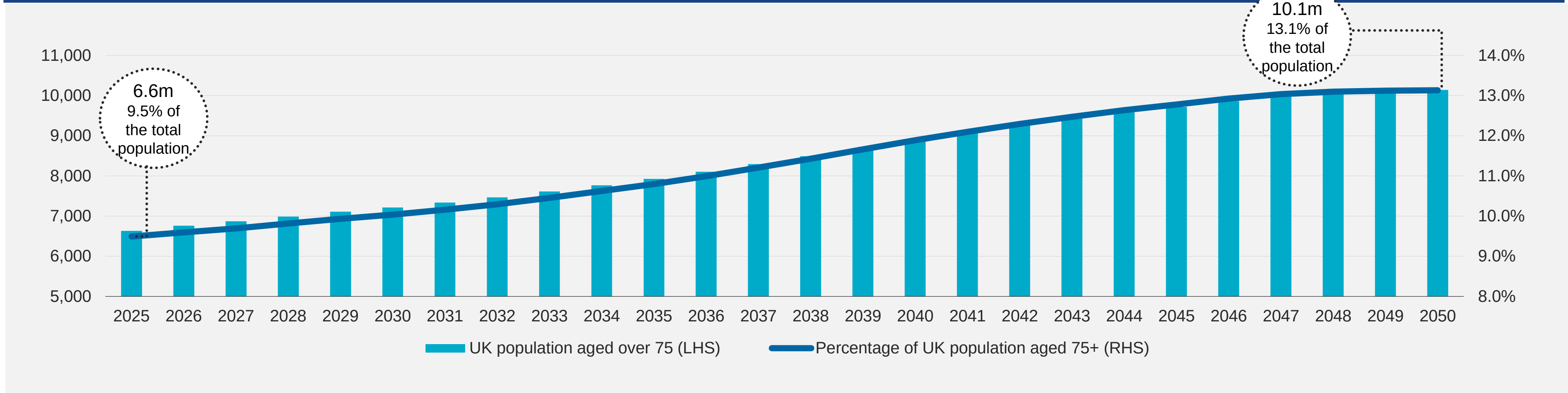
- In January 2025 the Secretary of State for Care wrote to the leaders of these 153 Local Authorities confirming that, “The government will make available up to £3.7 billion of additional funding for social care authorities in 2025/26.” This includes all forms of social care, not just elderly care
- The Minster Group, the Company’s largest tenant, provides care services for 40 Local Authorities. By 7th March it had received notification from nine of them that fees will rise by an average of 6% in April 2025. The remaining 31 are yet to finalise fees

05 Outlook: our market

More demand from an ageing population

Over the WAULT of our leases (ie, the next 20 years) people over 75 will be the fastest growing part of the UK population

Projected UK population aged over 75 (000's)



- In 2024, 3% of people between 75 and 84, and 13% of people aged over 85, had care needs which meant they could not live at home
- These percentages have been stable for the past two decades
- If these percentages remain stable, and as the population continues to age, demand for care beds has the potential to increase by over 50% over the next two decades, which is the term of the Company's average unexpired leases

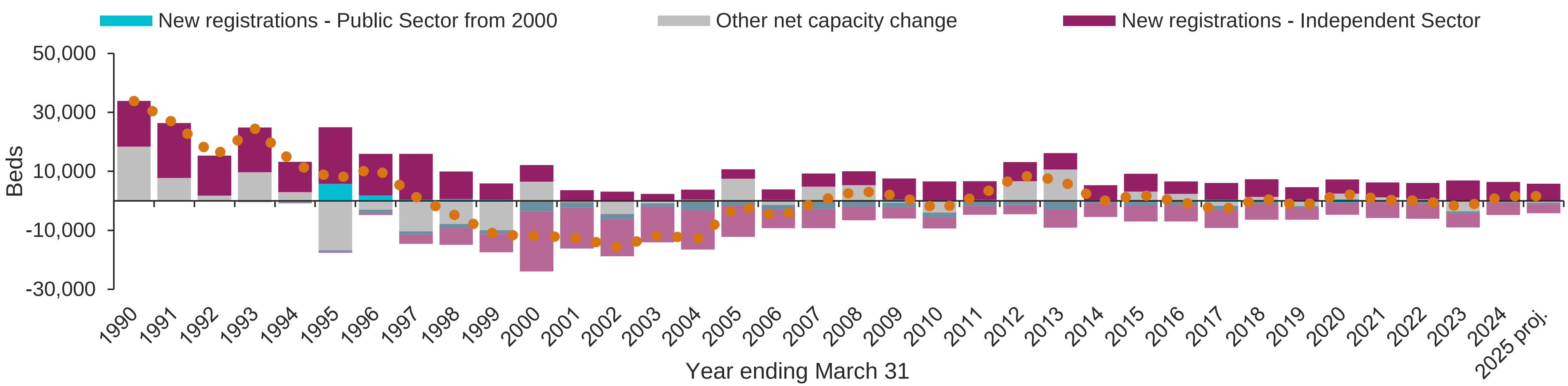
Age groups	65-74	75-84	85+	Total	
2024					
% of UK population living in a care home or hospital	0.6%	2.9%	12.9%		
Actual care home/hospital residents	36,707	136,032	226,620	399,359	
Projections					
2034 potential residents	45,018	150,322	321,028	516,368	**+29%**
2044 potential residents	42,127	188,583	380,712	611,423	**+53%**

Source: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea11principalprojectionuksummary
LaingBuisson

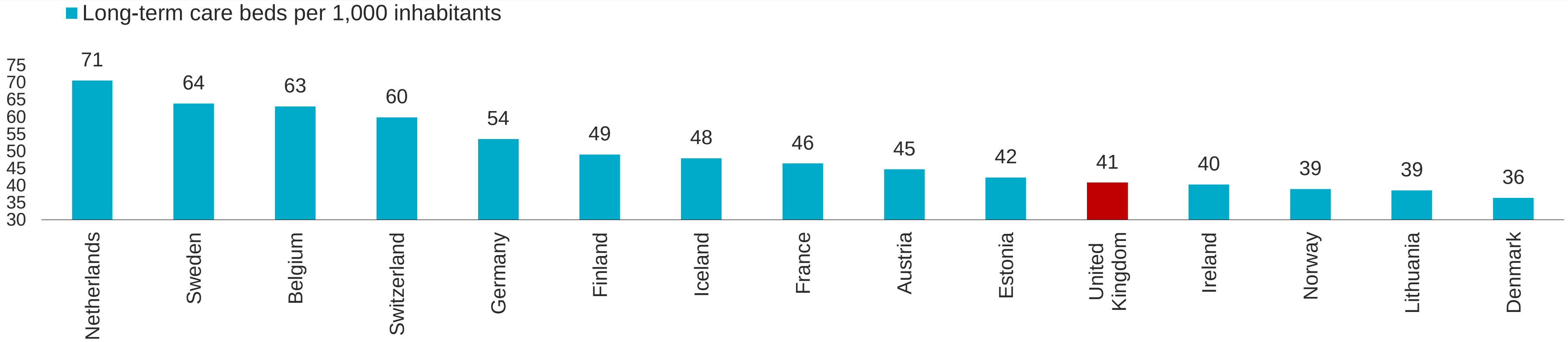
Lack of new supply

Between 2014 and 2024, only 1,670 net new elderly care beds were added to UK capacity

Net bed capacity change



The UK has significantly fewer elderly care beds than comparable European countries



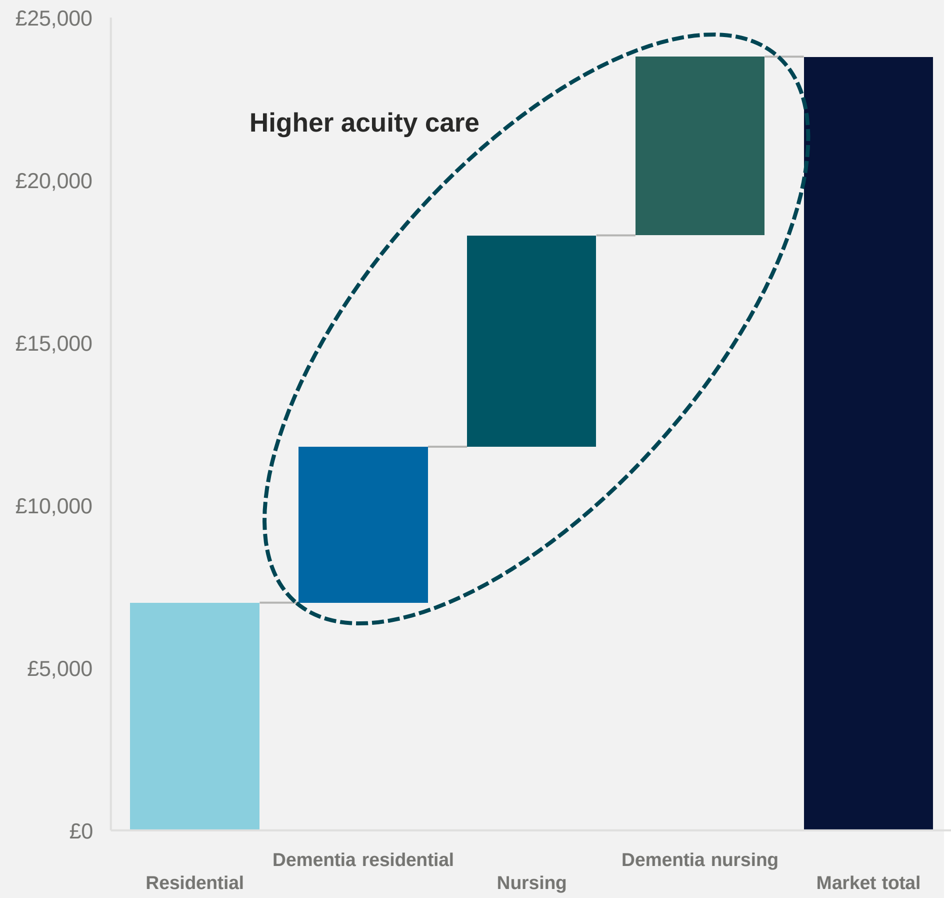
Source: CBRE, LaingBuisson

Rising acuity

Over 70% of spending on people in elderly care homes is dedicated to people with some form of higher acuity, predominantly dementia

£24 billion p.a. spent on people resident in elderly care homes

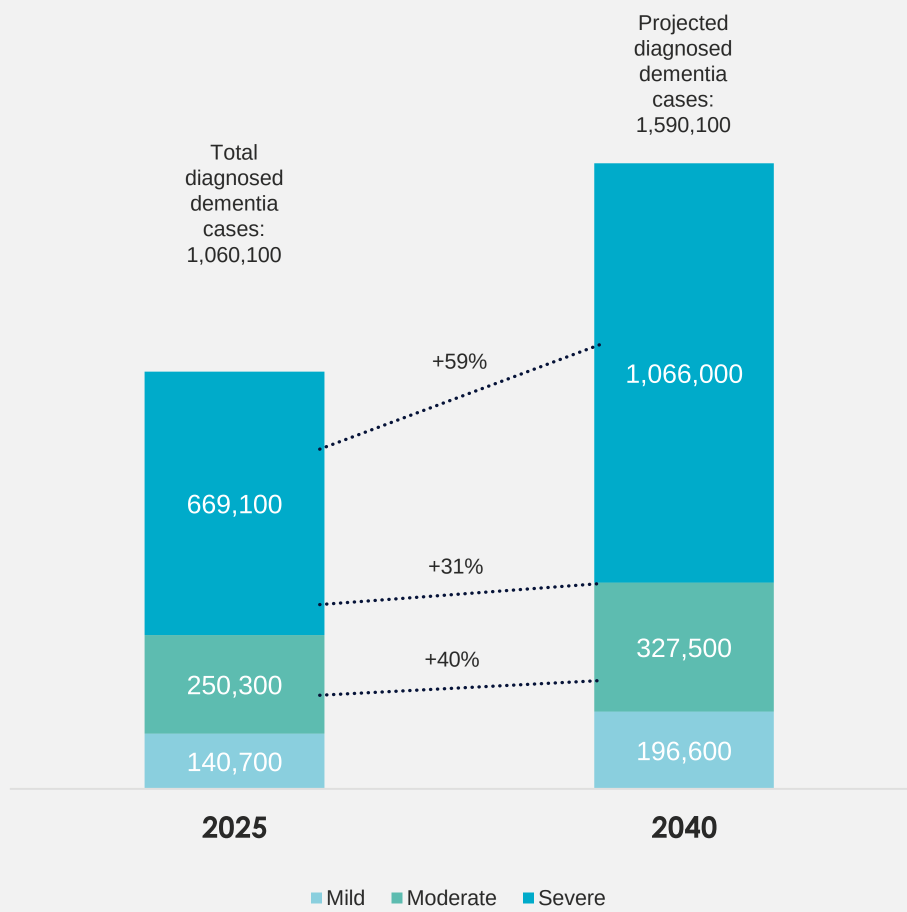
UK 2024 (£m)



Source: LaingBuisson, Alzheimer's Scciety

Increase in people living with dementia in the UK

Projections by the Alzheimer's Society



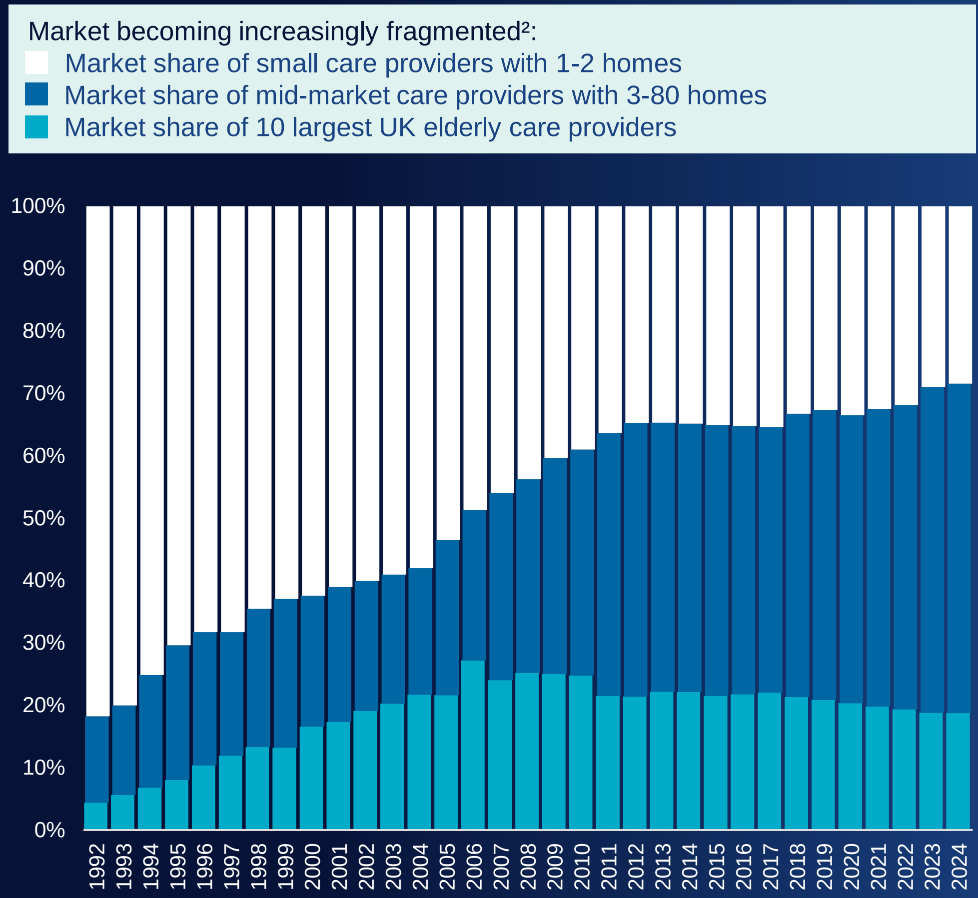
Source: https://www.alzheimers.org.uk/sites/default/files/2019-11/cpec_report_november_2019.pdf

Fragmentation

Market dynamics support a knowledgeable and discipline investment strategy

Market size	Total value of UK elderly care market real estate circa £40 billion[1].
Fragmented market	443,111 beds 10,145 registered care homes[2]
Market share of top-ten providers	Peaked in 2006 at 27%, and has since fallen to 19%.
Sole traders withdrawing	Care providers with one or two homes had > 80% of the market in the early 1990s. Now < 30%.
Growth in the mid-market	Midsized providers, with between three and 80 homes, are growing. They are Care REITs target tenant base.
High yields	This high level of fragmentation is one reason why it is possible to acquire care homes on high yields relative to other specialised forms of real estate.

Highly fragmented market



Growth is driven by our target tenant base in the mid-market by size

Source: [1] CBRE Research [2] Langbuisson

06 Summary

Summary

A resilient portfolio well positioned for continued income growth

Growing the business to provide much-needed care home beds

Working with our tenants

Our focus on quality

Our focus on affordability

Increasing our sustainability

- ✓ Form long-term partnerships with high-quality tenants to deliver vital social care infrastructure for vulnerable elderly people
- ✓ Well placed to continue to deliver attractive sustainable returns from resilient, fully covered dividends and capital growth – significant positive social impact
- ✓ 100% inflation-linked income (with caps and collars)

A1 Appendices

Summary of company structure

Entity	Care REIT plc
Market	Listed on the Main Market of London Stock Exchange on 7 March 2017
Current share capital	414,368,169 ordinary shares outstanding
Target dividend	Target dividend of 7.20 pence per share for 2025[1]
Gearing	The Company utilises prudent financing with a maximum LTV of 35% of gross assets
Valuation	Quarterly valuation by Cushman & Wakefield
Independent Board	Board comprised of five experienced Non-Executive Directors and is independent of the AIFM
Discount control	Share buy-back authority for up to 14.99% of issued share capital
AIFM	Impact Health Partners LLP – Principals: Andrew Cowley and Mahesh Patel
Management commitment	Mahesh Patel 11m share holding[2] in the Company. Other members of management and board hold 2m shares
Fees	Management fees: 1% of NAV payable to Impact Health Partners LLP reducing to 0.70% on NAV above £500m
Corporate brokers and other advisors	Jefferies, Winterflood Securities, Travers Smith and BDO

1. This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.
2. Refers to share holdings Mahesh Patel owns or controls.

Care REITs board

The five experienced non-executive directors comprising the board provide strong corporate governance and close alignment to shareholders via a significant shareholding

Chairman: Simon Laffin

Simon has 30 years of board experience including real estate, previously serving as Chairman of Assura plc, Flybe Group plc and Hozelock Group. He has also held various other non-executive director positions and was previously an adviser to CVC Capital Partners for ten years. Prior to this, he was Group Finance & Property Director of Safeway plc.

He is a qualified accountant and graduate of Cambridge University.

SID: Rosemary Boot (independent non-executive)

Former Executive Director of Circle Housing Group and Finance Director of the Carbon Trust. 16 years corporate finance experience at UBS Warburg. Currently non-executive director of Urban&Civic plc and Nido Living. She is a co-founder and director of Chapter Zero.

Rosemary has expressed her intention to retire in the coming year.

Director: Chris Santer (independent non-executive)

Chris is the Portfolio Manager for Schroders Capital Real Estate Impact Fund. Prior to this, Chris was Chief Investment Officer for Primary Health Properties PLC.

MBA from Warwick Business School and member of the Royal Institute of Chartered Surveyors.

Director: Amanda Aldridge (independent non-executive)

Former audit and advisory partner at KPMG LLP. Currently non-executive director of The Brunner Investment Trust Plc, Staffline Group plc, Low Carbon Contracts Company, The Electricity Settlements Company and Helical PLC.

Extensive audit and advisory experience.

Director: Cedi Frederick (independent non-executive)

Over his 40-year career, Cedi has held a number of senior management, chief executive and board member positions in the healthcare and housing sectors across the public, private and not-for-profit arenas.

Experienced and tenured team

A specialist, multi-disciplinary team

Mahesh Patel (ACA)
Managing Partner

Mahesh is a qualified accountant who has over 30 years' experience in healthcare-related industries and assets, including positions in finance. Prior to 2006, he built up and then sold three healthcare-related businesses.

Andrew Cowley (MA(Oxon))
Managing Partner

Andrew is an experienced fund manager, working in infrastructure and private equity investment since 2000. He was previously a senior managing director at Macquarie and deputy chief executive of the listed Macquarie Airports.

David Yaldron (FCA)
Finance Director

David is a chartered accountant with more than 20 years' experience, having held senior financial roles in real estate and investment companies. He was previously a senior director at Grosvenor, Britain & Ireland.

Investment team

Martin Robb (FRICS)
Managing Director

Killian Currey-Lewis (CA)
Investment Director

Charlotte Finch
Investment Manager

Finance team

Sam Josland (CFA, ACA)
Director of commercial finance and reporting

Sophie Shrestha (ACCA)
Financial controller

Chris Nicholson (CGMA)
Accountant

Portfolio management

Simon Gould (MRICS)
Development Director

Shola Oso
Property Manager

Alison Hayward
Office Manager

Florence Kettlewell
Team Assistant

Consolidated statement of comprehensive income

For the year ended	31 Dec 2024 £'000	31 Dec 2023 £'000	
Cash net rental income	47,162	42,277	11.6%
Accounting / rent smoothing net income	6,984	7,146	
Net rental income	54,146	49,423	9.6%
Administration and other expenses	(7,476)	(7,137)	4.7%
Profit on disposal of investment properties	(20)	(16)	
Operating profit before changes in fair value	46,650	42,270	10.4%
Changes in fair value of investment properties	9,462	14,788	
Operating profit	56,112	57,058	(1.7)%
Interest income	234	3,761	
Net finance expenses	(11,328)	(11,988)	(5.5)%
Profit before taxation	45,018	48,831	(7.8)%

Earnings per share	10.85p	11.79p	(8.0)%
EPRA earnings per share	8.89p	8.67p	2.5%
Adjusted earnings per share	7.42p	7.28p	1.9%
Dividend declared for the year	6.95p	6.77p	2.7%

Total expense ratio	1.54%	1.54%
EPRA cost ratio	13.8%	14.4%

Consolidated statement of financial position

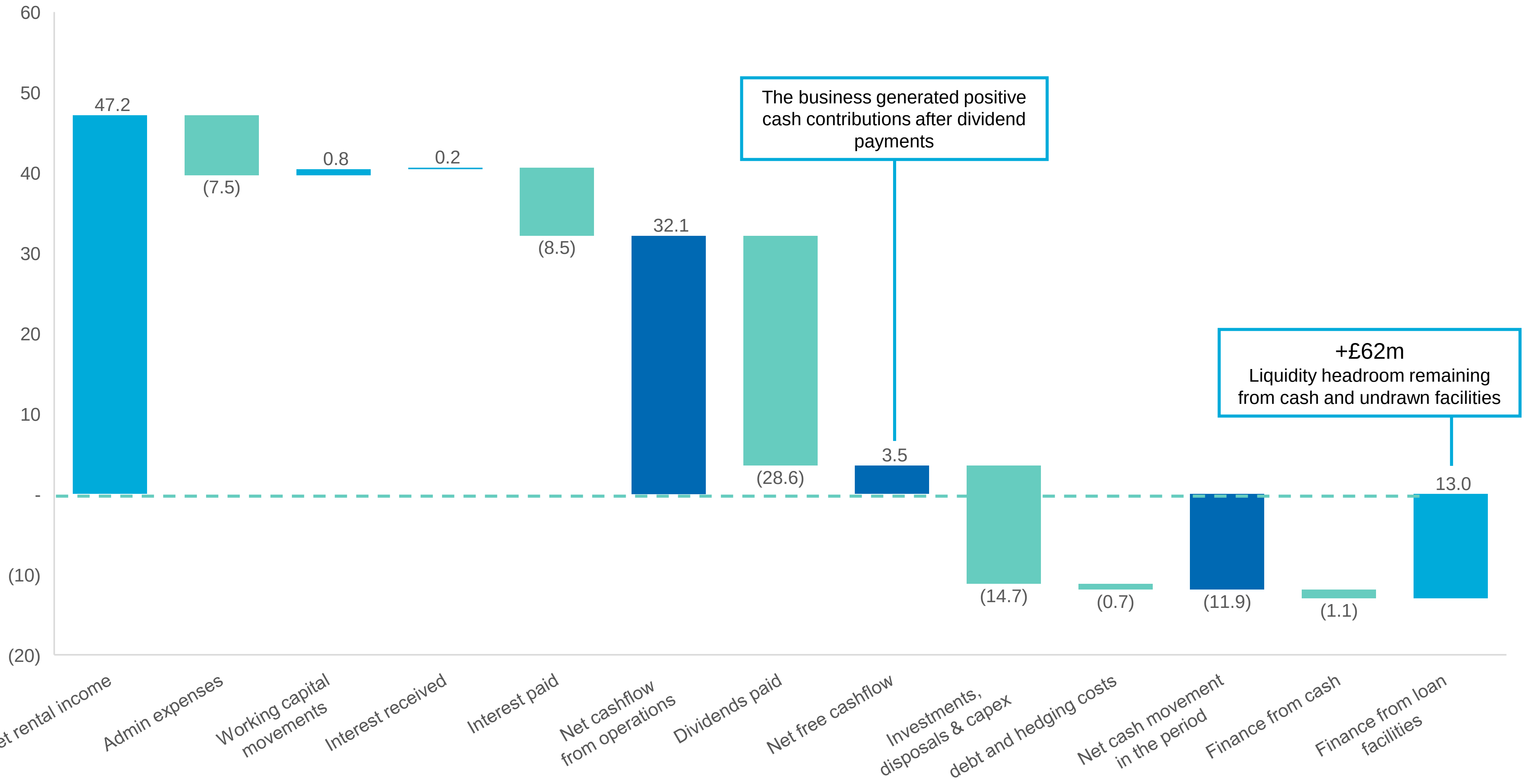
	As at 31 Dec 24 £'000	As at 31 Dec 23 £'000		
Investment property	674,861	651,313	+3.6%	Property investments +4.3%
Assets held-for-sale	4,175	-		
Cash and cash equivalents	10,492	9,389		
Other assets	6,236	4,257		
Bank borrowings	(193,408)	(179,937)		
Other liabilities	(7,900)	(6,915)		
Net assets	494,456	478,107	+3.4%	
Net asset value per share	119.33p	115.38p	+3.4%	
Loan to value	28.33%	27.69%		

Secure financing

	CYBG	HSBC	NatWest	Private Placement Series A	Private Placement Series B
Facility	£50m (RCF)	£75m (RCF)	£50m (RCF)	£37m	£38m
Expiry	December 2029	April 2026	June 2029 (+ 1-year extension option to June 2030)	Dec 2035	June 2035
Margin	200bps (+SONIA)	200bps (+SONIA)	200bp (+SONIA)	2.93% (Fixed)	3.00% (Fixed)
Security pool	Propco 3	Propco 4	Propco 7	Propco 8	Propco 8
Propco interest cover covenant	200%	200%	175%	250%	250%
Propco LTV covenant	50%	55%	50%	55%	55%

Dividends and net interest costs fully covered by operating cashflows

Cashflow bridge (£m)



Forward Funding of new homes

New build forward fund based on successful precedent with existing tenant

Precedent project

Merlin Manor , Hartlepool

- Forward funded 94 bed new build with existing tenant Prestige
- £6.1m invested at yield on cost of 7.70%
- Opened Q3 2022
- 87% occupancy (Q2 2024)
- Rent cover 2.42x (Q4 2024)

New project

Bedale, North Yorkshire

- Forward funded 72 bed new build with existing tenant Prestige
- £8.7m commitment with expected yield on cost of 8%
- Completion due Q3 2025
- Existing home Middleton Manor to be acquired on sale and leaseback basis

The ex-Silverline portfolio

Delivering a turnaround at the ex-Silverline Portfolio

Silverline Transfer – Key milestones achieved during the year

	Yorkshire	Scotland
Transfer to Melrose	June '22	
Transfer to We Care / Fulcrum	May '24	Sep. '24
First Rent Payment Date	Q1 2025	Q4 2024
Occupancy *(incl. Acacia Bank)*	59%	86%
Q4 2024 EBITDARM (Ann.)	£406k	£1,598k

- Silverline defaulted on its rent on seven homes in January 2023 and we promptly facilitated the transfer of the homes to Melrose, an affiliate of Minster, to ensure the continued operations of the homes
- Subsequently we identified two new, long-term tenants and during the course of 2024 we successfully transitioned all the homes, extending the leases to 35 years
- The new leases are structured with an initial period of variable rent, with a landlord option to fix the rents in the future, upon full stabilisation of the homes


Laurel Bank, interior


Acacia Bank, aerial


Springhill, interior

Acquiring the right care homes

Track record and experience allows for quick and disciplined identification of mis-priced assets to enhance returns

Staffing Stability

- ✓ Staff loyalty
- ✓ Agency usage lower than larger organisations

Reputation

- ✓ Local home of choice
- ✓ Embedded in the care economy
- ✓ Strong healthcare commissioning relationships

Real Estate

- ✓ Under-utilised/invested assets with EPC B or better (or costed plan to get there)
- ✓ Dominant micro locations that facilitate operational out performance

Care Quality

- ✓ Well managed, safe and with good care focused on local market
- ✓ CQC ratings for five key lines of enquiry – safe, caring, well-led, responsive, effective

Operational Performance

- ✓ Potential for operational enhancement
- ✓ Rent cover: 1.75x – 2.0x+

Partnership approach with tenants

To maintain strong rent cover, it is important that rent is set at an affordable level

Tenant managing new-build home B aimed at private market charges higher fees than established home A servicing the publicly-funded market, but does not employ significantly more staff to provide care, pays almost three times more rent per bed and has less free cash to reinvest in the business

	Care Home A[1]	Care Home B[2]	Comments
KPIs			
Available beds	76	66	
Average weekly fee	£1,043	£1,450	Fees of care home B +39%
Occupancy	97%	94%	
Public/private mix	82%/18%	25%/75%	
Income	£4,011,249	£4,677,816	
Costs			
Total staff	£2,304,588	£2,338,908	But B's spending on staff +1%
Other Home costs	£640,190	£842,007	
EBITDARM	£1,066,471	£1,496,901	
EBITDARM margin	27%	32%	
EBITDARM/bed	£14,033	£22,680	B's EBITDARM/bed +62%
Rent	£407,457	£935,563	
Rent as % of income	10%	20%	
Rent/bed	£5,361	£14,175	But B's rent/bed +164%
Rent cover	2.6x	1.6x	
Tenant EBITDAM	£659,014	£561,338	Home B generates less free cash for reinvestment into the business

[1] Actual numbers for 12 months to 31 December 2024 for a care home operated by Careport in North-West England
[2] Illustrative numbers of "Typical Care Home Financials" published by a developer selling new care homes