

Strawberry Fields REIT

NYSE American: “STRW”

Annual Shareholder Meeting May 30, 2024



2024 Strawberry Fields REIT Annual Shareholder Meeting Agenda

- Introductory remarks by Moishe Gubin CEO & Chairman of the Board
- Introduction of Board of Directors
- Introduction of Management
- Appointment of the Inspector of Elections
- Proposals:
 1. To elect five directors to hold office for a one-year term and until each of their successors are elected and qualified;
 2. To ratify the appointment of Hacker, Johnson & Smith, P.A. as our independent certified public accounting firm for the fiscal year ending December 31, 2024;
 3. To authorize the amendment to the Company's 2021 Equity Incentive Plan
- Tabulation of votes
- Open Polls
- Presentation by CEO & Chairman
- Report of Inspector
- Questions from Shareholders
- Other Business
- Adjournment




2023 Strawberry Fields REIT Company Highlights


- Uplisted the Company's stock "STRW" from the OTC to the New York Stock Exchange.
- Successfully issued a 4th bond offering in Israel.
- Completed the acquisition of 24 skilled nursing and assisted living facilities in Indiana. The largest acquisition in the Company's history.
- Completed the underwriting and subsequent work needed to buy-out of the purchase option associated with the Indiana master lease.
- Re-tenanted the three SNF facilities in Texas with a new 10-year, triple-net, master lease.
- Traveled to 10+ conferences, nationwide, to meet new shareholders and present for the Company.
- Underwrote 100+ acquisition deals, while maintaining the Company's disciplined approach and ensuring the deals are accretive to shareholders.


Company Growth/ Financial Highlights from YE 2022 → YE 2023


- # of Facilities-83 → 107
- Assets-\$547mm → \$617mm
- Rental Income-\$93mm → \$100mm
- AFFO-\$51.1mm → \$52.7mm
- AEBITDA-\$74mm → \$79mm




 Moishe Gubin, Chairman, who also serves as our Chief Executive Officer.

 Essel Bailey, Director, has spent the last 50 years engaged in the public and private healthcare capital markets, first as a lawyer specializing in corporate and real estate finance and then as an executive of several healthcare companies. In 1992, as founder and chief executive officer of Omega Healthcare Investors, Inc. (“Omega”), a REIT, Mr. Bailey completed a listing on the NYSE raising \$250mm. Mr. Bailey continued at Omega until 2001 at which time Omega had investments in excess of \$1.5B. Additionally, in 1997 Mr. Bailey founded and separately organized Omega Worldwide Inc. which listed on the NASDAQ, investing \$1.5B in healthcare net leased assets in the UK & Australia. Since 2003, Mr. Bailey has been the Chairman of a private healthcare operating company that owns and operates 29 facilities in 4 states.

 Michael Blisko, Director, who is the Chief Executive Officer of Infinity Healthcare Management. Mr. Blisko is a veteran of leading healthcare consultancy portfolios, as well as the architect in creating cutting edge leadership teams. Mr. Blisko is a principal for a myriad of ancillary companies, including United Rx, a long-term pharmacy, and Bella Monte Recovery a behavioral health addiction center.

 Reid Shapiro, Director, has been the owner of Shappy LLC, a company engaged in business consulting since 2014. From 1998 to 2014, Mr. Shapiro was a partner and co-founder of Elephant Group, Inc., a company engaged in the retail sale of electronic products which grew to approximately 120 locations.

 Jack Levine, Director, is a certified public accountant who has provided financial and consulting services to public and private companies for over 35 years. Since 2019, Mr. Levine has served on the Board of Directors for Blink Charging Co. (NASDAQ: BLNK), a leading owner, operator, and supplier of proprietary electric vehicle (“EV”) charging equipment and networked EV charging services.



Board of Directors



Moishe Gubin, our Chairman and founder, has served as the Chief Executive Officer since inception of the Company. From 2004 to 2014, Mr. Gubin was the Chief Financial Officer and Manager of Infinity Healthcare Management, LLC, a company engaged in managing skilled nursing facilities and other healthcare facilities.

Jeffrey Bajtner has served as our Chief Investment Officer since March 2022. Mr. Bajtner's role with the Company focuses on acquisitions/dispositions of real estate and overseeing our investor relations. From 2015 to May 2021, Mr. Bajtner was a Vice President at BlitzLake Partners, where he oversaw acquisitions for mixed-use developments.

Greg Flamion, our Chief Financial Officer, since joining the Company in January 2024. Previously, Mr. Flamion was a CFO of Zimmerman Advertising, an agency under Omnicom Group Inc. (NYSE: OMC) from 2014-2023. Mr. Flamion also held a number of diverse accounting and finance positions at a variety of publicly traded companies.

David Gross serves as our General Counsel. Mr. Gross is an experienced healthcare and transactional attorney with 10+ years in the healthcare industry. Mr. Gross focuses primarily on acquisition, leasing, disposition and financing of skilled nursing facilities, long term acute care hospitals and medical office space.



**Experienced
Management
Team**

Strawberry Fields REIT Financial Overview

December 31, 2023

CONSOLIDATED BALANCE SHEETS

(Amounts in \$000's)

	<u>December 31,</u> <u>2023</u>
<u>Assets</u>	
Real estate investments, net	\$ 518,314
Cash and cash equivalents	12,173
Restricted cash and equivalents	25,585
Straight-line rent receivable, net	23,334
Right of use lease asset	1,542
Goodwill, other intangible assets and lease rights	8,604
Deferred financing expenses	6,035
Notes receivable, net	17,706
Other assets	3,502
Total Assets	\$ 616,795
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 16,907
Bonds, net	100,294
Notes payable and other debt	436,192
Operating lease liability	1,542
Other liabilities	14,587
Non-controlling interest redemption liability	-
Total Liabilities	\$ 569,522
Total Equity	\$ 47,273
Total Liabilities and Equity	\$ 616,795

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in \$000's)

	<u>December 31,</u> <u>2023</u>
<u>Revenues</u>	
Rental revenues	\$ 99,805
<u>Expenses:</u>	
Depreciation	\$ 26,207
Amortization	3,028
Loss on real estate investment impairment	2,451
General and administrative expenses	5,662
Property taxes	14,459
Facility rent expenses	559
Credit for doubtful accounts	-
Total expenses	\$ 52,366
Income from operations	47,439
<u>Other income (loss):</u>	
Interest expense, net	\$ (24,443)
Amortization of deferred financing costs	(560)
Mortgage insurance premium	(1,671)
Total interest expense	\$ (26,674)
Foreign currency transaction gain (loss)	462
Other (loss) income	(983)
Total other loss	(521)
Net income	\$ 20,244

Strawberry Fields REIT Financial Overview

March 31, 2024

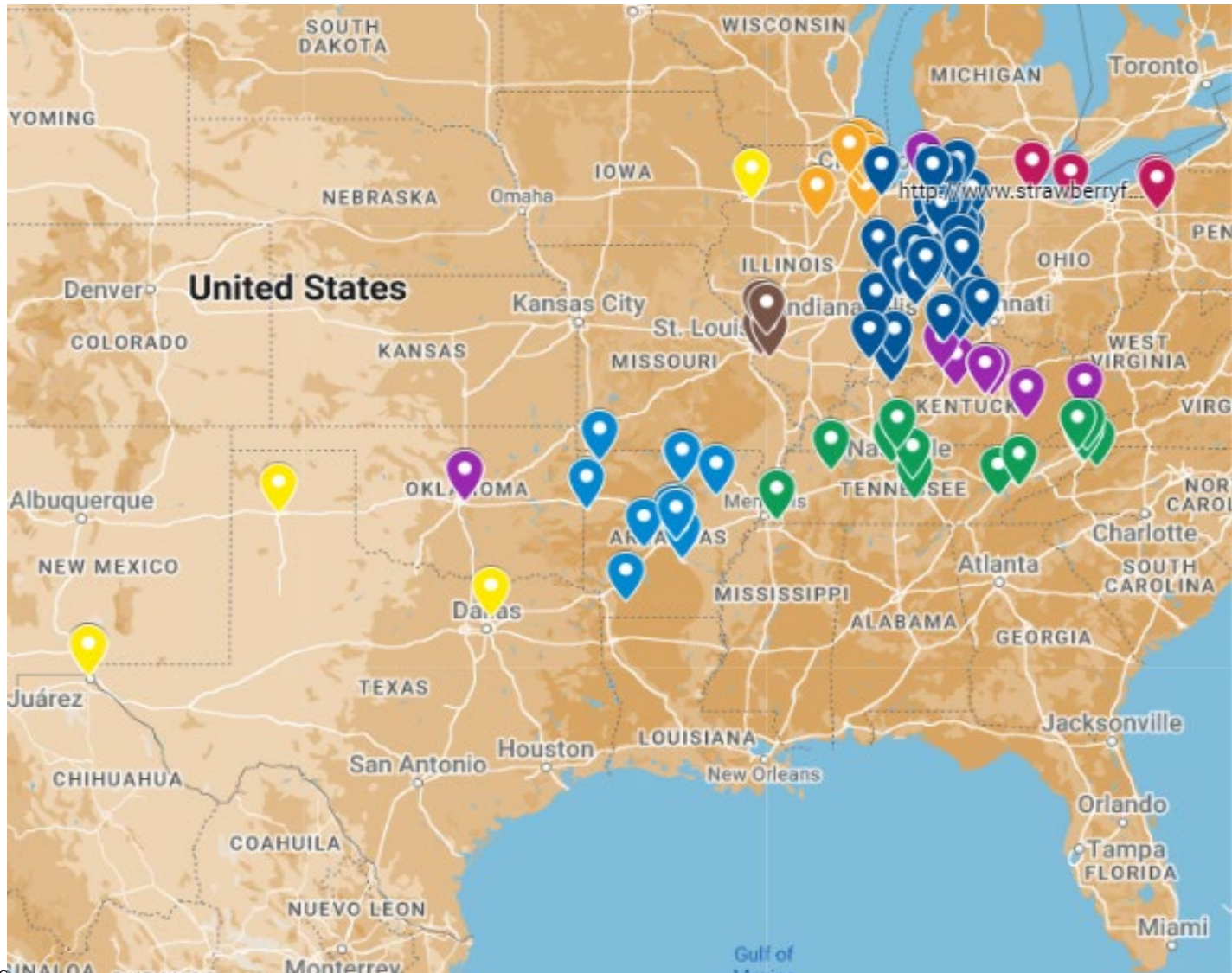
CONSOLIDATED BALANCE SHEETS

(Amounts in \$000's)	March 31, 2024
Assets	
Real estate investments, net	\$ 511,120
Cash and cash equivalents	15,145
Restricted cash and equivalents	23,586
Straight-line rent receivable, net	24,302
Right of use lease assets	4,413
Goodwill, other intangible assets and lease rights	25,700
Deferred financing expenses	5,874
Notes receivable, net	17,280
Other assets	7,500
Total Assets	\$ 634,920
Liabilities	
Accounts payable and accrued liabilities	\$ 11,639
Bonds, net	125,571
Notes payable and other debt	433,345
Operating lease liabilities	4,413
Other liabilities	11,728
Total Liabilities	\$ 586,696
Total Equity	\$ 48,224
Total Liabilities and Equity	\$ 634,920

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in \$000's)	Three Months March 31, 2024
Revenues	
Rental revenues	\$ 27,834
Expenses:	
Depreciation	\$ 7,194
Amortization	904
Loss on real estate investment impairment	-
General and administrative expenses	1,544
Property taxes	3,714
Facility rent expenses	193
Total expenses	\$ 13,549
Income from operations	14,285
Interest expense, net	
Interest expense, net	\$ (7,732)
Amortization of deferred financing costs	(161)
Mortgage insurance premium	(400)
Total interest expense	\$ (8,293)
Net income	\$ 5,992

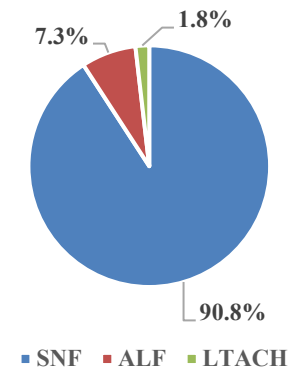
Facility Map & Investment Strategy



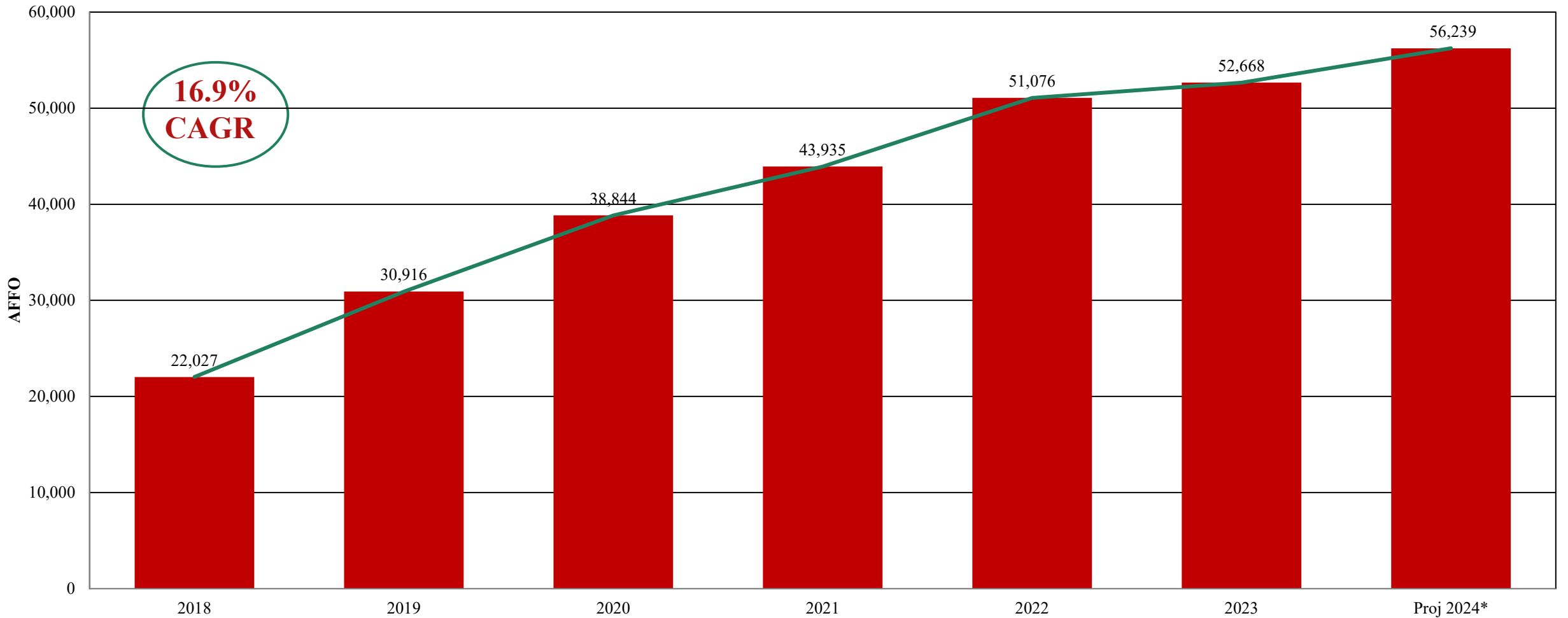
Investment Criteria & Growth Strategy

- 10% projected ROI
- 20% projected levered IRR over a 10-year investment horizon (initial term of the lease)
- 12% projected ROE at 50% LTV with 8% interest
- Acquisition of facilities in existing states, nearby (+/- 100 miles) to existing facilities.
- Acquisition of facilities in new states would require a portfolio in excess of 5 facilities.
- Expand the REIT's footprint with experienced operators.
- Focus on smaller deals that are typically off-market and not typically sought by larger REITs..

Facility Type Allocation

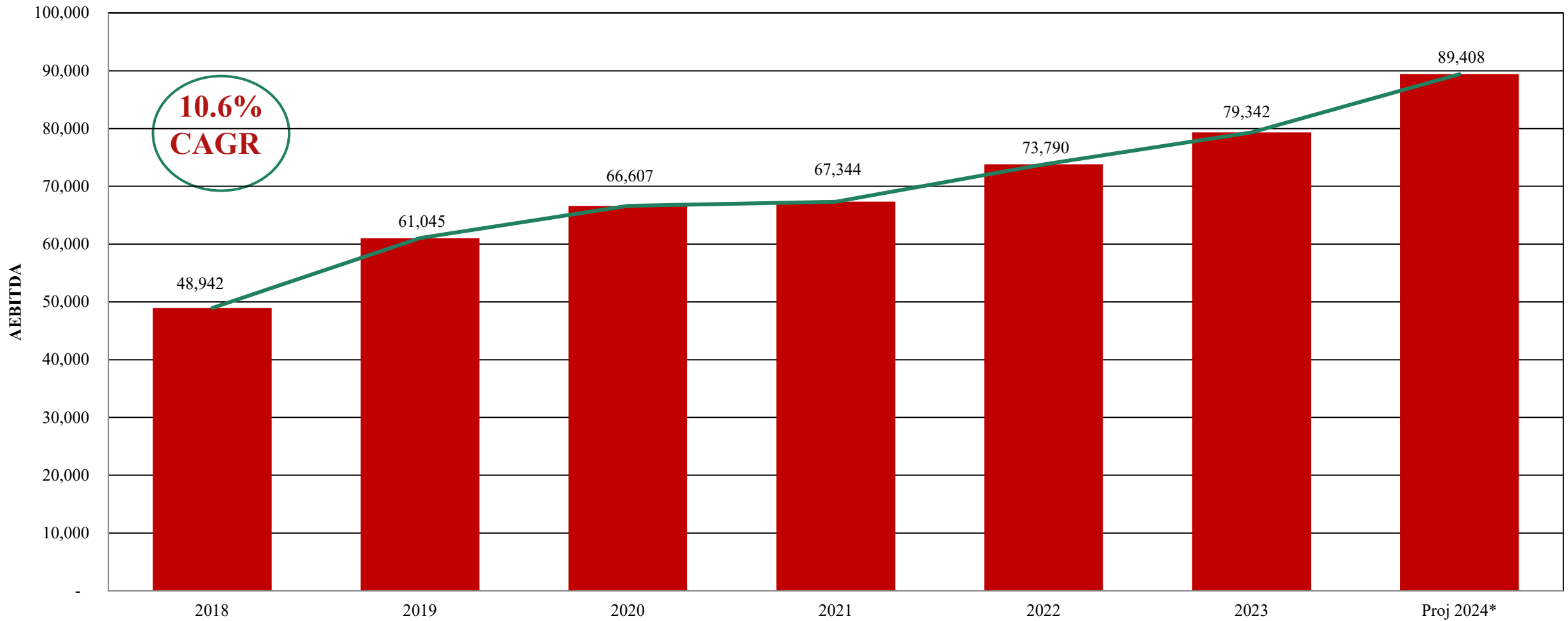


Adjusted FFO Growth 2018 – Projected 2024



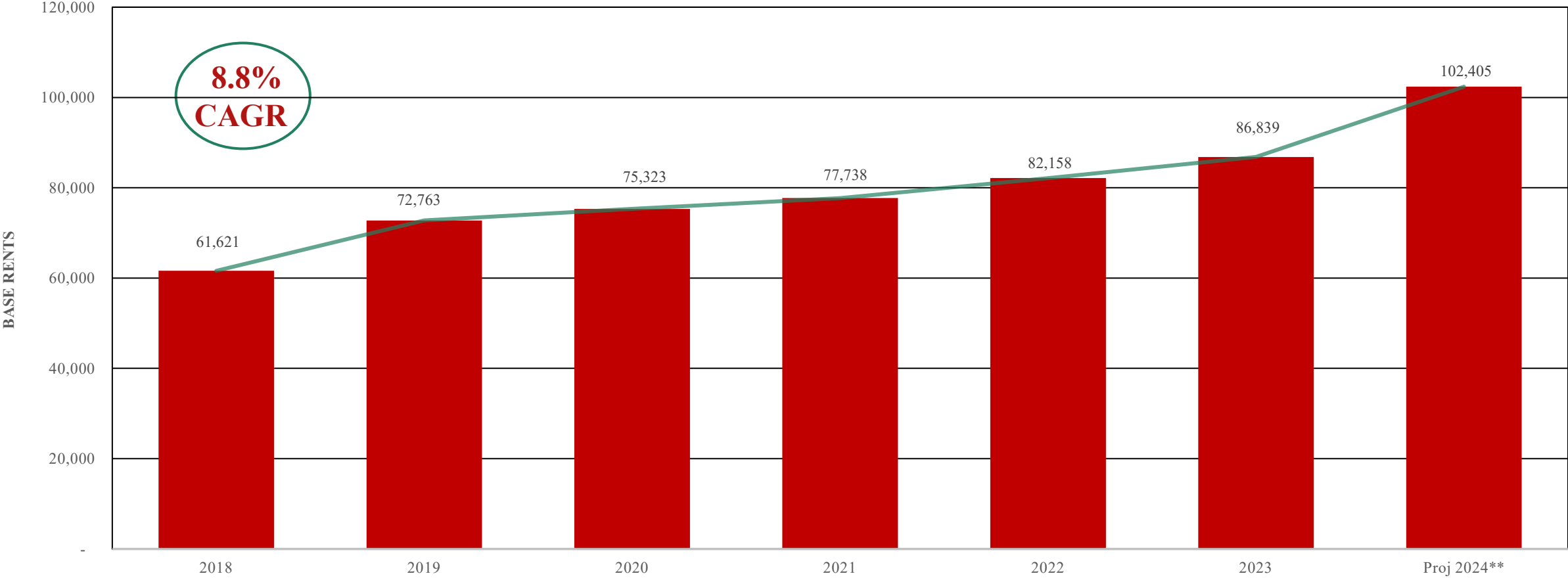
*2024 projections include an additional \$3.75mm of rent that will be collected during 2024 relating to the February 2024 new Indiana Master Lease

Adjusted EBITDA 2018 – Projected 2024



*2024 projections include an additional \$3.75mm of rent that will be collected during 2024 relating to the February 2024 new Indiana Master Lease

Base Rent* Growth 2018 - Projected 2024

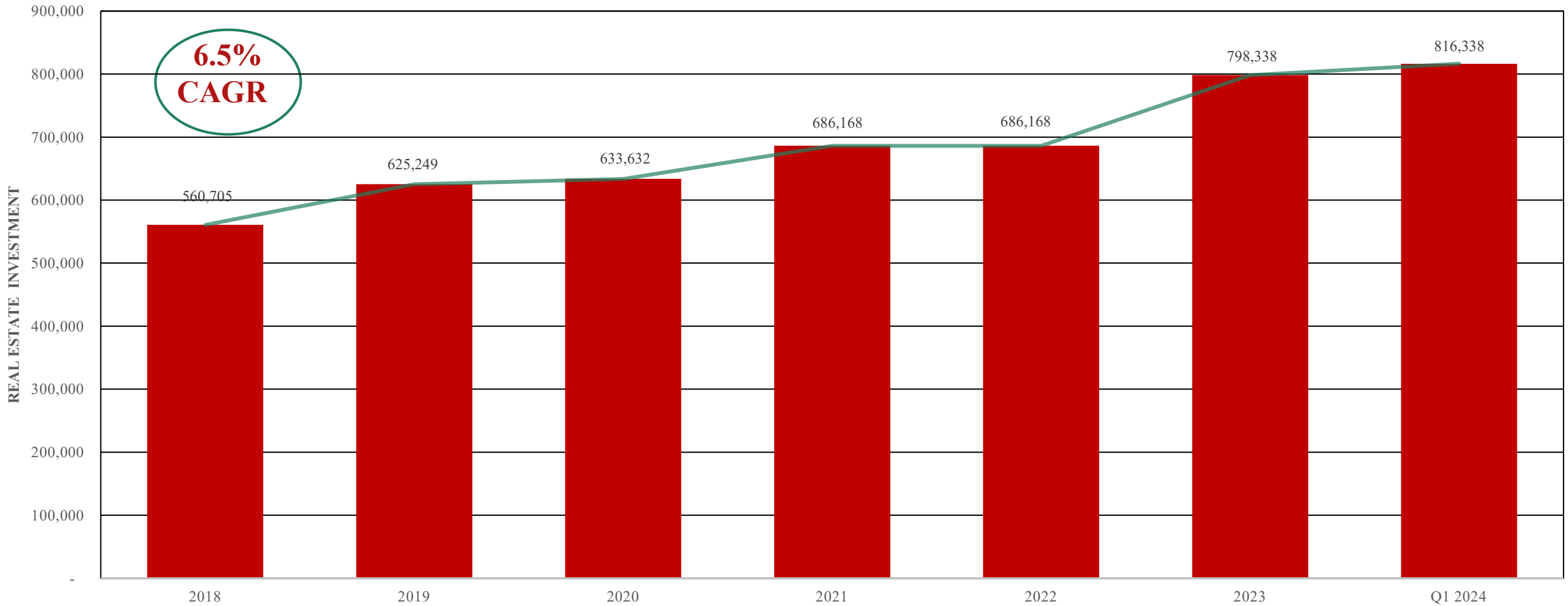


*Average Base Rent is calculated as the annual rents collected from tenants, including straight-line adjustments.

**2024 projections include an additional \$3.75mm of rent that will be collected during 2024 relating to the February 2024 new Indiana Master Lease



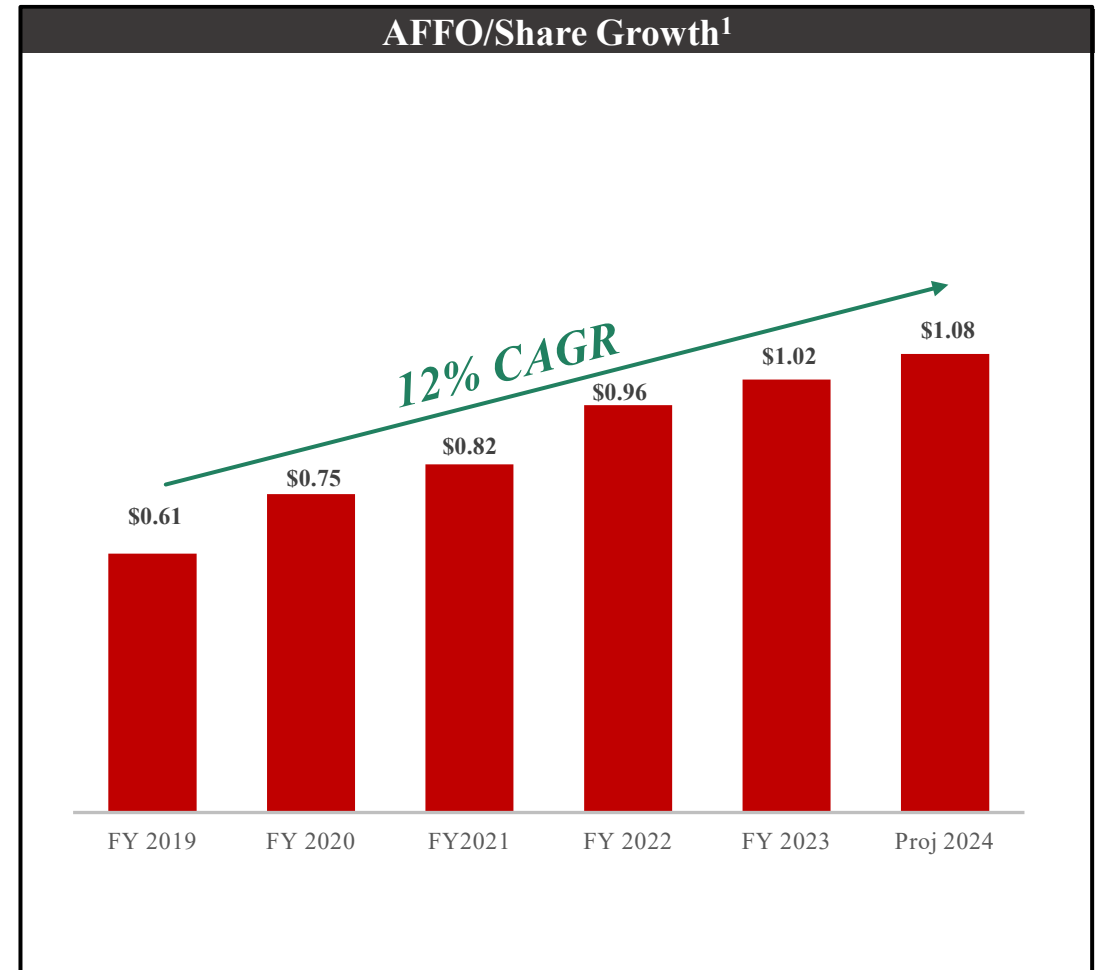
Assets Growth 2018 – 2024 QTD



Industry Leading Growth In AFFO

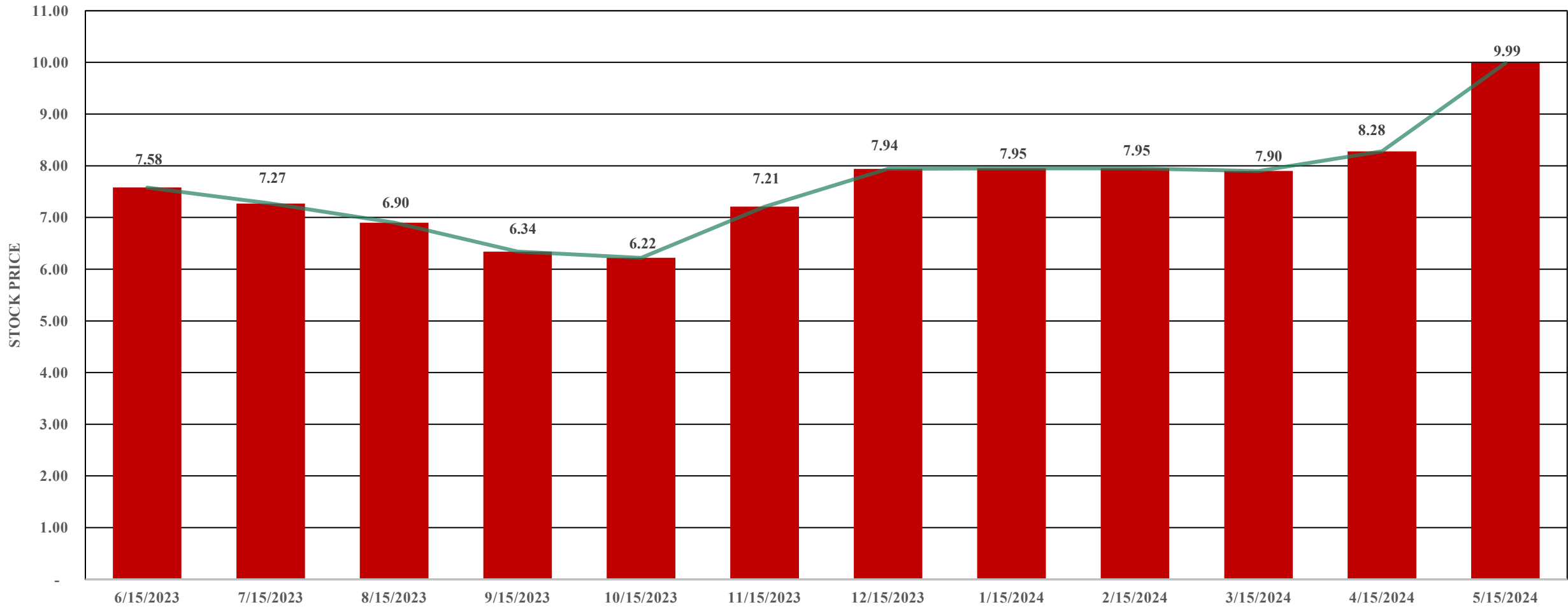
Significant AFFO Growth driven Accretive reinvestment of cash flow, scaling operations and utilizing HUD debt

Illustrative Reinvestment of Cash Flow	
2024 Estimated AFFO	\$56,239,000
Payout Ratio	47.0%
Retained Cash Flow	\$29,786,000
Targeted Acquisition ROE	15.0%
Incremental AFFO	\$4,468,000
Organic AFFO Growth	7.9%



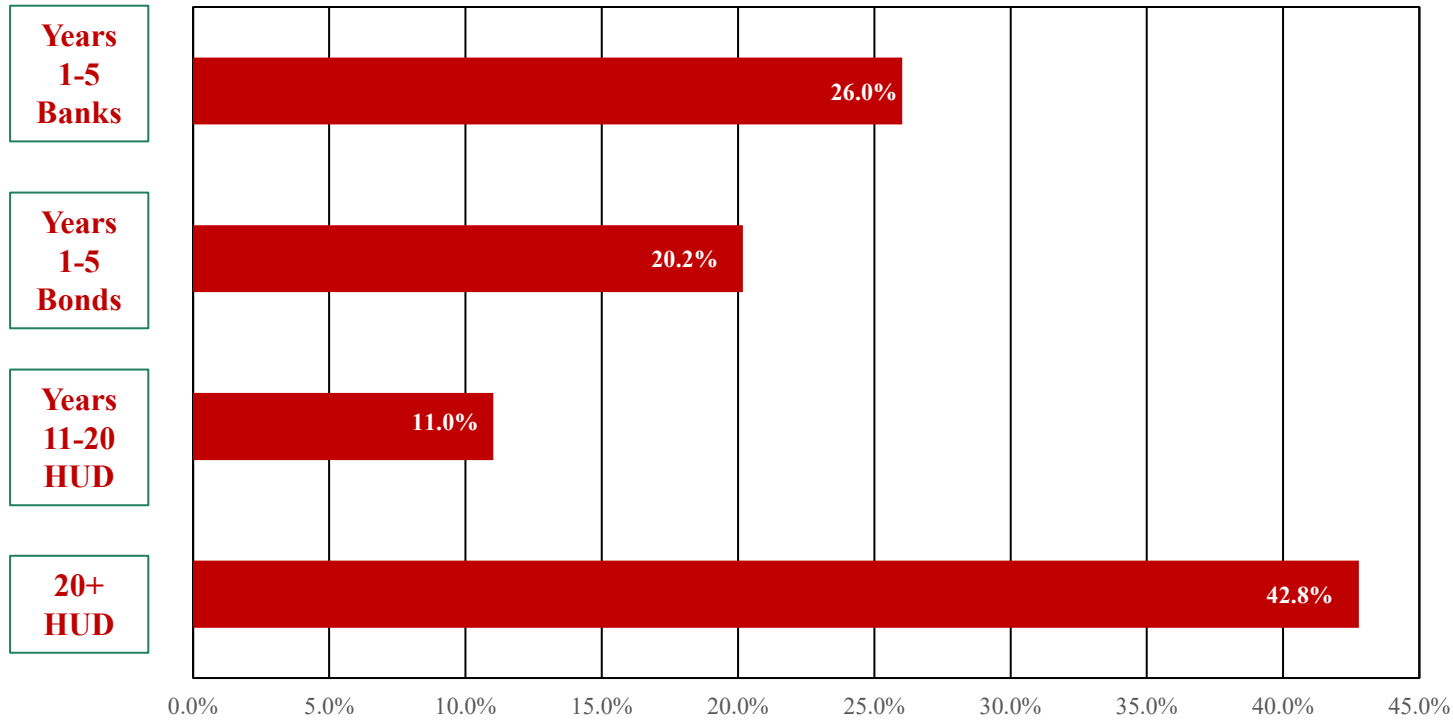
1) 2019 and 2020 shares calculated based on number of membership units outstanding each year and assumed same conversion ratio as formation transaction

STRW Stock Price-Trailing 12 Months



Debt Structure as of March 31, 2024

Debt Maturity



HUD Guaranteed Debt
\$269.4MM
Weighted average cost: 3.91%

Secured Bank Debt
\$163.9MM
Interest rate: SOFR+3.5%

Secured Bond Series C
\$59.9MM
Interest rate: 5.70%

Unsecured Bond Series D
\$67.1MM
Interest rate: 9.10%



Disclaimer

The information contained in this presentation does not purport to be all-inclusive and neither the Company nor any of its subsidiaries or their respective stockholders, affiliates, representatives, control persons, partners, members, managers, directors, officers, employees, advisers or agents make any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this presentation. You should consult with your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein. To the fullest extent permitted by law, in no circumstances will the Company or any of its subsidiaries or their respective stockholders, affiliates, representatives, control persons, partners, members, managers, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of this presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith.

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Certain statements in this presentation are “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations, FFO, our strategic plans and objectives, cost management, potential property acquisitions, anticipated capital expenditures (and access to capital), amounts of anticipated cash distributions to our stockholders in the future and other matters. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of these words and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. You are cautioned to not place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results.

Factors that may cause actual results to differ materially from current expectations include, but are not limited to, various factors beyond management’s control, risks, uncertainties and other factors described in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Form S-11 filed with the Securities and Exchange Commission (the “SEC”) on August 21, 2023. Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this presentation, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein and the risk factors of the Company described above. The Company undertakes no duty to update these forward-looking statements.

Legal Disclaimer



Use of Projections

This presentation contains projected financial information with respect to the Company. Such projected financial information constitutes forward-looking information and is for illustrative purposes only. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in such prospective financial information.

Disclaimer Regarding Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures not based on generally accepted accounting principles. The Company presents non-GAAP financial measures when it believes that the additional information is useful and meaningful to investors.

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. We also believe that funds from operations (“FFO”), as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts (“NAREIT”), and adjusted funds from operations (“AFFO”) are important non-GAAP supplemental measures of our operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization. AFFO is defined as FFO excluding the impact of straight-line rent, above-/below-market leases, non-cash compensation and certain non-recurring items. We believe that the use of FFO, combined with the required GAAP presentations, improves the understanding of our operating results among investors and makes comparisons of operating results among REITs more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating and financial performance because, by excluding the applicable items listed above, FFO and AFFO can help investors compare our operating performance between periods or as compared to other companies.

While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO and AFFO also do not consider the costs associated with capital expenditures related to our real estate assets nor do they purport to be indicative of cash available to fund our future cash requirements. Further, our computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other REITs that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define AFFO differently than we do.

Legal Disclaimer



We believe that the use of FFO, AFFO, EBITDA and Adjusted EBITDA (which can be defined as EBITDA net of the effects of straight-line rent, gain/loss on currency translation costs and the effects of credit provision for doubtful accounts) are helpful to our investors as these metrics are used by management in assessing the health of our business and our operating performance. The non-GAAP financial measures set forth in this presentation are reconciliated to the most directly comparable GAAP measures in our annual report Form 10-K filed with the SEC on March 19, 2024 and in our quarterly report on Form 10-Q filed with the Securities and Exchange Commission on May 14, 2024. Such reconciliations are also available on our website at www.strawberryfieldsreit.com.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information. This presentation includes industry data obtained from publicly available third-party sources. The Company is not aware of any misstatements contained in such industry data, but it has not independently verified it and does not guarantee the accuracy or completeness of such information contained in this presentation.

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