

Strawberry Fields REIT

September 12, 2022





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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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Legal Disclaimer

About Strawberry Fields REIT Inc. (the “Company”)



The Company is an income producing real estate investment company that owns 78 properties and also holds one additional property under a long-term lease. These properties are leased to third party operators which use them to operate 78 Skilled Nursing Facilities (SNFs), 2 Long Term Acute Care Hospitals (LTACHs) and 3 Assisted Living Facilities (ALFs). These facilities have a total of 10,426 licensed beds.



48.8% of our properties are leased to related parties, including 41 properties leased to affiliates of two of our directors.



Our business is financed through a combination of bond debt, HUD guaranteed loans and commercial bank loans.



Our properties are located across 9 states: Arkansas, Illinois, Indiana, Kentucky, Michigan, Ohio, Oklahoma, Tennessee and Texas.



The operators of our properties primarily provide care to long-term residents who require constant care and rehabilitation.



We primarily lease our properties on a triple net, long term basis, with annual rent escalations of 1%-3%.



The Company specializes in leasing healthcare facilities for SNFs, LTACHs and ALFs. The demand for these types of facilities is expected to continue to grow consistently due the aging population in the U.S.



For the period of 2018-Projected 2022, the Company has shown strong growth in Adjusted EBITDA (CAGR: 9.1%) and Adjusted FFO (CAGR: 22.3%).



Portfolio Summary as of 6/30/2022

Demonstrated Operating Results and Financial Strength

78



Owned assets, plus one asset
under long term lease

\$686M



Total Cost of Real Estate

6.1x**



Net Debt to Q2 2022
Adjusted EBITDA*

10,426



Total number of beds

\$69.4M

Annualized Q2
Adjusted EBITDA

2021 Adjusted EBITDA: \$67.3M

Covid-19

No material impact on
rental payments from
tenants



85



Total number of facilities

\$49.2M*

Annualized Q2
Adjusted FFO

2021 AFFO: \$43.9M

100%

Rent Collected
through Q2 2022



*AFFO is defined as an amount equal to FFO less (i) normalized recurring expenditures that are capitalized and then amortized, but which are necessary to maintain a property and its revenue stream and (ii) an adjustment to GAAP revenue to “straight-line” rents. 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

** Calculated utilizing annualized Q2 2022 EBITDA

Proven Acquisition Strategy Driving Significant Growth in the Portfolio

2005 – 2014: Moishe Gubin, our Chairman and CEO, and other partners acquire 33 SNF properties in Indiana and Illinois

2005 to 2014

2008: Infinity, an affiliate of Mr. Gubin, is engaged as consultant to the tenant operators.



2015: Our predecessor, Strawberry Fields REIT, LLC is founded by Mr. Gubin, Mr. Blisko and their partners and acquires their portfolio of 33 SNF properties.

2015: We issued \$68.3 million of Series A bonds that are listed on the Tel Aviv Stock Exchange, with an initial S&P Israel “ilA-” rating

2018: We issued \$67.1 million of Series B bonds that are listed on the Tel Aviv Stock Exchange with an initial S&P Israel “ilA+” rating

2021: We issued \$64.0 million of Series C bonds that are listed on the Tel Aviv Stock Exchange with an initial S&P Israel “ilA+” rating

2021: We created an UPREIT structure, with the Company as the general partner of our operating partnership which holds all of our properties.

2015 to 2022

2015: We expanded into Texas, Ohio, Oklahoma and Michigan through the purchase of 16 properties.

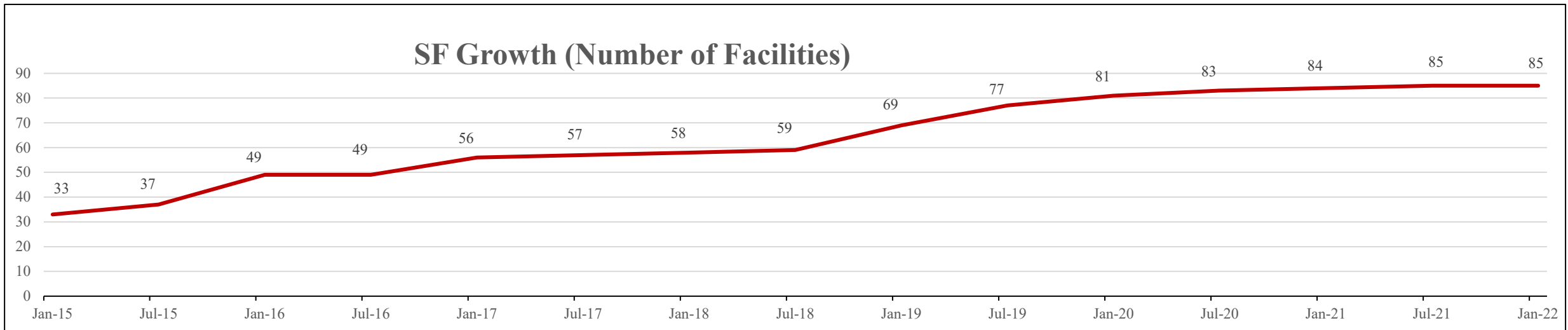
2016: We expanded into Tennessee and Kentucky through the purchase of 8 properties. We sell one property in Illinois.

2017-2018: We purchased 9 properties in Arkansas, together with one in Indiana and one in Kentucky. Tenants engaged three additional consulting groups (Benchmark, Green Park, and Paramount).

2019 -2020: We purchased 14 additional properties in Arkansas, Kentucky, Illinois and Indiana.

2021: We acquired 5 properties in Tennessee and one in Kentucky. We sold 5 properties in Illinois.

2022: We repaid the Series B Bond and obtained a \$105.0 million mortgage loan facility





Diversified Base of Consultants to Operators

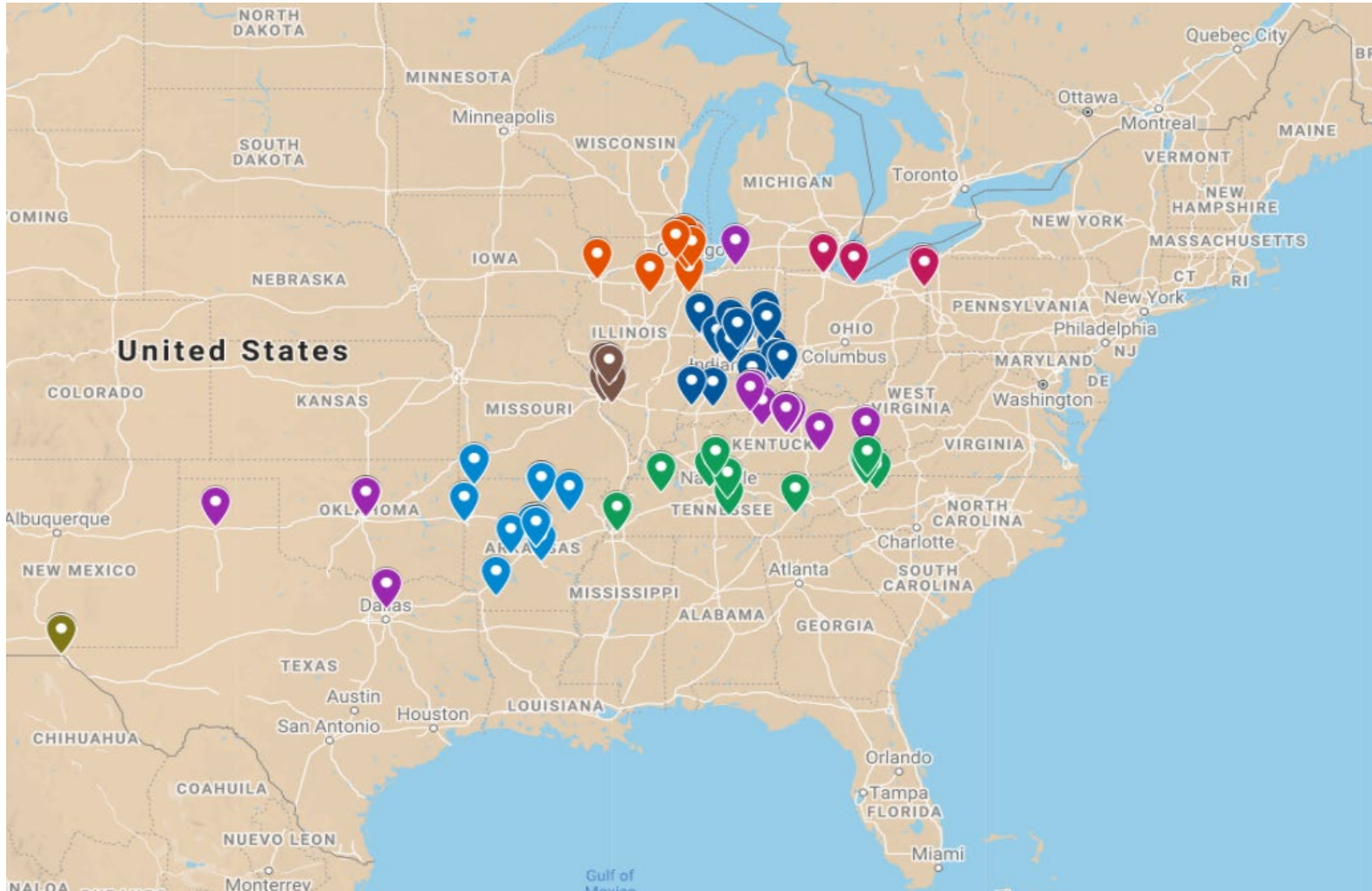
Portfolio Composition

79 Buildings

10,426 total beds across 9 states (Illinois, Indiana, Arkansas, Tennessee, Kentucky, Texas, Ohio, Oklahoma, and Michigan)

6 buildings include two types of licensed facilities

In order to leverage scale and efficiencies, the Company focuses on acquiring facilities that are geographically concentrated



- Infinity of Illinois
- Benchmark Healthcare
- Infinity of Indiana
- Oasis Health Care Group
- Infinity of Tennessee
- AOM Healthcare Management
- Bria Health Services
- Green Park Health Management
- Paramount Healthcare Consultants

Note: Each colored dot refers to a consultant to the operator



Moishe Gubin, our Chairman and founder, has served as the Chief Executive Officer since 2014. 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.

Nahman Eingal, our Chief Financial Officer, served as the Chief Operating Officer from 2014 to 2019. From 2009 to 2014, Mr. Eingal served as the Treasurer for Infinity Healthcare Management Services of Illinois, LLC, a company engaged in managing skilled nursing facilities and other healthcare facilities.


Jeffrey Bajtner is our Senior Investment Officer. Since June 2021 Mr. Bajtner's role with the Company focuses on acquisitions/dispositions of real estate and overseeing our investor relations. From 2015-May 2021 Mr. Bajtner was a Vice President at BlitzLake Partners, where he oversaw acquisitions for mixed-use developments.


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**




 Moische 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, Heritage Home Health Care, Xcel Med and Bella Monte Recovery a behavioral health addiction center.

 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. Mr. Levine is a director of EZFill Holdings Inc. (NASDAQ: EZFL), an app-based mobile-fueling company. Mr. Levine is qualified as an SEC financial expert.

 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.



Board of Directors

Disciplined Underwriting and Acquisition Strategy



Investment Criteria

- 10% projected ROI
- 25% projected IRR over a 20-year investment horizon
- 15% projected ROE at 50% LTV with 5% interest
- Annual lease payment of no more than 80% of operator's pro-forma adjusted EBITDAR
- Focus on smaller deals that are typically off-market and not typically sought by larger REITs.

Due Diligence

- Diligence includes review of operator-level financials (3+ years) and evaluation of existing and anticipated future reimbursements in proposed area
- Thorough review of facility information, including licensing status, zoning and tenant leasehold improvements
- Careful review of potential operators, including background checks and personal financial statements

Asset Management

- Analysis of tenant-furnished operator-level financials, along with operating data, on a monthly basis
- Oversee upkeep of the facilities and review annual surveys to ensure residents are properly cared for
- Evaluation of individual and portfolio property performance, liquidity metrics, lease and debt coverage, occupancy, planned capital expenditures, and other measures
- In-person visits to each facility in the portfolio at least 2 – 3 times per year

Recent Acquisitions

- Acquisition of 231 bed SNF in Illinois for \$15.4mm in 2019
- Acquisition of a 72 bed SNF in Indiana for \$3.15mm in 2019
- Acquisition of a 108 bed SNF/ALF in Kentucky for \$4.4mm in 2020
- Acquisition of a 245 bed SNF in Illinois for \$4.0mm in 2020
- Acquisition of 6 facilities in Tennessee and Kentucky with a combined 515 beds for \$81mm in 2021

Strong Relationships with Experienced Consulting Groups & Operator Overview

- Our 79 properties are leased to 78 operators that receive consulting services from 9 experienced consulting groups across 9 states.
- We seek to ensure that our tenants have the benefit of experienced consulting groups with a proven track record of assisting operators to provide first class care while maintaining profitability.

- Consulting groups provide the following services to each operator:

- Billing
- Collections
- Regulatory Monitoring
- Appropriate Medical Care
- Sales & Marketing

Strawberry's operators have demonstrated ability to generate consistent and strong profitability despite operating in states that other skilled nursing competitors have had difficulties navigating.



- Provides consulting services to 48 operators who lease properties from Strawberry in IL, IN, TN (41 Strawberry facilities with 6,035 licensed beds)
- Founded in 2008 by Michael Blisko and Moishe Gubin, who are directors of the Company.



- Founded in 2012 by Avrum Weinfeld, Daniel Weiss & Natan Weiss and headquartered in Skokie, IL
- Provides consulting services to 17 operators in Illinois with over 2,900 beds (including 6 Strawberry facilities located in southern Illinois with 755 licensed beds)



LANDMARK

- Founded in 2017 by Joseph Meisels
- Operates 16 Strawberry facilities in Texas, Kentucky, Illinois, Oklahoma, and Michigan with 1,772 licensed beds



- Founded in 2008 by Dawne Smith and headquartered in Louisiana
- Provides consulting services to a total of 11 operators (1 Strawberry facility in Texas with 182 licensed beds) in Louisiana and Texas



- Founded in the 2000's by the Sherman family
- Provides consulting services to 22 operators (including 4 Strawberry facilities with 238 licensed beds) in New York and Ohio.



- Founded in 2021 by Matis Herzka, Abraham Schreiber and Zalmen Scheinbaum
- Provides consulting services to 14 operators in Arkansas with 1,572 licensed beds (all 14 properties are leased from Strawberry)

* Affiliated Consulting Group



Skilled Nursing Industry in the U.S



Nursing Home Industry in the U.S - Summary

High barriers to entry:

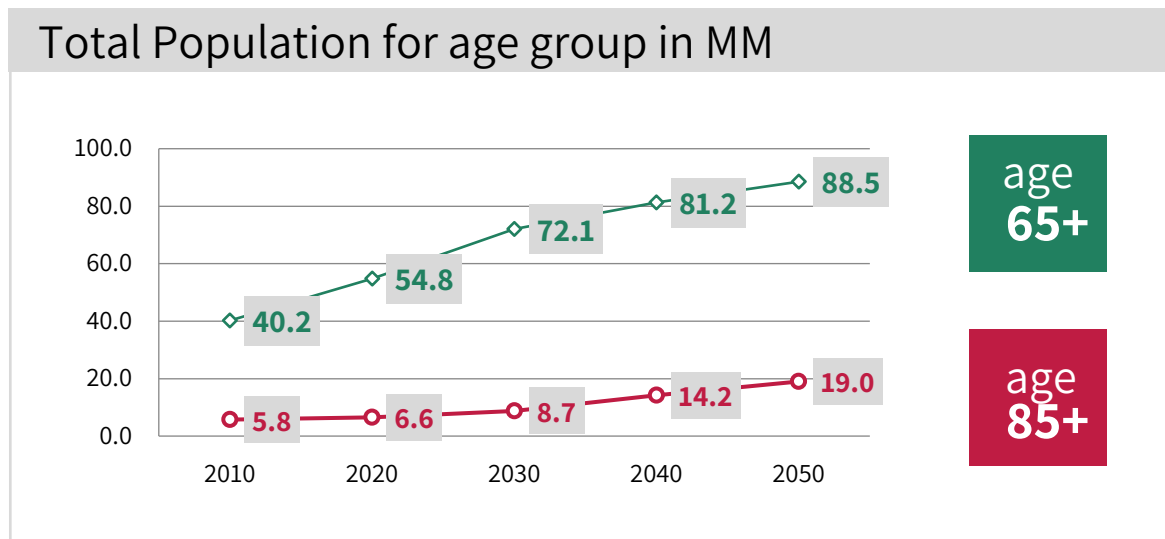
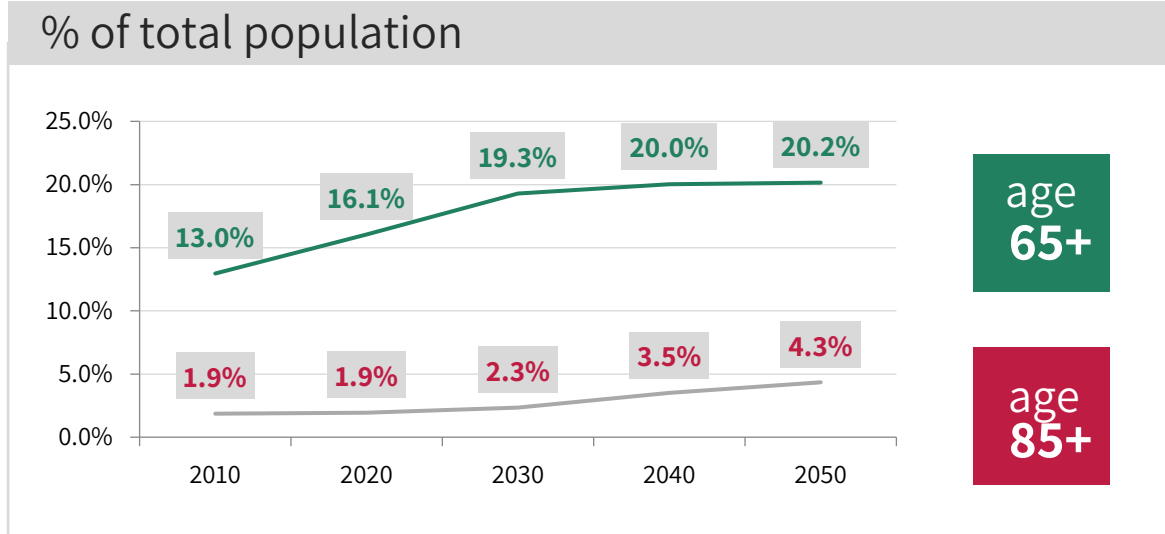
- Significant set-up costs
- Regulatory restrictions
- Specialized knowledge

Federal and state-level subsidies through Medicaid & Medicare



Growing demand due to an increase in life expectancy

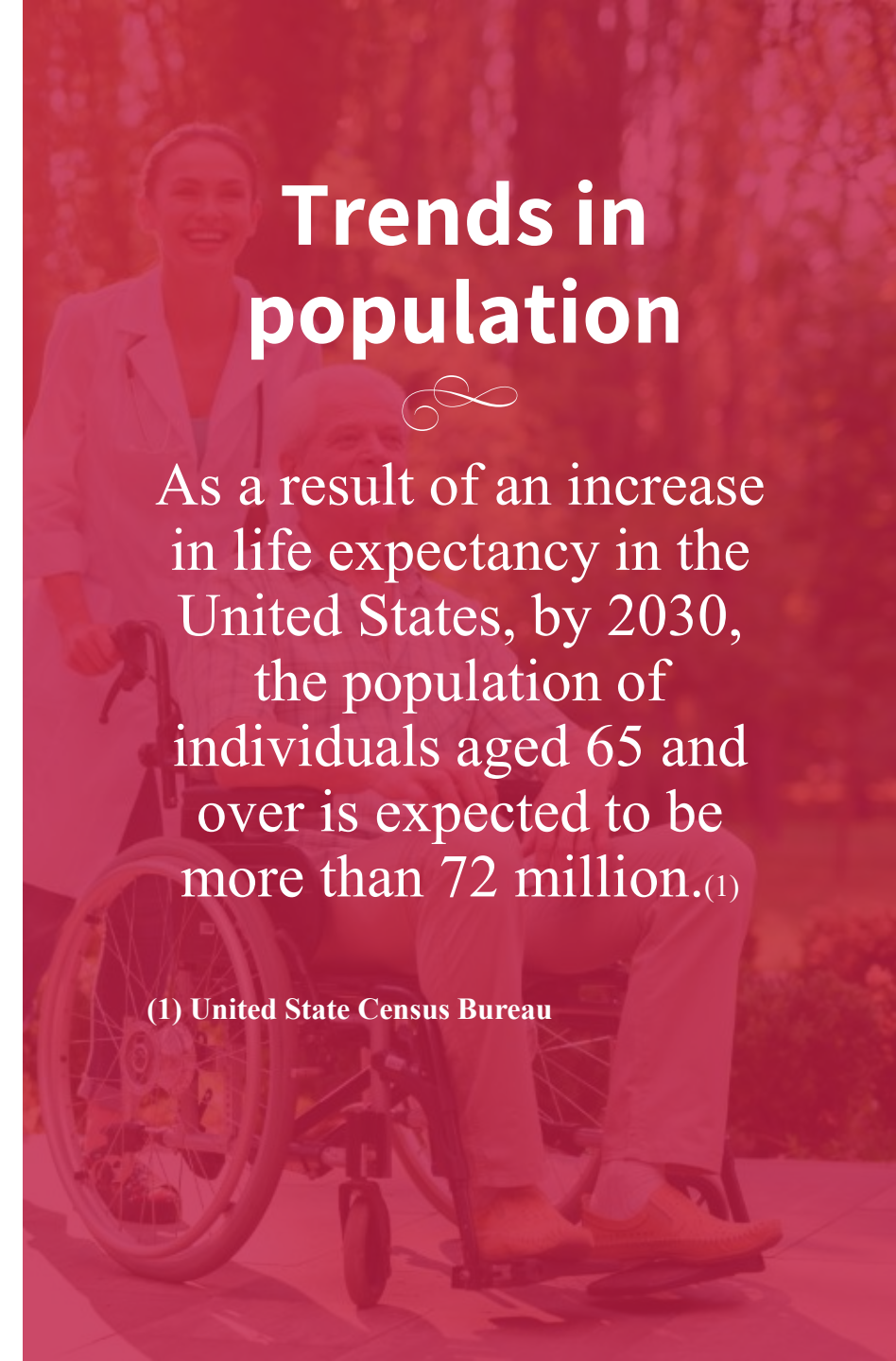
Low supply of new nursing homes and restriction on licensing



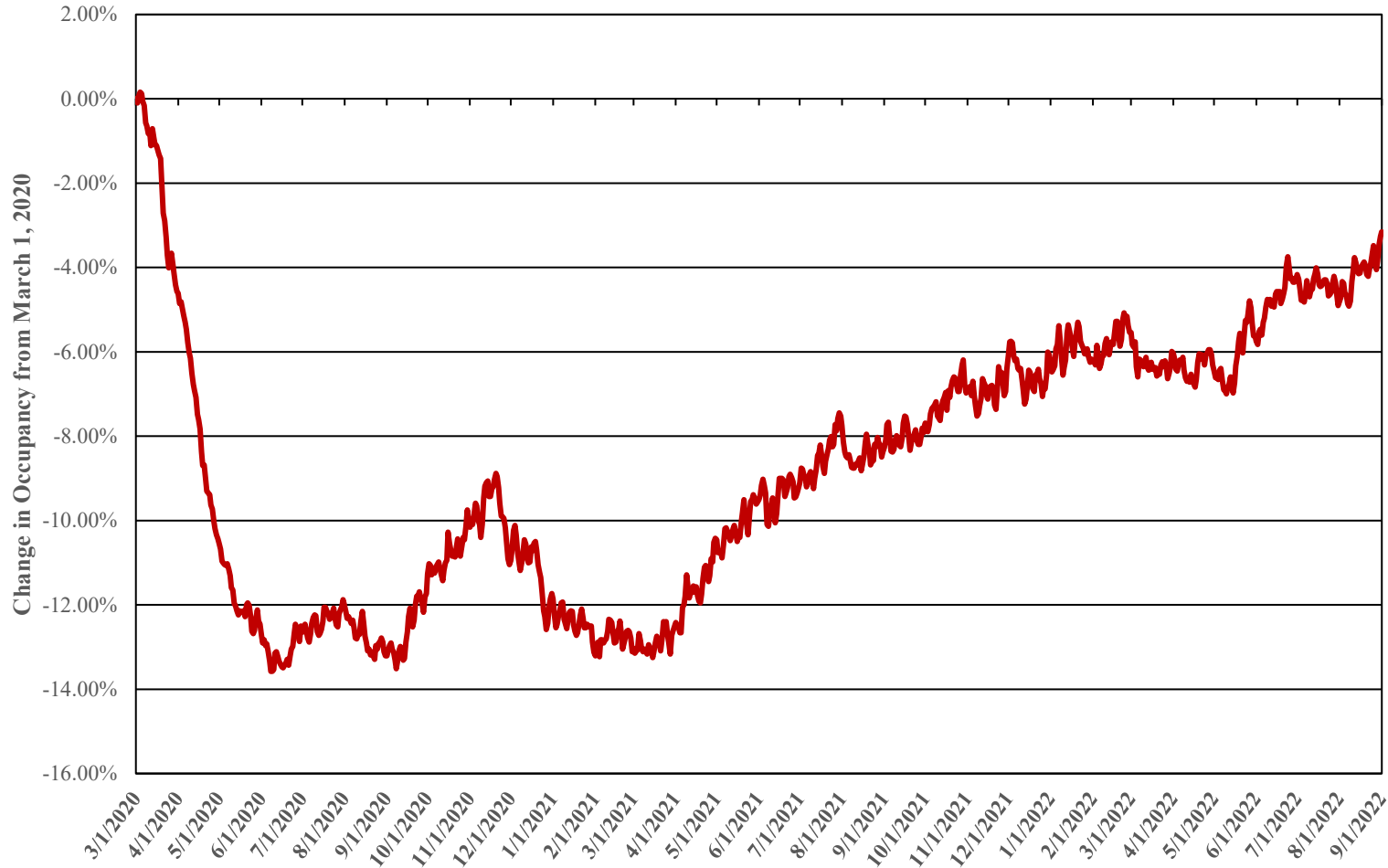
Trends in population

As a result of an increase in life expectancy in the United States, by 2030, the population of individuals aged 65 and over is expected to be more than 72 million.⁽¹⁾

(1) United State Census Bureau



COVID-19 Effects and Trends in Occupancy



Significant federal government support for nursing home operators

At the onset of the epidemic, there was a 13% decrease in occupancy at our facilities due to the decrease in referrals of new patients ⁽¹⁾

Very high immunization among nursing home residents

Consistent improvement in occupancy rates since the availability of vaccines

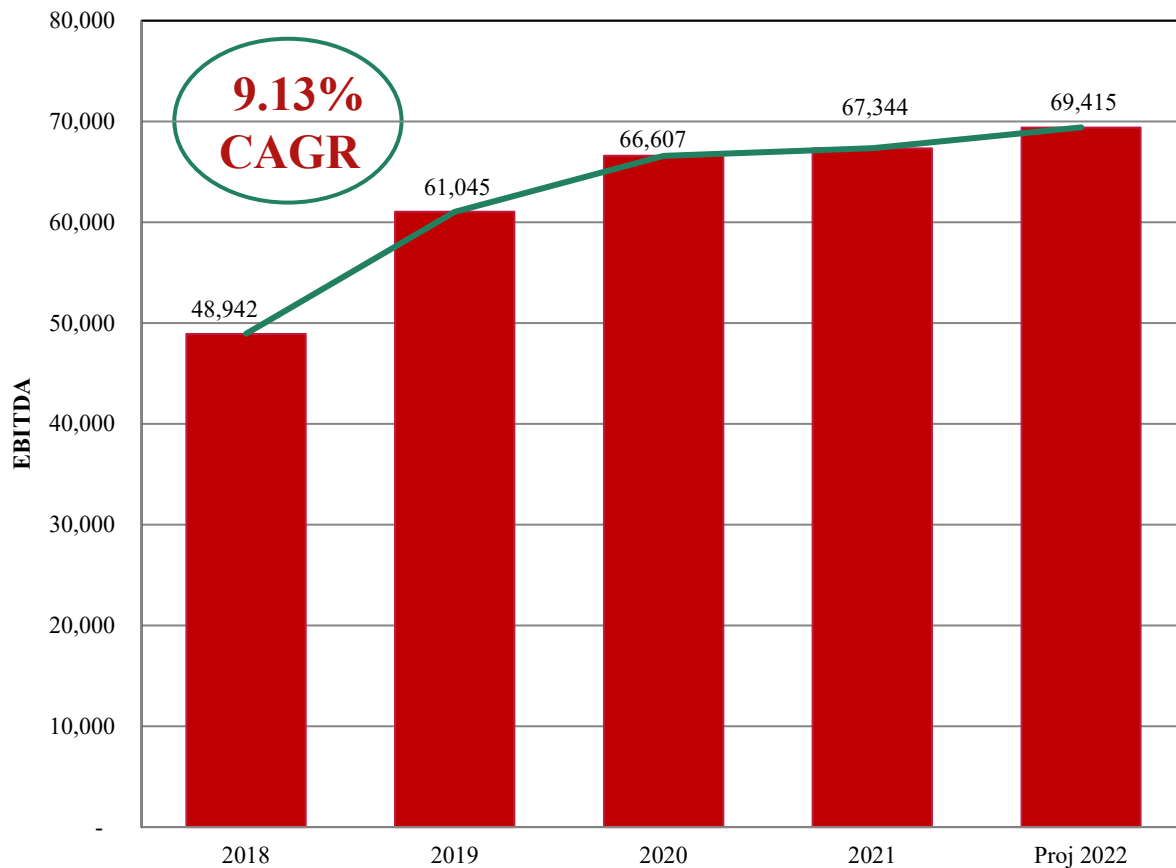
(1) From The Company's tenants' data



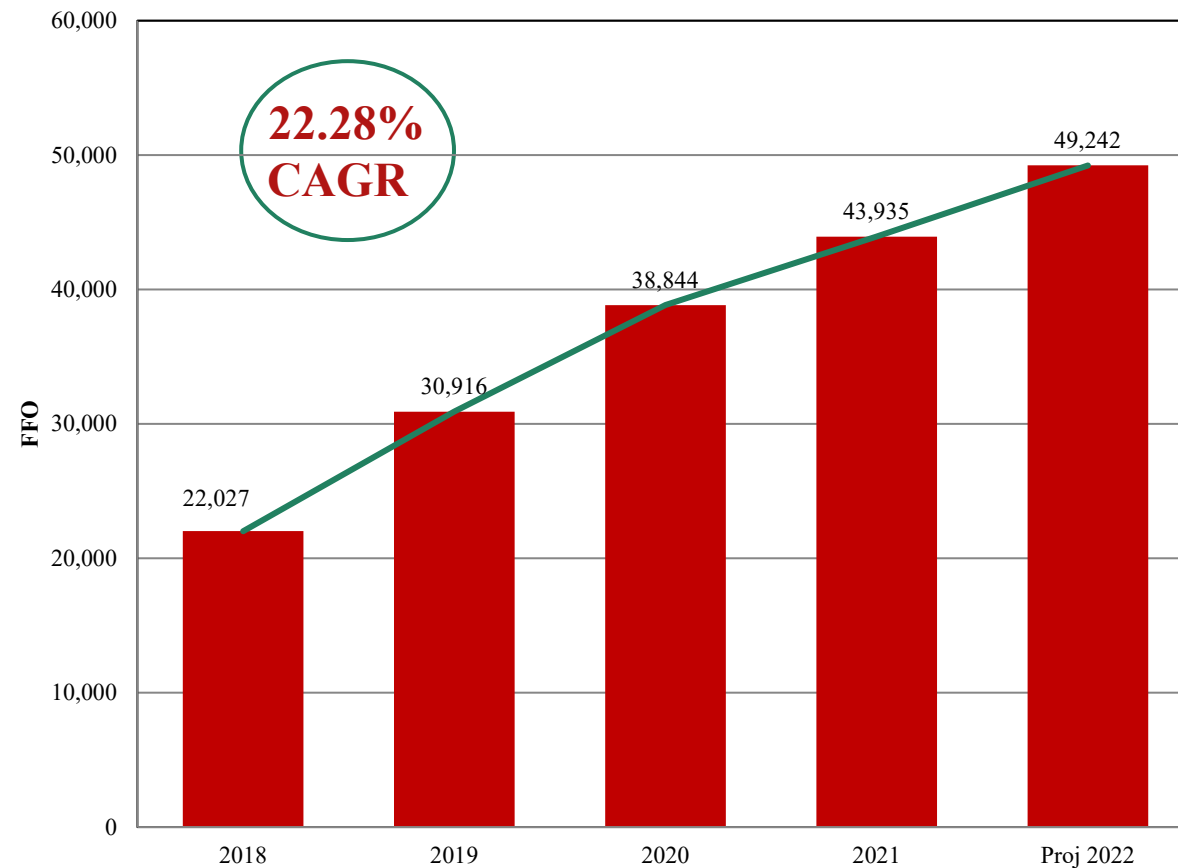
Financial Highlights

Projected Adjusted EBITDA and Adjusted FFO Growth 2018- Projected 2022

Projected Adjusted EBITDA Growth (\$/thousands)

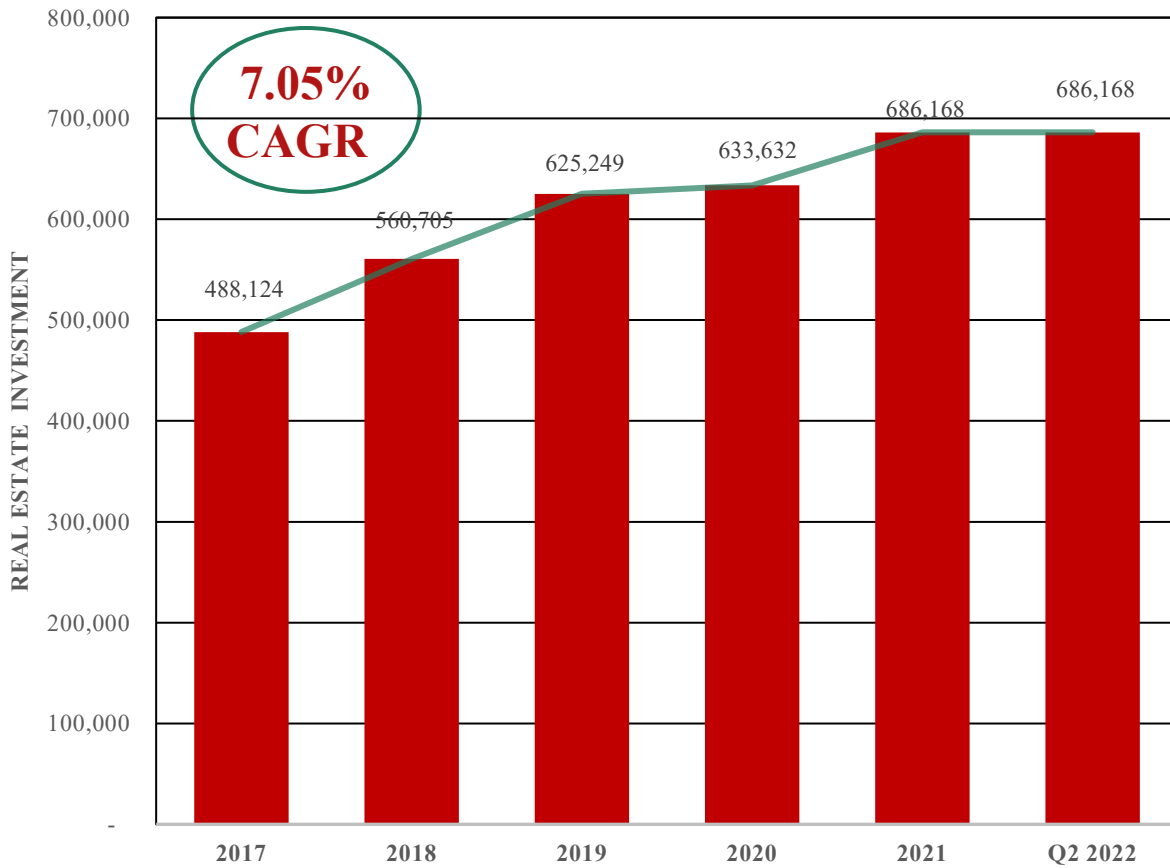


Projected Adjusted FFO Growth (\$/thousands)

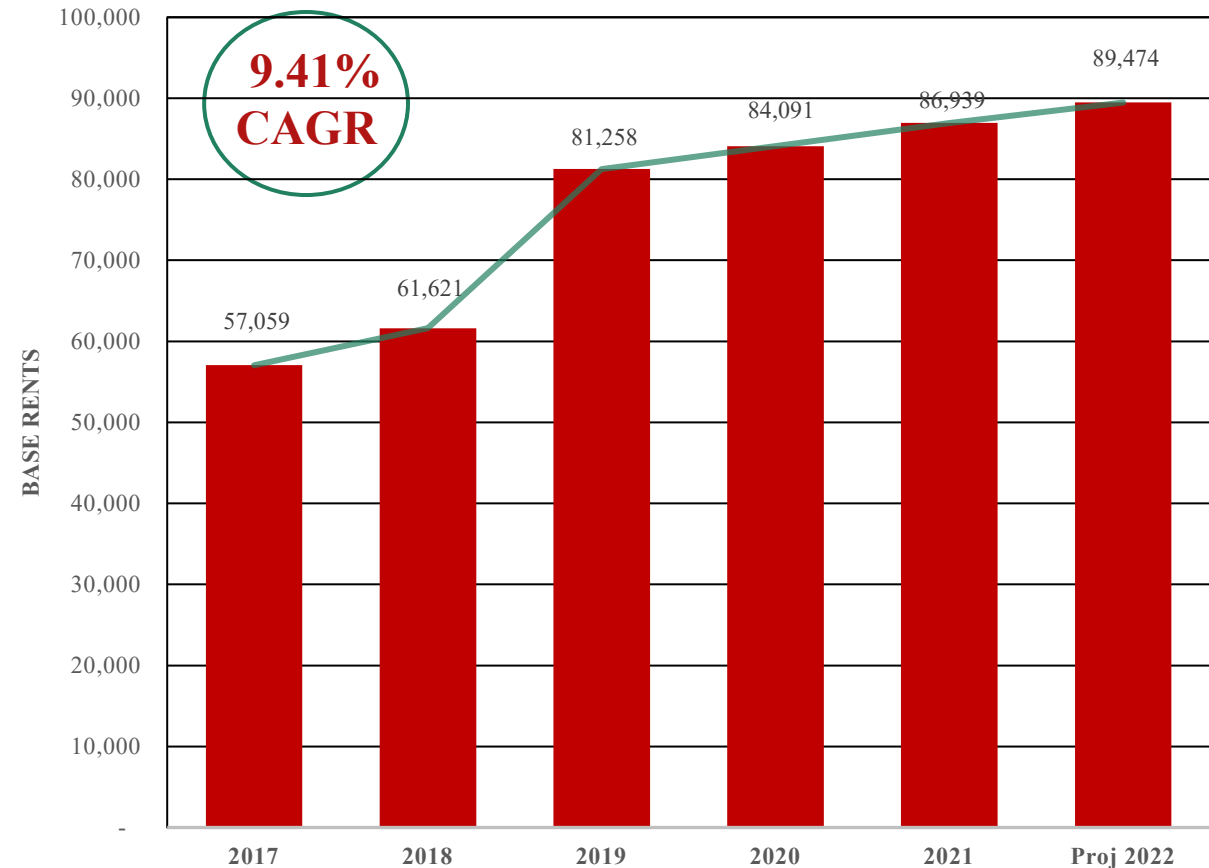


Assets Growth and Base Rent Growth 2017-Projected 2022

Total Assets Growth (GAAP) CAGR (\$/thousands)

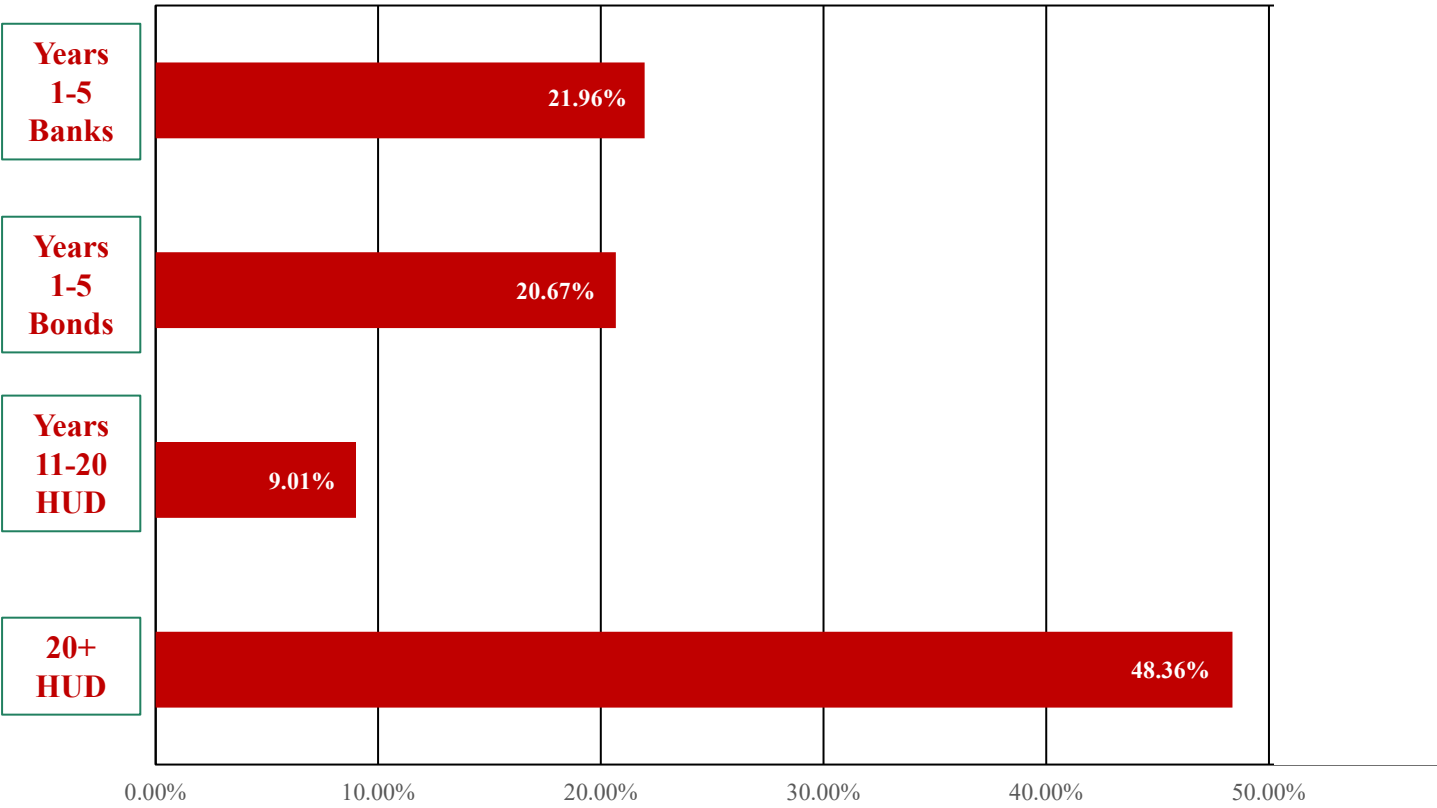


Projected Average Base Rent CAGR (\$/thousands)



Debt Structure as of June 30, 2022

Debt Maturity



<p>HUD guaranteed Debt \$279.5MM Weighted average cost: 3.88%</p>	
<hr/>	
<p>Secured Bank Debt \$107.0MM Interest rate: SOFR+3.5%</p>	
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<p>Unsecured Bond Series A \$39.7MM Interest rate: 6.4%</p>	
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<p>Secured Bond Series C \$59.4MM Interest rate: 5.70%</p>	
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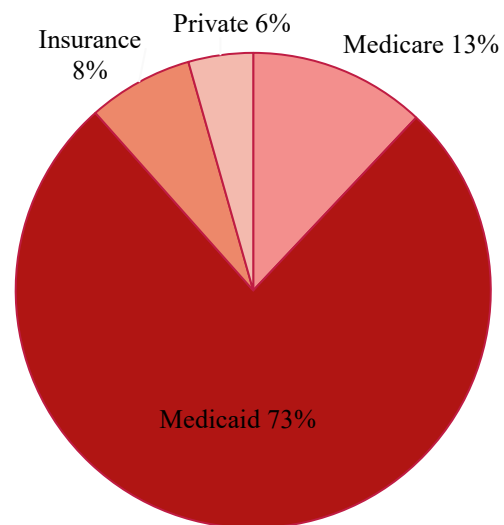


Facility Occupancy*of 65.1%**

SNF Average Facility Size of 130 Beds

SNF PPD Average of 85 Residents***

Operators Payor Mix



**Facility
Statistics as
of June 2022**

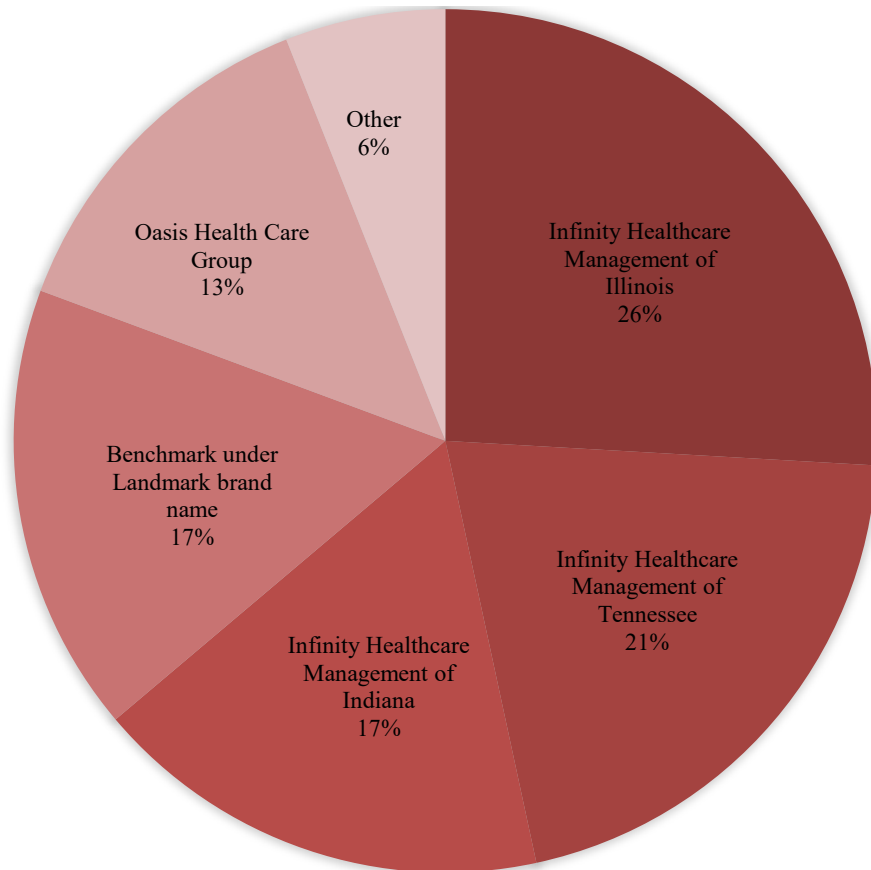
*Based on SNF licensed beds as of June 2022.

**As a result of the COVID-19 pandemic, SNF occupancy across the industry has declined. Pre-pandemic the Company's occupancy was 72.5%.

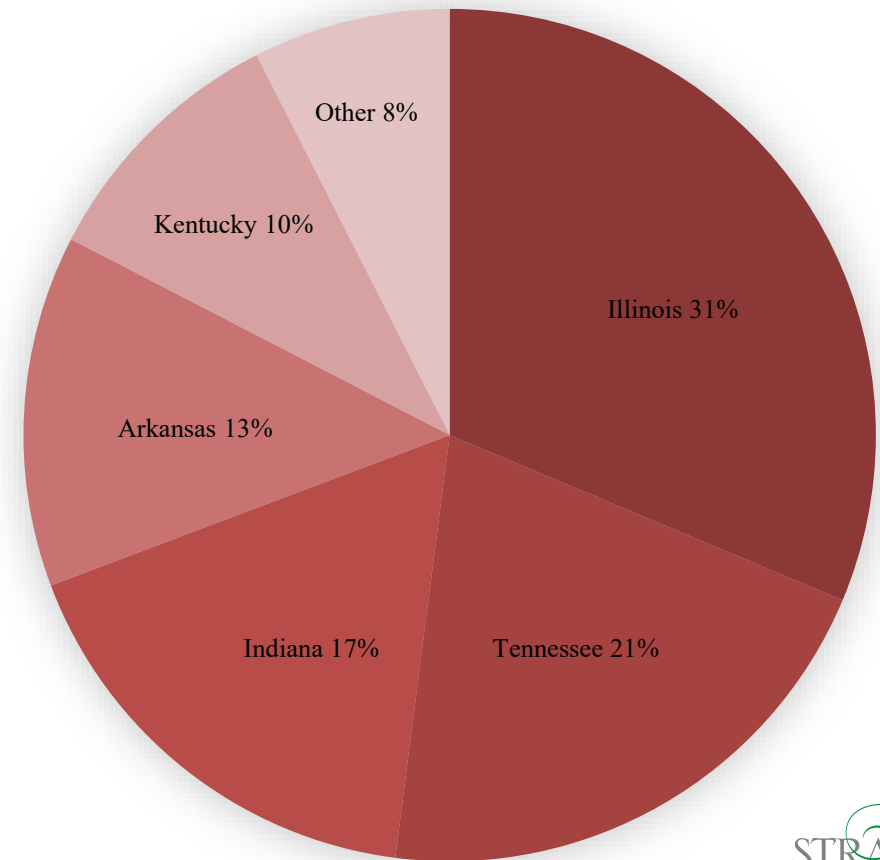
***PPD ("Per Patient Day") is a metric used in the SNF industry to measure how much of any resource is used for residents in a 24-hour period.

Facility Operator & State Diversification

Base Rent divided by Related Consultant



Base Rent divided by State





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