

INVESTOR PRESENTATION

READY...SET...GROWTH!

LD Micro Main Invitational Conference XIV

April 2024



SAFE HARBOR STATEMENT

These slides and other materials we have filed or may file with the Securities and Exchange Commission, as well as information included in oral statements made, or to be made, by our senior management contain forward-looking statements that are based on current expectations, estimates, beliefs and assumptions. Words such as “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of these words and 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 and difficult to predict and could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. While we may elect to update these forward-looking statements at some point in the future, we disclaim any obligation to do so, except as may be required by law, even if our estimates or assumptions change. In light of these and other uncertainties, the inclusion of a forward-looking statement in this presentation should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements. Factors which could cause our actual results to be materially different from those in or implied by the forward looking statements we make, many of which are beyond our control, include, among other things, the impact of COVID-19 or another public health crisis on our tenants and operators; the operating success of our tenants and borrowers for collection of our lease and interest income; the success of property development and construction activities; the risk that the cash flows of our tenants, managers and borrowers would be adversely affected by increased liability claims and liability insurance costs; risks related to environmental laws and the costs associated with liabilities related to hazardous substances; the risk of damage from catastrophic weather and other natural or man-made disasters and the physical effects of climate change; our ability to reinvest cash in real estate investments in a timely manner and on acceptable terms; the risk that the illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties; operational risks with respect to our senior housing operating portfolio structured communities; risks related to our ability to maintain the privacy and security of Company information; and other risks which are described under the heading “Risk Factors” in Item 1A in our Form 10-K for the year ended December 31, 2023.

In this presentation we refer to non-GAAP financial measures. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. Reconciliations to certain non-GAAP measures can be found at the end of this presentation, in the Company’s quarterly supplementals which can be found on our website at www.regionalhealthproperties.com, and in quarterly 10-Q filings and annual 10-K filing. Throughout this presentation, certain abbreviations and acronyms are used to simplify the format. A list of definitions is provided at the end of this presentation to clarify the meaning of any reference that may be ambiguous.

INVESTOR HIGHLIGHTS

RHE is a Real Estate Holding Company Investing in Healthcare Real Estate



Portfolio of Properties

- Core portfolio that can grow in a space that is dislocated
- Long-term, triple-net leases that generate recurring rental payments
- Real estate value provides a floor on valuation

ESTABLISHED



Compelling Market Trends

- Assets trading below construction costs
- Large owners reducing exposure due to the affects from COVID
- Lenders can't refinance without an equity infusion
- Favorable demographic trends

OPPORTUNITY



Assets and Strategy to Unlock Incremental Value

- Diversify portfolio outside of skilled nursing assets with other income generating senior housing properties
- Simplify & improve capital structure
- Continue to reduce cost of debt opportunistically

VALUE CREATION

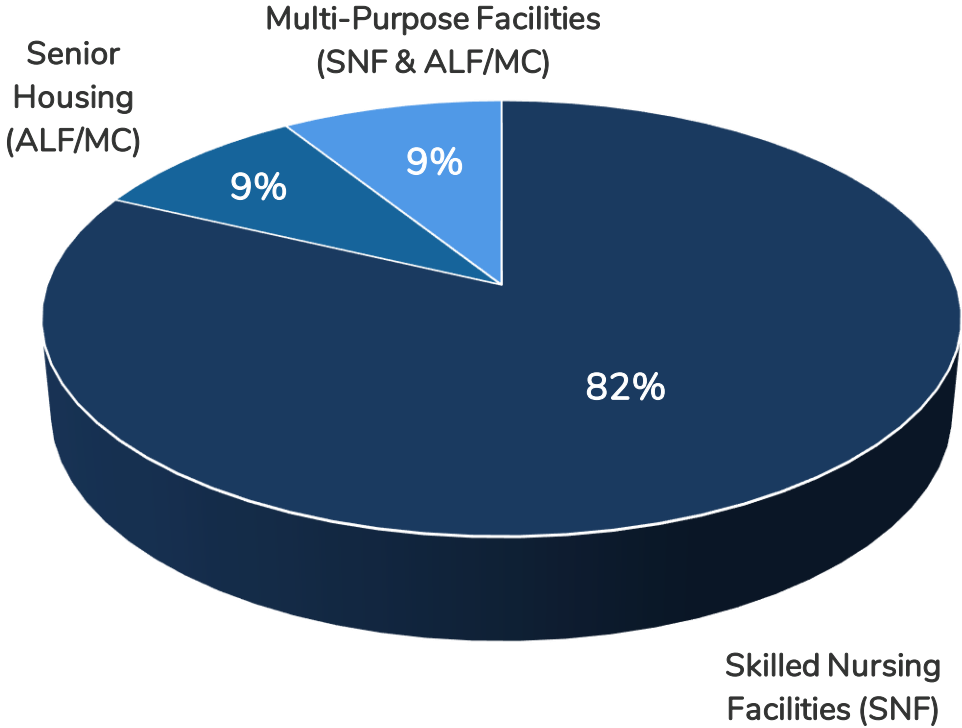
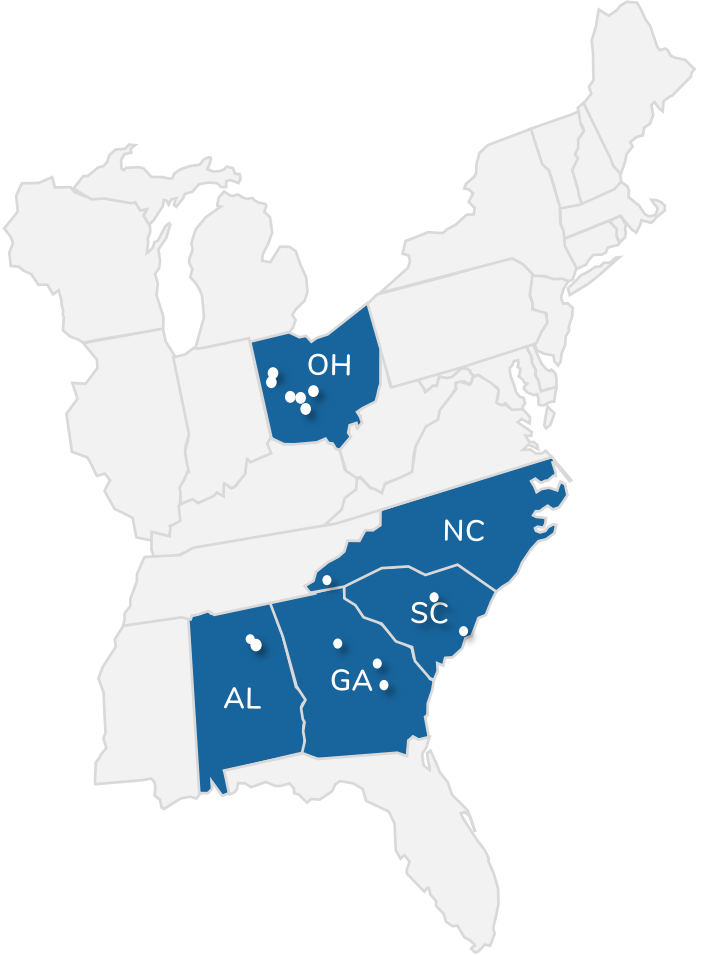
INVESTOR PRESENTATION

CORPORATE OVERVIEW

CORE PORTFOLIO OF OWNED PROPERTIES

13 Facilities in Five States*

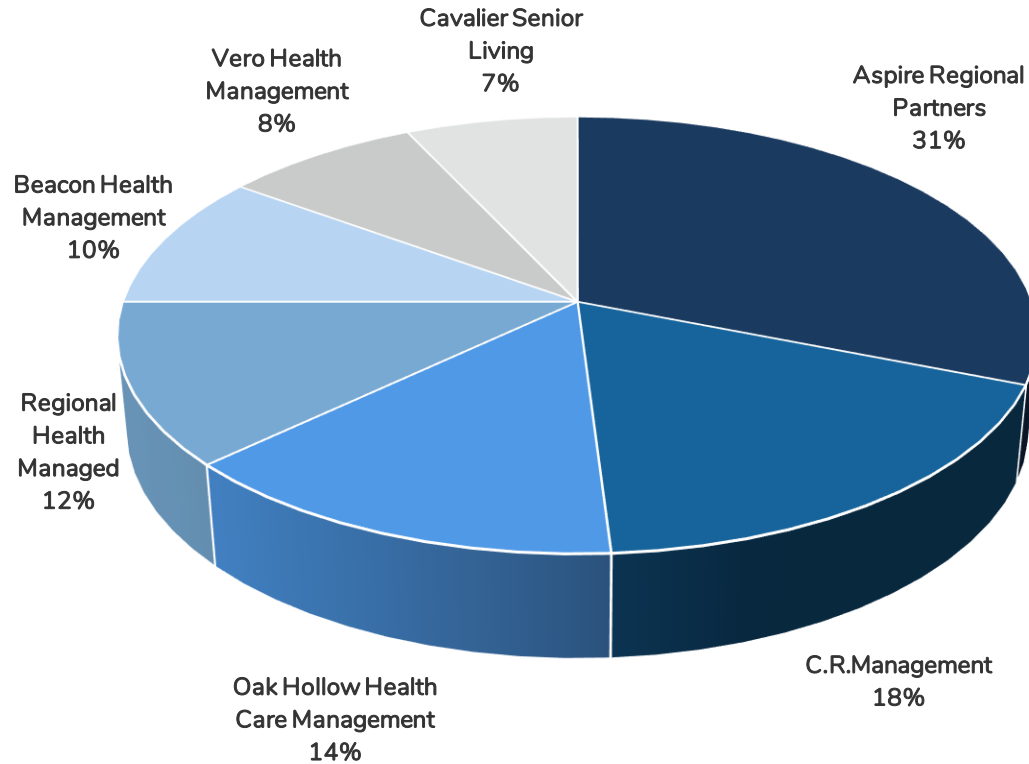
Portfolio Breakdown



PORTFOLIO OVERVIEW

Seven Independent Operators*

1,300+ beds



Strong Operator Coverage

EBITDAR COVERAGE¹

1.4x



2 Operators

>1.5x



1 Operator

>1.2x



1 Operator

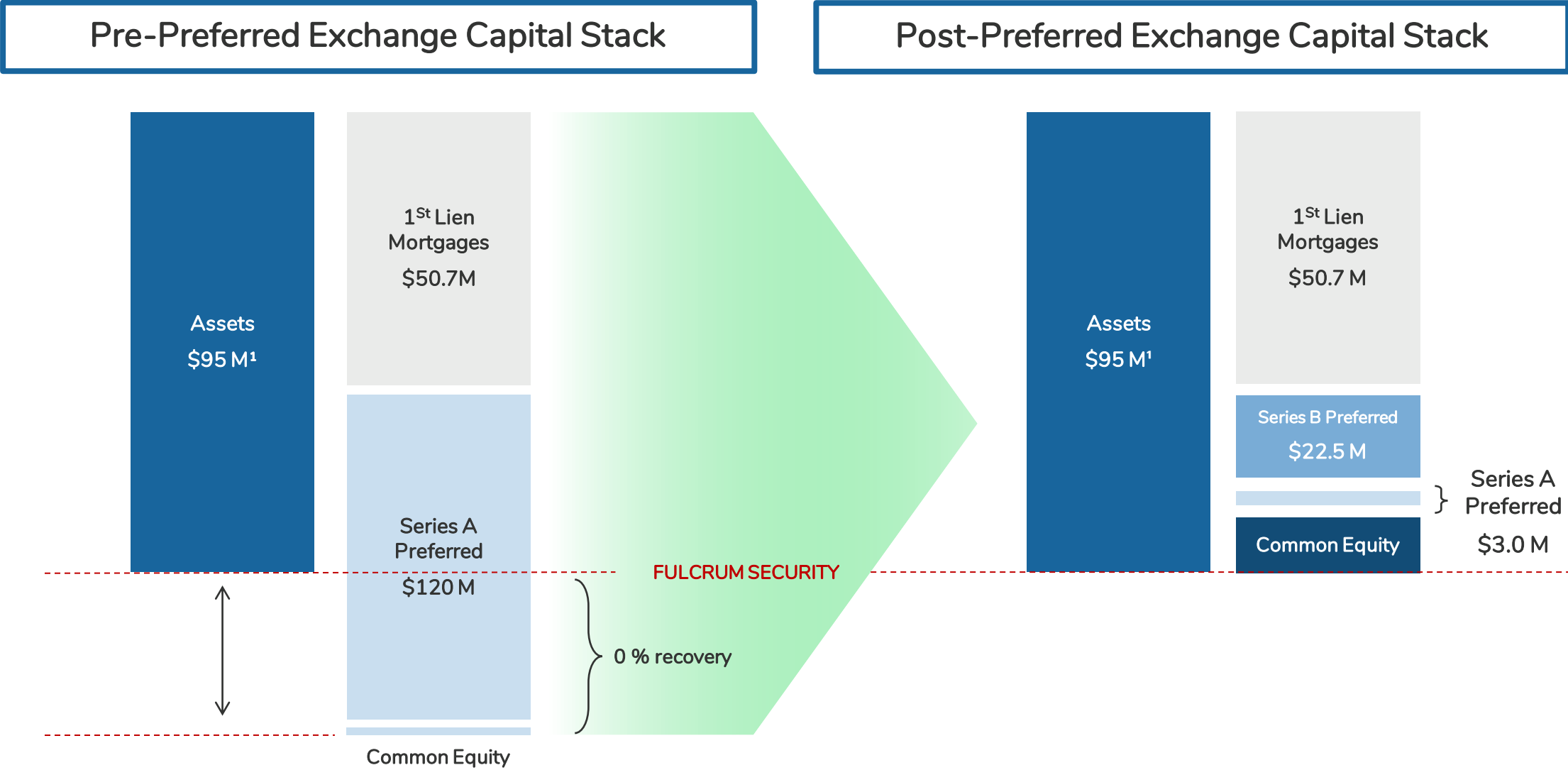
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1 Operator

<1.0x

PREFERRED EXCHANGE MOVES COMMON EQUITY IN THE MONEY

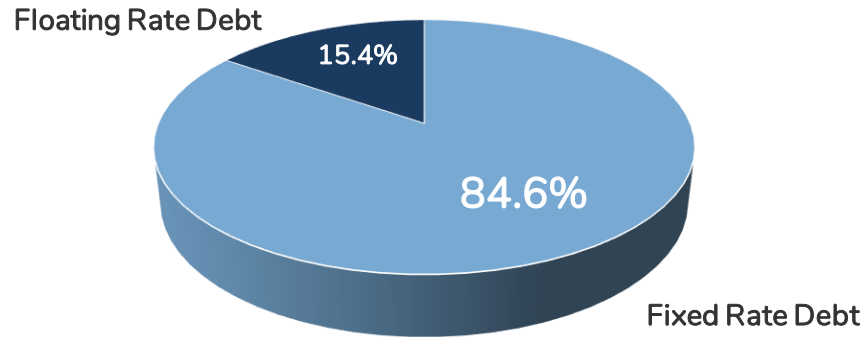


NYSE AMERICAN: RHE

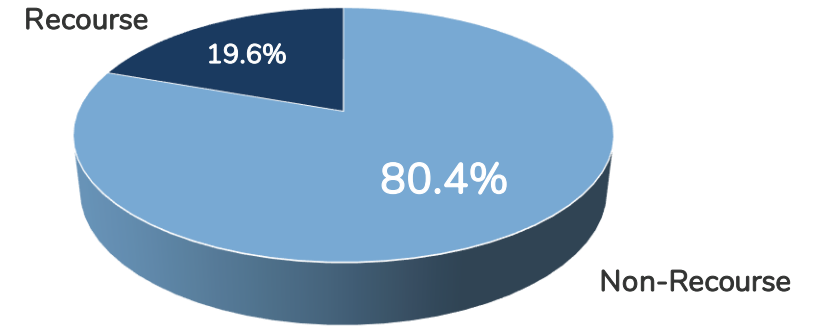
7 ¹ Owned portfolio value estimated using price per bed metric, \$79,101 per bed applied to 1,201 owned beds in 10 Skilled Nursing Facilities and 2 Multi-Service Facilities

LOW COST & MOSTLY NON-RECOURSE DEBT

84%+ of debt is long-term and fixed under 5%



80%+ of debt is non-recourse to parent



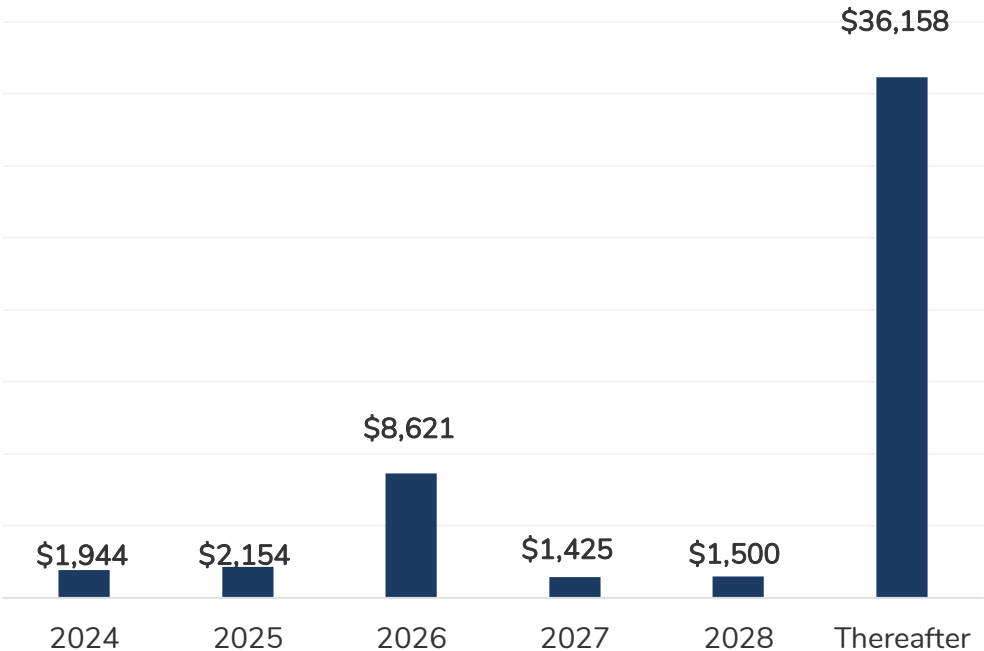
Debt Type	Senior Debt (\$)	Interest Rate	Fixed or Floating	Wtd Avg Maturity	Recourse
HUD Subtotal/Weighted Average HUD Debt	\$28,296	3.7%	Fixed	2047	No
USDA and SBA Subtotal USDA and SBA	\$7,616	10.17%	Floating	2036	Yes
Community Bank Subtotal Community Bank Debt	\$7,944	4.17%	Fixed	2026	Yes
Municipal Bond Subtotal Municipal Bond Debt	\$5,990	7.65%	Fixed	2042	No
Other Debt Subtotal Other Debt	\$889	1.46%	Fixed	2025	No
TOTAL DEBT	\$50,735	5.17%			

ATTRACTIVE DEBT MATURITY PROFILE

Solvency Risk has been Mitigated through Asset Sales, Debt Payoff/Amortization, Refinancings and Stabilization of Operating Portfolio

Debt Maturity Profile¹

(\$ in thousands)



Extremely low Liquidity Risk



Minimal Short-term Maturities
Weighted Average Maturity 19 years



Mostly Fixed Rate Debt
Weighted Average Cost of Debt 5.17%



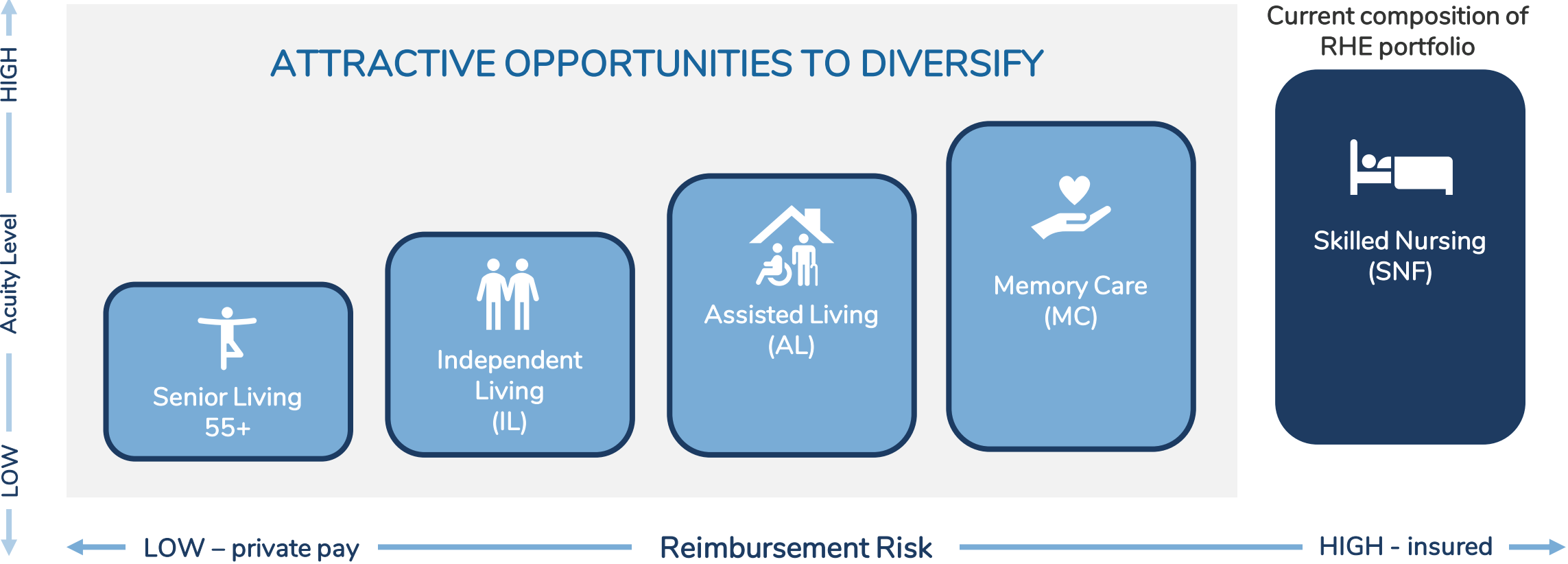
Backed by Performing Real Estate Assets

¹ Before \$1.1M of unamortized discounts and deferred financing costs

GROWTH STRATEGY

BROAD RANGE OF OFFERINGS ALONG THE SENIOR HOUSING CONTINUUM OF CARE

Further diversifying our portfolio to include the lower end of the acuity spectrum would reduce reimbursement risk and lower the portfolio cap rate



WINDOW OF OPPORTUNITY TO INVEST



We look to capitalize on the best environment for investments that we have ever seen...”

Shankh Mitra
CEO, Welltower
Q3'23 Earnings Conf Call



There is a confluence of market factors giving us confidence that 2024 and 2025 should be rich with investment opportunities.”

Debra Cafaro
CEO, Ventas
Q4'23 Earnings Conf Call



The cost of debt is stressing short-term valuations, with senior living transaction volume down 51% year-over-year (YOY), and the price per unit, at \$111,000, down nearly 54% from peak pricing.

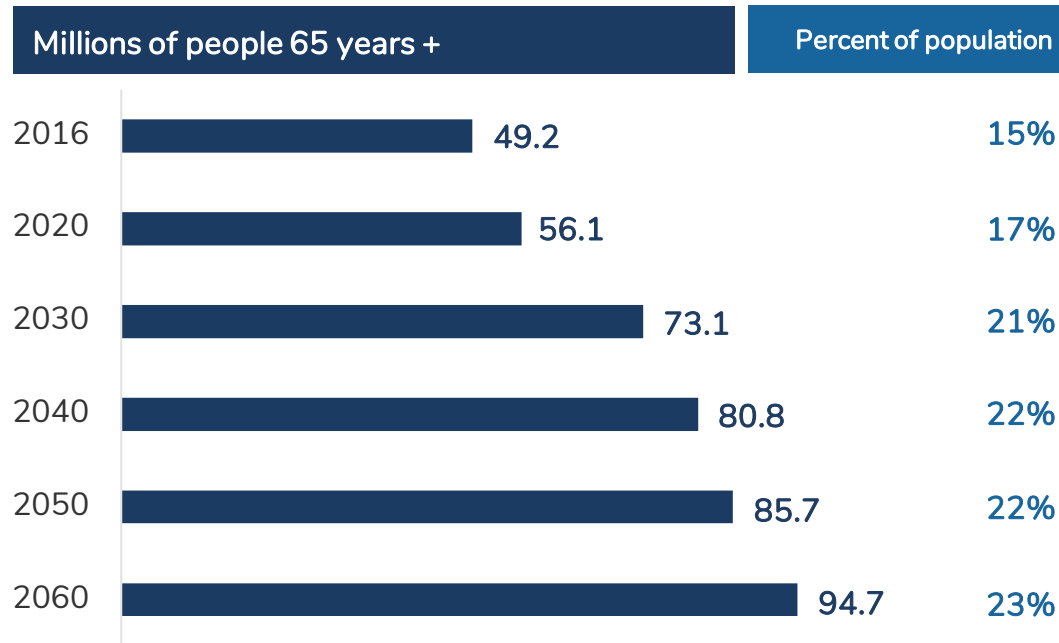
Impending loan maturities—totaling \$16 billion—expected within the coming 24 months, along with fund-life expirations, will catalyze transaction activity with increased investments from those who are well capitalized and less reliant on leverage.

Cushman Wakefield Report

OUR POPULATION IS AGING

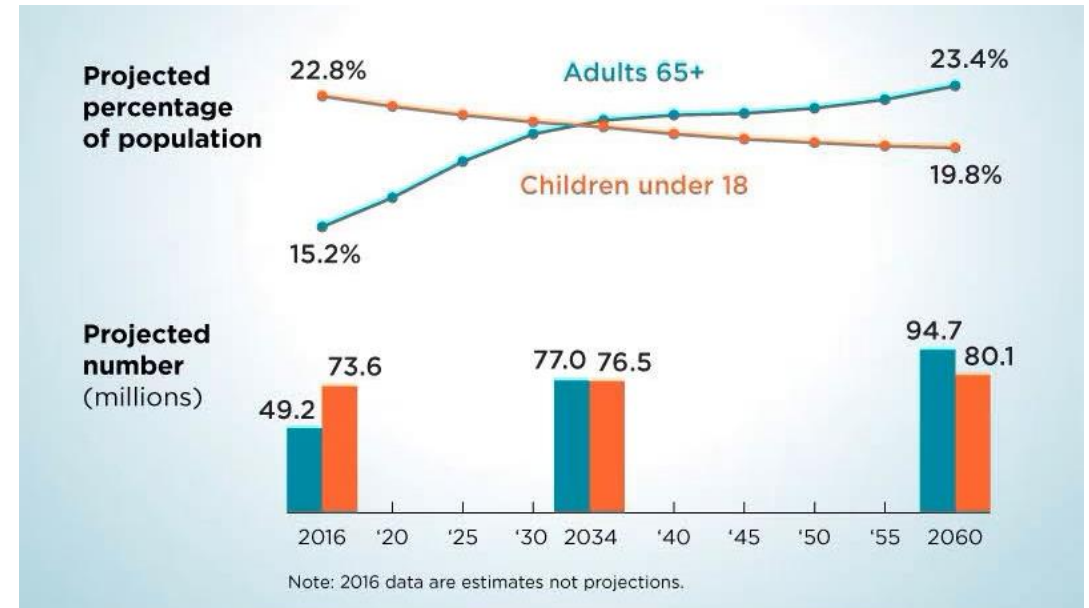
Projections of the Older Population

By 2060, nearly one in four Americans is projected to be an Older Adult.



An Aging Nation

For the first time in U.S. history, Older Adults are projected to outnumber Children by 2034.



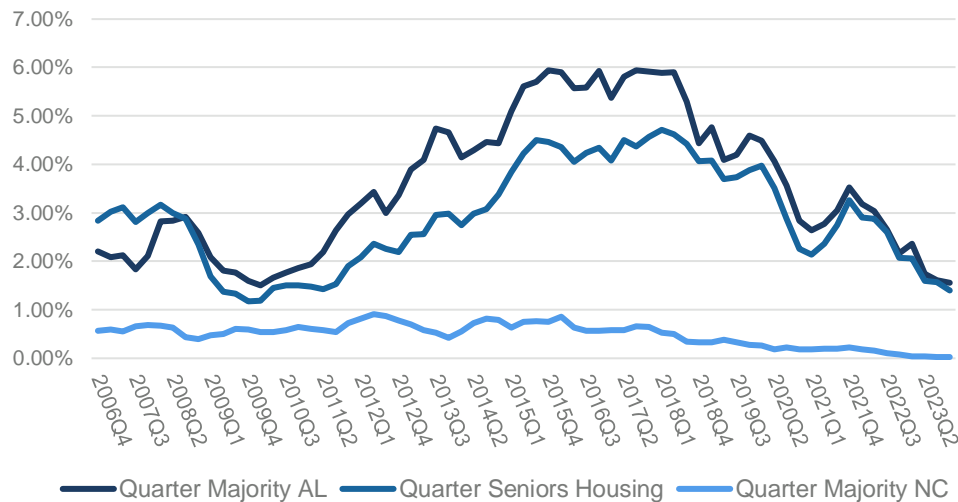
MACRO TRENDS: SUPPLY / DEMAND IMBALANCE IN SENIOR HOUSING

Supply and Demand Trends Set Up Well for Investment in Senior Housing

SUPPLY

Construction vs. inventory of Senior Housing assets in Secondary Markets is at the lowest level since the Great Financial Crisis(GFC) of 2009

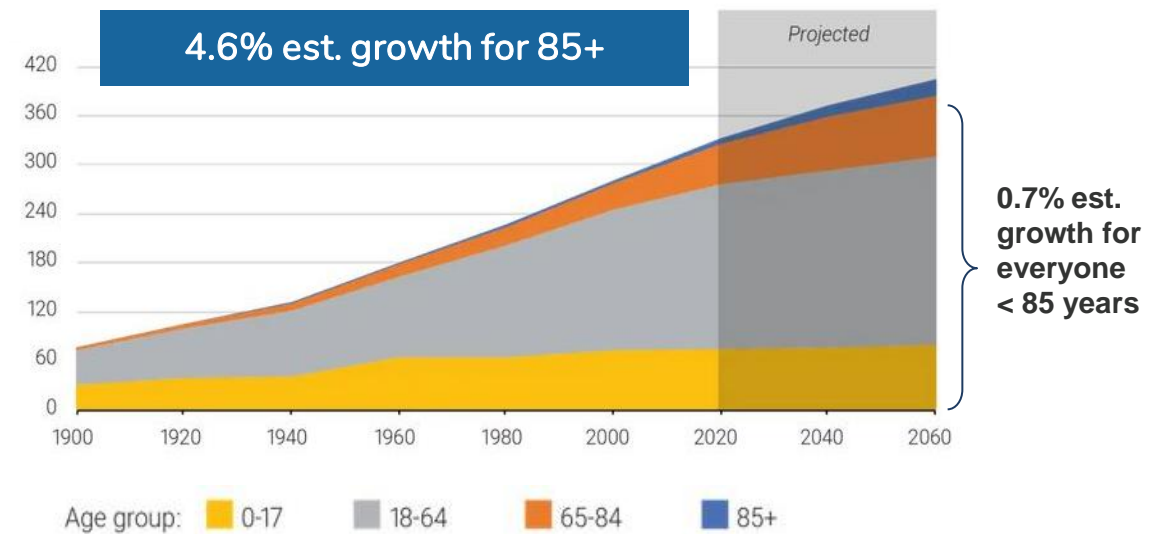
Senior Housing Starts vs Inventory¹



DEMAND

Target market of 85+ years old is growing 5X FASTER than overall population

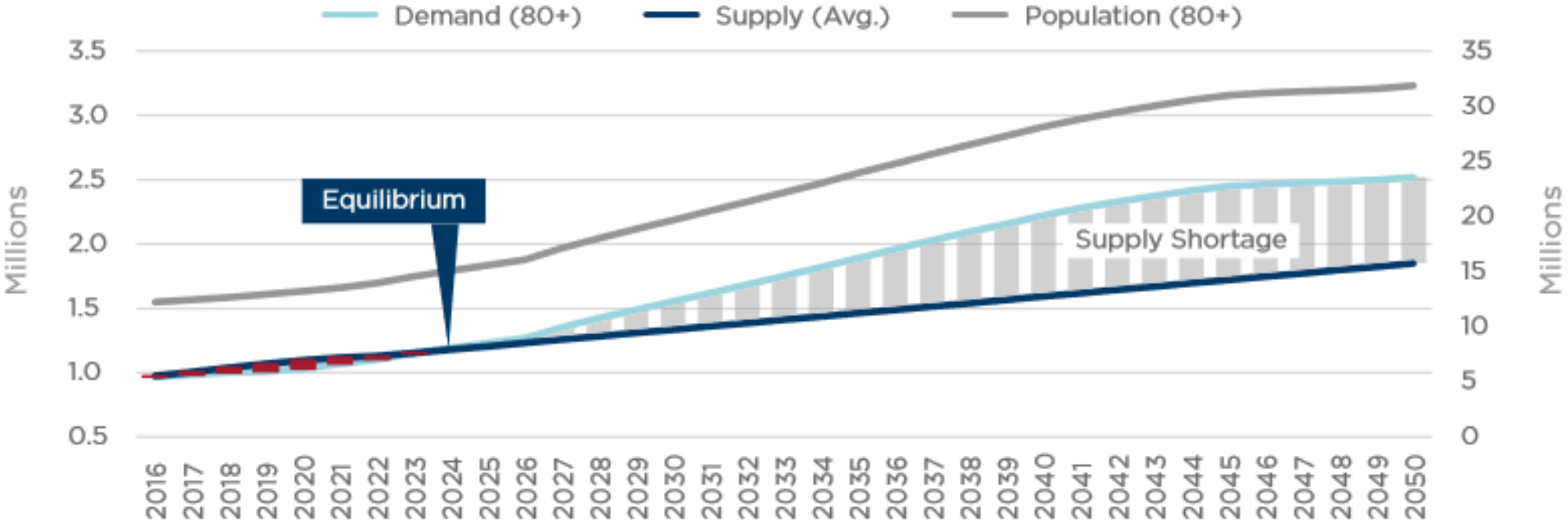
U.S. Population by Age Group (millions), 1900 to 2060²



SUPPLY SHORTAGE ON THE HORIZON

The nation is going from an oversupplied market to an undersupplied market

80+ LONG TERM DEMAND OUTLOOK



BUSINESS AND FINANCING STRATEGIES

Pursuing opportunities to leverage our platform and accelerate our business in ways that return value to **ALL** shareholders



Improve Existing Portfolio

- Continue to work with operators to improve facility performance
- Streamline facility expense structure
- Increase rent coverage ratios



Seize Industry Opportunities

- Opportunity to diversify outside of skilled nursing and into senior housing
- Capitalize on net sellers of senior housing assets
- Current interest rates are creating forced sellers



Increase Cash Flow

- Opportunistically raise new growth capital to acquire new properties
- Additional properties on the platform ignites operating leverage
- Capital markets are open

NYSE AMERICAN: RHE

Common Stock Symbol	RHE
Common Stock Price	\$2.50
Common Shares Outstanding	1,833,000
Preferred Series A symbol	RHE.PA
Preferred Series A Price	\$0.60
Preferred Series A Shares Outstanding	599,200
Preferred Series B symbol	RHEPB
Preferred Series B Price	\$4.29
Preferred Series B Shares Outstanding	2,252,000

SENIOR MANAGEMENT TEAM

BRENT MORRISON, CFA

Chairman, Chief Executive Officer and President

- Appointed CEO in March 2019; Interim CEO prior to that beginning in October 2017
- Board Member since 2014
- Managing Director of Zuma Capital Management, LLC
- MBA from UCLA Anderson

Paul O'Sullivan, CPA, CFA

Senior Vice President of Finance

- Joined the team at Regional Health Properties in December 2020
- From February 2017 to June 2020, Vice President of Asset Management at Formation Development Group, LLC a private equity real estate development firm that specializes in senior housing development
- MBA from Georgia State University

HEADQUARTERS

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