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## LTC Invests \$128 Million in 12 Assisted Living/Memory Care Properties in North Carolina

WESTLAKE VILLAGE, Calif.--(BUSINESS WIRE)-- **LTC Properties, Inc. (NYSE: LTC)** a real estate investment trust that primarily invests in seniors housing and health care properties, today announced an approximate \$128 million investment in 12 assisted living/memory care properties (a combined 937 licensed beds in 568 units). The communities are located throughout North Carolina and are currently owned and operated by an existing LTC partner.

The majority of LTC's \$128 million investment is structured as a joint venture and a minor portion is structured as a senior mortgage loan secured by one property. The investment was funded from approximately \$99 million borrowed under LTC's line of credit and \$29 million of net proceeds from the sale of 757,400 shares of LTC's common stock under its equity distribution agreements during the 2022 fourth quarter.

**Joint Venture:** Approximately \$117 million of LTC's \$128 million investment is for a 97% ownership in a \$121 million joint venture with the current operator for the purchase of 11 properties. The communities will be operated under a 10-year master lease with two five-year renewal options. LTC expects to receive net rent of approximately \$8.5 million during 2023 related to the joint venture investment, which is covered by in-place cash flow generated by the properties. The initial annual rent is at a rate of 7.25%, increasing to 7.50% in year three and escalating thereafter based on CPI subject to a floor of 2% and a ceiling of 4%. The master lease provides the operator with the option to buy up to 50% of the properties at the beginning of the third lease year and the remaining properties at the beginning of the fourth lease year through the end of the sixth lease year, with an exit IRR of 9.00% on any tranche of the properties being purchased. LTC will consolidate the joint venture's acquired properties and the acquisition will be accounted for as a financing receivable due to the seller's purchase option.

**Senior Mortgage Loan:** Approximately \$11 million of the \$128 million investment is a senior mortgage loan to refinance one property. The loan carries a two-year term with an interest-only rate of 7.25% and an IRR of 9.00%

"This transaction validates our strategy of partnering with strong regional operators with whom we can grow, while continuing to demonstrate the strength of LTC's balance sheet and the ability to execute sizable transactions in a challenging economic environment," said Wendy Simpson, LTC's Chairman and CEO. "We are starting 2023 from a solid position with

an accretive new investment and remain committed to sourcing opportunities across a variety of structured finance products and creative lease structures.”

## **About LTC Properties**

LTC is a real estate investment trust (REIT) investing in seniors housing and health care properties primarily through sale-leasebacks, mortgage financing, joint-ventures and structured finance solutions including preferred equity and mezzanine lending. LTC’s investment portfolio includes 216 properties in 29 states with 32 operating partners. Based on its gross real estate investments, LTC’s investment portfolio is comprised of approximately 50% seniors housing and 50% skilled nursing properties. Learn more at [www.LTCreit.com](http://www.LTCreit.com).

This press release includes statements that are not purely historical and are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Company’s expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this press release are forward looking statements. These forward-looking statements involve a number of risks and uncertainties. All forward looking statements included in this press release are based on information available to the Company on the date hereof, and the Company assumes no obligation to update such forward looking statements. Although the Company’s management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward-looking statements due to the risks and uncertainties of such statements.

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