Oxford Villas
Wichita, KS

SUPPLEMENTAL OPERATING and FINANCIAL DATA

FIRST QUARTER 2021

FORWARD-LOOKING STATEMENTS

This supplemental information contains 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, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as ''believes,'' ''expects,'' ''may,'' ''will,'' ''should,'' ''seeks,'' ''approximately,'' ''intends,'' ''plans,'' ''estimates'' or ''anticipates,'' or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under ''Risk Factors'' and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP INFORMATION

This supplemental information contains certain non-GAAP information including EBITDA*re*, adjusted EBITDA*re*, FFO, FFO excluding non-recurring items, FAD, FAD excluding non-recurring items, adjusted interest coverage ratio, and adjusted fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 21, 24 and 25 of this supplemental information, and additional information is available under the "Non-GAAP Financial Measures" subsection under the "Selected Financial Data" section of our website at www.LTCreit.com.

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Founded in 1992, LTC Properties, Inc. (NYSE: LTC) is a self-administered real estate investment trust (REIT) investing in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including preferred equity and mezzanine lending. LTC's portfolio encompasses Skilled Nursing Facilities (SNF), Assisted Living Communities (ALF), Independent Living Communities (ILF), Memory Care Communities (MC) and combinations thereof. Our main objective is to build and grow a diversified portfolio that creates and sustains shareholder value while providing our stockholders current distribution income. To meet this objective, we seek properties operated by regional operators, ideally offering upside and portfolio diversification (geographic, operator, property type and investment vehicle). For more information, visit www.LTCreit.com.

LTC LISTED NYSE

LEADERSHIP


WENDY SIMPSON
Chairman and
Chief Executive Officer


PAM KESSLER
Co-President,
CFO and Secretary


CLINT MALIN
Co-President and
Chief Investment Officer


CECE CHIKHALE
Executive Vice President,
Chief Accounting Officer,
and Treasurer


DOUG KOREY
Executive Vice President,
Managing Director of
Business Development


GIBSON SATTERWHITE
Senior Vice President,
Asset Management


PETER LYEW
Vice President,
Director of Taxes


MANDI HOGAN
Vice President,
Marketing &
Investor Relations


MIKE BOWDEN
Vice President,
Investments


RACHEL SON
Vice President
and Controller

BOARD OF DIRECTORS

WENDY SIMPSON	Chairman
CORNELIA CHENG	Director
BOYD HENDRICKSON	Lead Independent Director
JAMES PIECZYNSKI	Nominating & Corporate Governance Committee Chairman
DEVRA SHAPIRO	Audit Committee Chairman
TIMOTHY TRICHE, MD	Compensation Committee Chairman

ANALYSTS

CONNOR SIVERSKY	Berenberg Capital Markets
JUAN SANABRIA	BMO Capital Markets Corp.
DANIEL BERNSTEIN	CapitalOne
AARON HECHT	JMP Securities, LLC
JORDAN SADLER	KeyBanc Capital Markets, Inc.
OMOTAYO OKUSANYA	Mizuho Securities USA LLC
MIKE CARROLL	RBC Capital Markets Corporation
RICHARD ANDERSON	SMBC Nikko Securities
STEVE MANAKER	Stifel, Nicolaus & Company, Inc.
TODD STENDER	Wells Fargo Securities, LLC

Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, and forecasts of LTC or its management.

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c/o Broadridge Corporate Issuer Solutions
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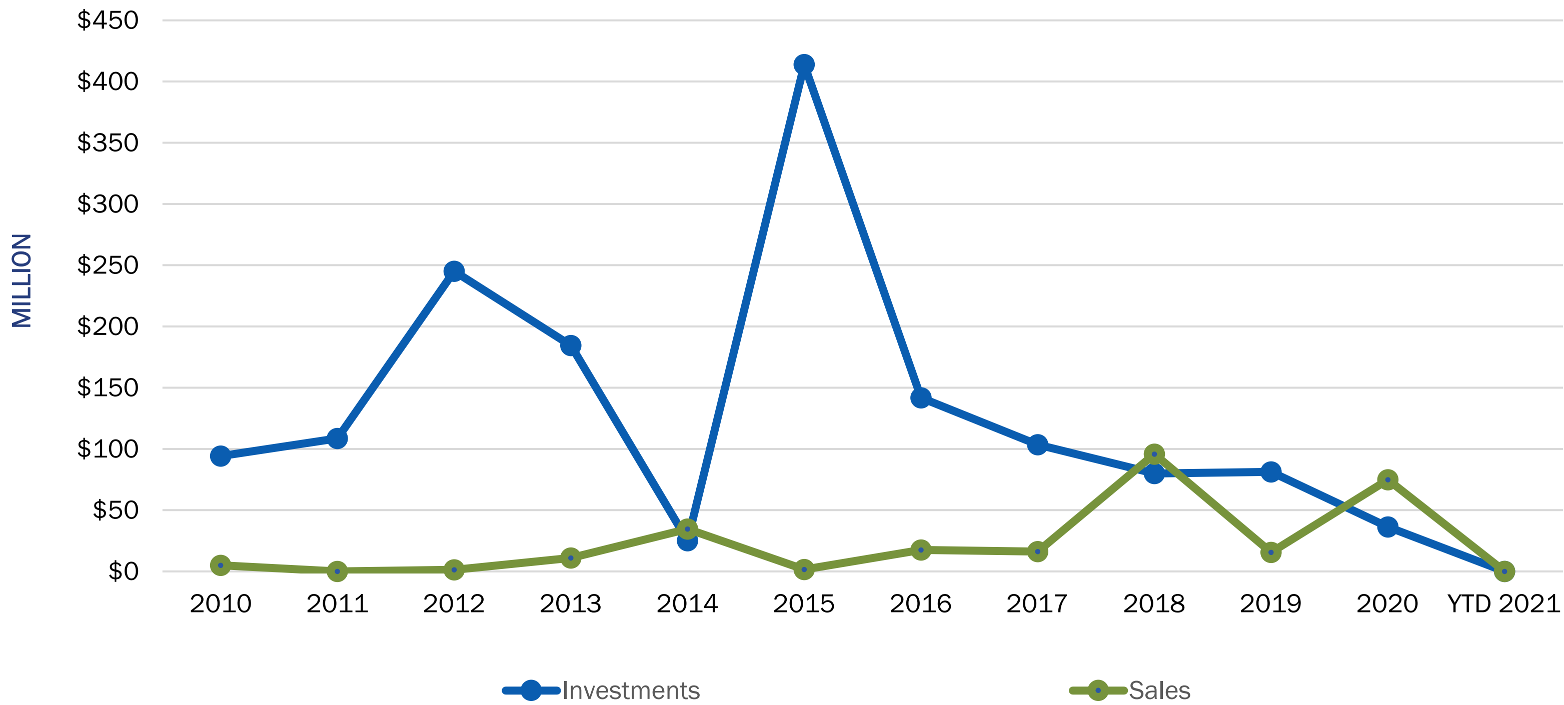
Edgewood, NY 11717-8309
ATTN: IWS
866-708-5586

Total Investments	Total Sales (1)	Total Gains
$ 1.5 Billion	$ 275.2 Million	$ 131.0 Million



(1) Reflects total sales price.

(DOLLAR AMOUNTS IN THOUSANDS)

ACQUISITIONS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/ UNITS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	CONTRACTUAL INITIAL CASH YIELD	PURCHASE PRICE
2020 1/10	1	SNF	140 beds	Longview, TX	HMG Healthcare	2014	8.50%	$ 13,500

LOAN ORIGINATIONS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/ UNITS	LOCATION	LOAN TYPE	MATURITY DATE	OPERATOR	ORIGINATION	FUNDED AT ORIGINATION	STATED INTEREST RATE
2020 6/2	4	SNF	501 beds	Various in MI [(1)]	Mortgage	Oct-2045	Prestige Healthcare	$ 2,000	$ 2,000	8.89%

(1) We funded additional loan proceeds of $2,000 under an existing mortgage loan. The incremental funding bears interest at 8.89%, escalating annually by 2.25% thereafter.

REAL ESTATE ACTIVITIES – MEZZANINE AND JOINT VENTURES

(DOLLAR AMOUNTS IN THOUSANDS)

MEZZANINE LOANS

COMMITMENT YEAR	LOCATION	PROPERTIES	OPERATOR	PROPERTY TYPE	INVESTMENT TYPE	MATURITY DATE	RETURN	# BEDS/ UNITS	INVESTMENT BALANCE
2018	Atlanta, GA	1	Village Park Senior Living	ALF/MC/ILF	Mezzanine	Dec 2023	8.00% (1)	204 units	$ 7,461

(1) The initial cash rate is 8% with a 12% IRR. Our investment represents 5% of the total estimated project cost.

UNCONSOLIDATED JOINT VENTURES

COMMITMENT YEAR	LOCATION	PROPERTIES	OPERATOR	PROPERTY TYPE	INVESTMENT TYPE	MATURITY DATE	RETURN	# BEDS/ UNITS	INVESTMENT COMMITMENT	1Q21 FUNDING	TOTAL FUNDED TO DATE	REMAINING COMMITMENT
2020	Arlington, WA	1	Fields Senior Living	UDP-AL/MC	Preferred Equity	N/A	7.00% (1)	95 units	$ 6,340	$ —	$ 6,340	$ —
2020	Vancouver, WA	1	Koelsch Communities	UDP-IL/AL	Preferred Equity	N/A	8.00% (2)	267 units	13,000	8,000	13,000	—
		2						362 units	$ 19,340	$ 8,000	$ 19,340	$ —

(1) The initial cash rate is 7.00% increasing to 9.00% in year four until the IRR is 8.00%. After achieving an 8.00% IRR, the cash rate drops to 8.00% with an IRR ranging between of 12.00% and 14.00% depending upon timing of redemption. Our investment represents 15.50% of the total estimated project cost.

(2) The initial cash rate is 8.00% with an IRR of 12.00%. Our investment represents 11.60% of the total estimated project cost.

CONSOLIDATED JOINT VENTURES

INVESTMENT YEAR	LOCATION	OPERATOR	PROPERTY TYPE	INVESTMENT PURPOSE	# BEDS/ UNITS	TOTAL JOINT VENTURES COMMITMENT	NON-CONTROLLING INTEREST CONTRIBUTION	LTC CONTRIBUTION
2017	Cedarburg, WI	Tealwood Senior Living	ALF/MC/ILF	Owned Real Estate & Development	110 units	$ 22,244	$ 2,305	$ 19,939
2017	Spartanburg, SC	ALG Senior	ALF	Owned Real Estate	87 units	11,660	1,241	10,419
					197 units	33,904	3,546	30,358
2018	Medford, OR	Fields Senior Living (1)	ALF/MC	Owned Real Estate & Development	78 units	17,871	1,081	16,790
2018	Medford, OR	Fields Senior Living (1)	ILF	Owned Real Estate	89 units	14,401	2,858	11,543
					167 units	32,272	3,939	28,333
2019	Abingdon, VA	English Meadows Senior Living	ALF/MC	Owned Real Estate	74 units	16,895	919	15,976
					438 units	$ 83,071	$ 8,404	$ 74,667

(1) Represents a single joint venture with ownership in two properties.

REAL ESTATE ACTIVITIES – LEASE-UP AND RENOVATIONS

(DOLLAR AMOUNTS IN THOUSANDS)

LEASE-UP

DATE ACQUIRED	DATE OPENED [1]	OCCUPANCY AT 3/31/2021	DEVELOPMENT COMMITMENT YEAR	PROJECT TYPE	LOCATION	OPERATOR	# OF PROJECTS	PROPERTY TYPE	# BEDS/ UNITS	CONTRACTUAL INITIAL CASH YIELD	TOTAL INVESTMENT[2]
May-2018	Sep-2020 [3]	24%	2018	Development	Medford, OR	Fields Senior Living	1	ALF/MC	78 units	7.65%	$ 17,885
Aug-2019	Sep-2020 [4]	64%	2019	Development	Independence, MO	Ignite Medical Resorts	1	SNF	90 beds	9.25%	16,315 [4]
							2		78 units/90 beds		$ 34,200

(1) Represents date of Certificate of Occupancy except for (3) below.
(2) Total Investment includes land acquisition, closing costs and total development funding and excludes capitalized interest.
(3) Certificate of occupancy was received in March 2020 and license was received in May 2020. Due to COVID-19 pandemic, opening was delayed until September 2020.
(4) Certificate of occupancy and licensure was received in September 2020. During 4Q20, we funded $3,315. The project was completed under budget by $1,059.

RENOVATIONS: MORTGAGE LOANS

ESTIMATED INTEREST DATE	COMMITMENT YEAR	PROJECT TYPE	LOCATION	OPERATOR	# OF PROJECTS	PROPERTY TYPE	CONTRACTUAL INITIAL CASH YIELD	INVESTMENT COMMITMENT	1Q21 FUNDING	TOTAL FUNDED TO DATE	REMAINING COMMITMENT
— [1]	2018	Renovation	Grand Haven, MI	Prestige Healthcare	1	SNF	9.41%	$ 3,000	$ 32	$ 1,413	$ 1,587

(1) This commitment is part of a total loan commitment secured by four properties in Michigan. Interest payment increases upon each funding.

REAL ESTATE ACTIVITIES – 5-YEAR LEASE-UP HISTORY

PROPERTY	LOCATION	OPERATOR	PROPERTY TYPE	PROJECT TYPE	# BEDS/ UNITS	DATE ACQUIRED	DATE OPENED [1]	DATE STABILIZED	# OF MONTHS TO STABILIZATION
Greenridge Place	Westminster, CO	Anthem	MC	Development	60 units	Dec-2013	Feb-2015	Feb-2017	24 [2]
Harvester Place	Burr Ridge, IL	Anthem	MC	Development	66 units	Oct-2014	Feb-2016	Feb-2018	24 [2]
Vineyard Place	Murrieta, CA	Anthem	MC	Development	66 units	Sep-2015	Aug-2016	Aug-2018	24 [2]
Porter Place	Tinley Park, IL	Anthem	MC	Development	66 units	May-2015	Jul-2016	Jul-2018	24 [2]
Emerald Place	Glenview, IL	Anthem	MC	Development	66 units	Oct-2015	Dec-2017	Dec-2019	24 [2]
Grace Point Place	Oak Lawn, IL	Anthem	MC	Development	66 units	Oct-2016	Jun-2018	Jun-2020	24 [2]
Coldspring Transitional Care Center	Cold Spring, KY	Carespring	SNF	Development	143 beds	Dec-2012	Nov-2014	Jun-2016	19
Boonespring Healthcare Center	Union, KY	Carespring	SNF	Development	143 beds	Sep-2016	Feb-2019	Dec-2019	10
Pavilion at Creekwood	Mansfield, TX	Fundamental	SNF	Acquisition	126 beds	Feb-2016	Jul-2015	Feb-2017	12
Carmel Village Memory Care	Clovis, CA	Generations	MC/ILF	Acquisition	73 units	Jun-2017	Sep-2016	Jun-2018	12
Carmel Village at Clovis	Clovis, CA	Generations	ALF	Acquisition	107 units	Jun-2017	Nov-2014	Jun-2018	12
Oxford Villa	Wichita, KS	Oxford Senior Living	ILF	Development	108 units	May-2015	Nov-2016	Nov-2018	24 [2]
Oxford Kansas City	Kansas City, MO	Oxford Senior Living	ALF/MC	Acquisition	73 units	Oct-2017	Aug-2017	Jun-2019	22
Hamilton House	Cedarburg, WI	Tealwood	ALF/MC/ILF	Development	110 units	Dec-2017	Feb-2019	Feb-2021	24 [3]

(1) Represents date of Certificate of Occupancy.
(2) Although this property met our definition of stabilization on page 27 based on the time criteria, it did not meet the occupancy threshold.
(3) Property meets the definition of stabilized by being open for 24 months but has not yet achieved the occupancy threshold requirement of 90% for ALF. The occupancy at March 31, 2021 was 39%.

PORTFOLIO OVERVIEW

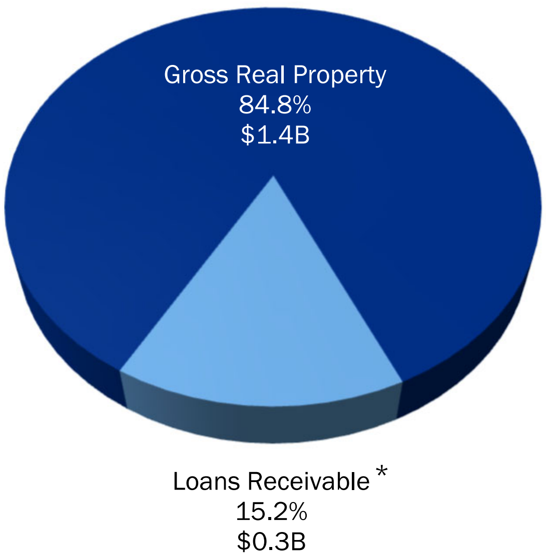
(DOLLAR AMOUNTS IN THOUSANDS)

PROPERTY TYPE	# OF PROPERTIES	GROSS INVESTMENT	% OF INVESTMENT	TWELVE MONTHS ENDED MARCH 31, 2021 RENTAL INCOME (1)	INTEREST INCOME (2)	% OF REVENUES
Assisted Living	106	$ 877,233	51.3%	$ 66,017	$ —	41.0%
Skilled Nursing	73	820,343	48.0%	62,462	31,541	58.4%
Other(3)	1	11,360	0.7%	969	—	0.6%
Total	180	$ 1,708,936	100.0%	$ 129,448	$ 31,541	100.0%

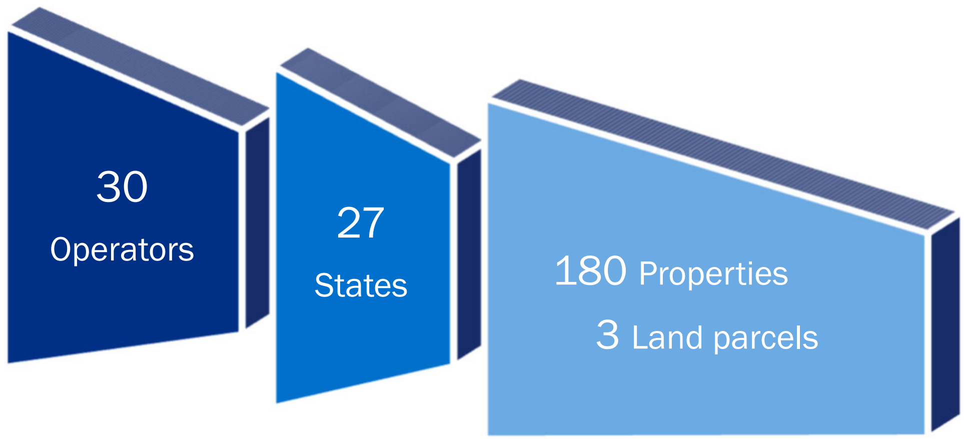
(1) Includes "cash rent," "straight-line rent" and "amortization of lease incentives" and excludes real estate taxes reimbursement, straight-line rent write-off and rental income from properties sold during the twelve months ended March 31, 2021. See page 20 for Components of Rental Income.

(2) Includes "interest income from mortgage loans."

(3) Includes three parcels of land held-for use and one behavioral health care hospital.



Weighted average maturity – 23.1 years*

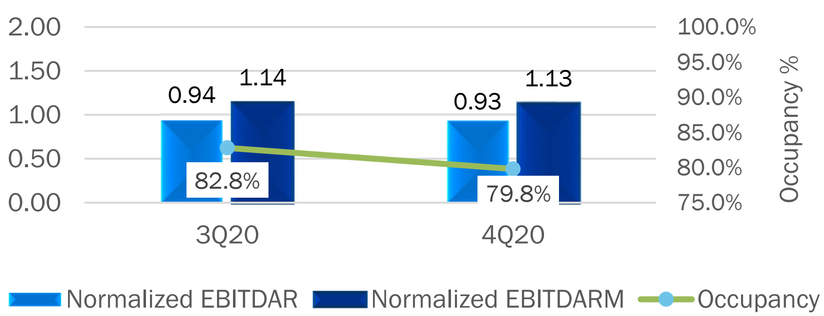


PORTFOLIO METRICS

(TRAILING TWELVE MONTHS THROUGH DECEMBER 31, 2020 AND SEPTEMBER 30, 2020)

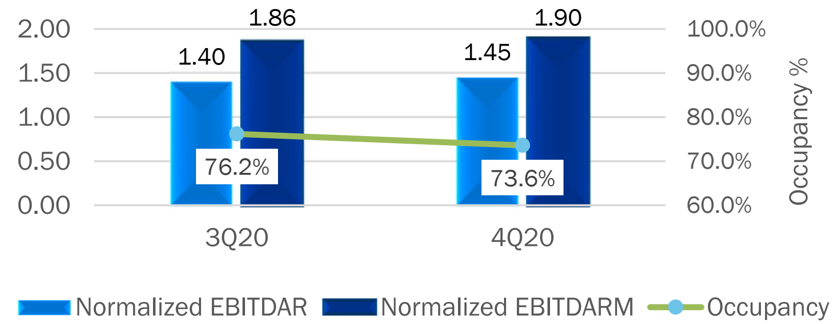
SAME PROPERTY PORTFOLIO COVERAGE STATISTICS (1)(2)

ASSISTED LIVING



ALF metrics include Coronavirus Stimulus Funds (“CSF”) as allocated/reported by operators. Excluding CSF, the 4Q20 normalized EBITDAR and EBITDARM coverages were 0.80 and 1.00, respectively, and 0.94 and 1.14, respectively, for 3Q20. See definition of Coronavirus Stimulus Funds on Page 26.

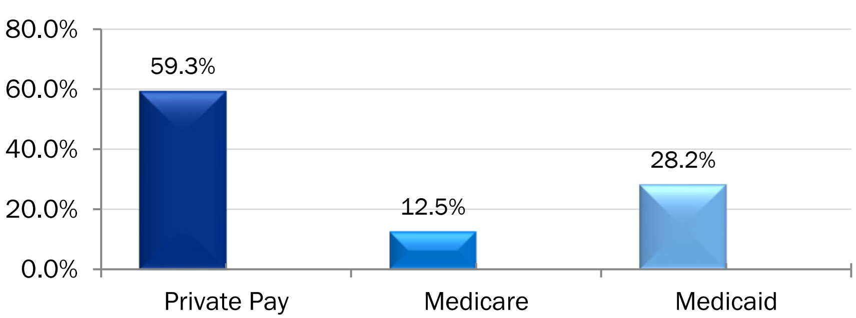
SKILLED NURSING



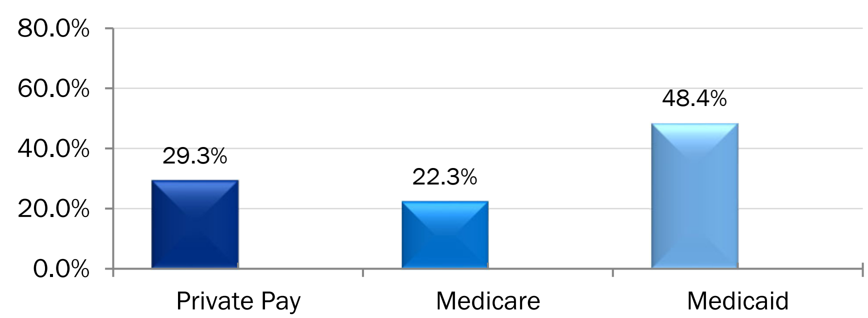
SNF metrics include CSF, as allocated/reported by operators. Excluding CSF, the 4Q20 normalized EBITDAR and EBITDARM coverages were 1.07 and 1.51, respectively, and 1.13 and 1.58, respectively, for 3Q20.

STABILIZED PROPERTY PORTFOLIO (1)(3)

TOTAL PORTFOLIO PAYOR SOURCE

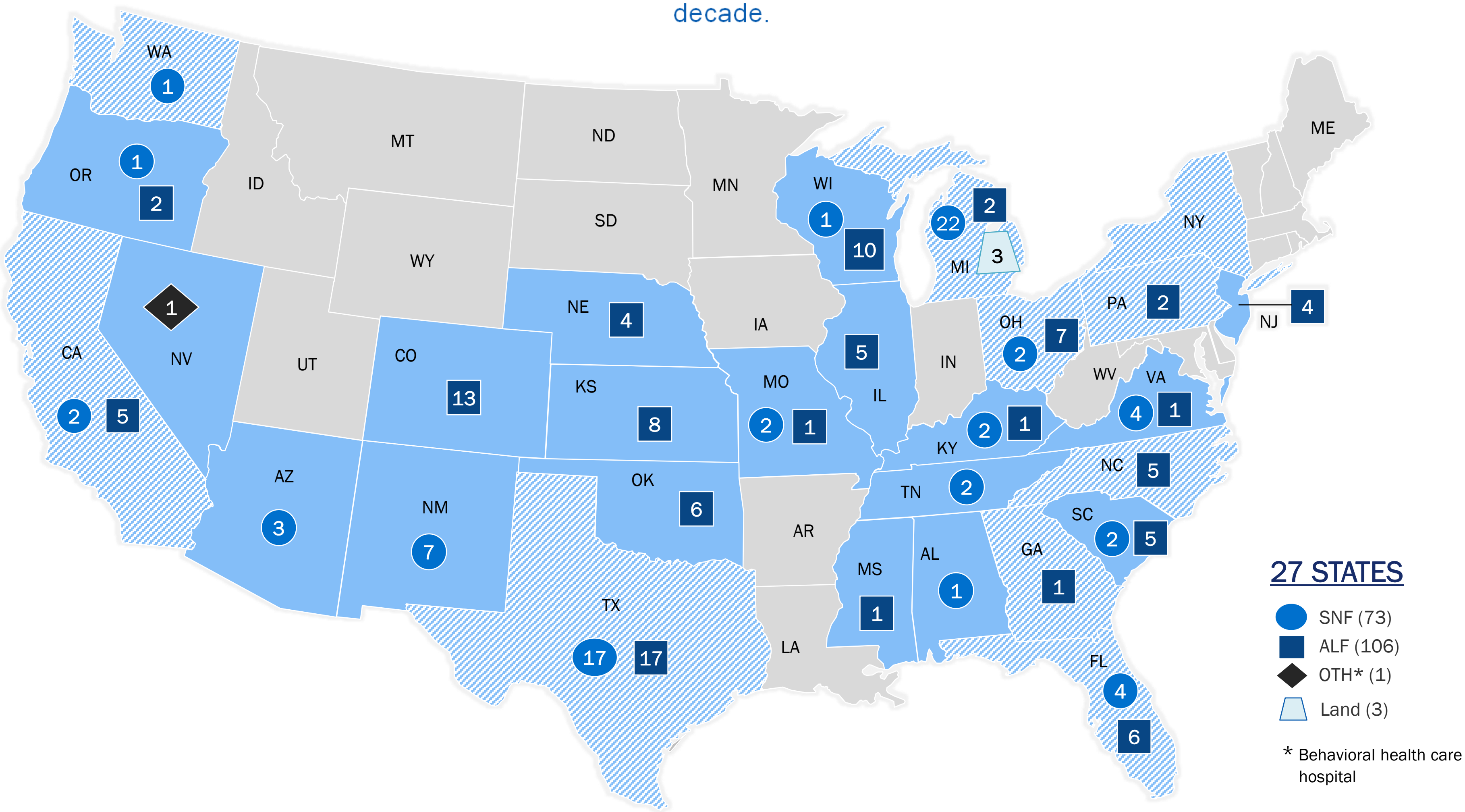


SNF PORTFOLIO PAYOR SOURCE



(1) Information is from property level operator financial statements which are unaudited and have not been independently verified by LTC.
(2) The coverage and occupancy levels at our properties will be adversely affected if COVID-19 or another pandemic results in infections on a large scale at our properties, early resident move-outs, our operators delay accepting new residents due to quarantines, and/or potential occupants postpone moving to a senior housing facility.
(3) Excludes Coronavirus Stimulus Funds. See definition on page 26.

States in which we have some of the highest concentration of properties are states with the highest projected increases in the 80+ population cohort over the next decade.



Represents 10 states with the highest projected increases in the 80+ population cohort from year 2020 to year 2030

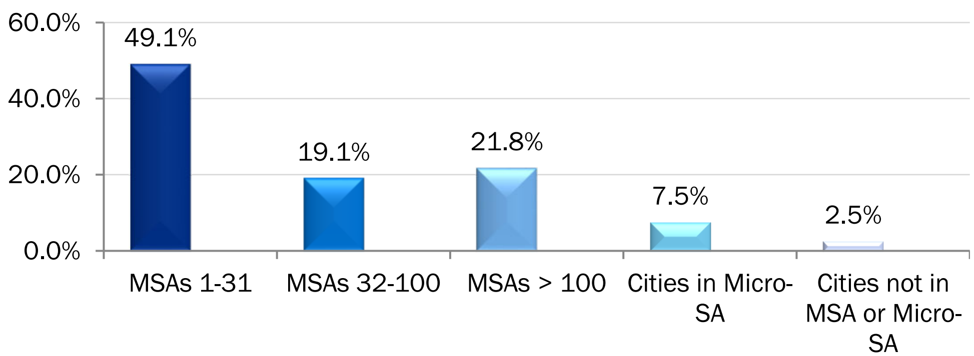
Source: The American Senior Housing Association, Winter 2018, Population Growth Forecast by State

(AS OF MARCH 31, 2021, DOLLAR AMOUNTS IN THOUSANDS)

STATE[(1)]	# OF PROPS	GROSS INVESTMENT	%	SNF	%	ALF	%	OTH[(2)]	%
Michigan	24	$ 281,995	16.5%	$259,875	31.7%	$ 21,177	2.4%	$ 943	8.3%
Texas	34	273,467	16.0%	202,604	24.7%	70,863	8.1%	—	—
Wisconsin	11	149,403	8.7%	13,946	1.7%	135,457	15.4%	—	—
California	7	105,352	6.2%	22,262	2.7%	83,090	9.5%	—	—
Colorado	13	104,307	6.1%	—	—	104,307	11.9%	—	—
Illinois	5	87,670	5.1%	—	—	87,670	10.0%	—	—
Ohio	9	86,651	5.1%	54,000	6.6%	32,651	3.7%	—	—
Florida	10	68,336	4.0%	32,865	4.0%	35,471	4.0%	—	—
Kentucky	3	62,809	3.7%	48,520	5.9%	14,289	1.6%	—	—
New Jersey	4	62,229	3.6%	—	—	62,229	7.1%	—	—
All Others	60	426,717	25.0%	186,271	22.7%	230,029	26.3%	10,417	91.7%
Total	180	$ 1,708,936	100.0%	$820,343	100.0%	$877,233	100.0%	$ 11,360	100.0%

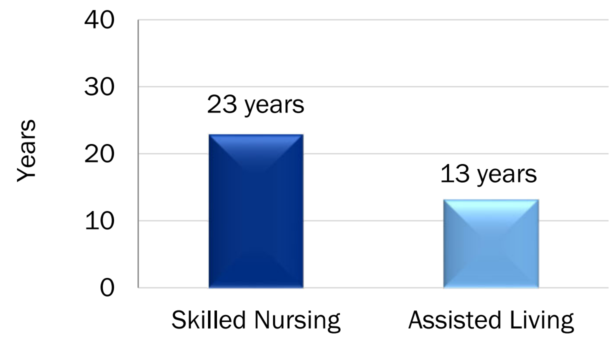
(1) Due to master leases with properties in 27 states, revenue by state is not available.
(2) Includes one behavioral health care hospital and three parcels of land.

GROSS PORTFOLIO BY MSA [(1)]



(1) The MSA rank by population as of July 1, 2019, as estimated by the United States Census Bureau. Approximately 68% of our properties are in the top 100 MSAs.

AVERAGE PORTFOLIO AGE [(1)]



(1) As calculated from construction date or major renovation/expansion date. Includes owned portfolio and mortgage loans secured by 22 SNF properties in Michigan.

PORTFOLIO DIVERSIFICATION – 30 OPERATORS

(AS OF MARCH 31, 2021, DOLLAR AMOUNTS IN THOUSANDS)

OPERATORS	# OF PROPS	ANNUALIZED GAAP[1]	%	ANNUALIZED CONTRACTUAL CASH[2]	%	ANNUALIZED ACTUAL CASH[3]	%	GROSS INVESTMENT	%
Prestige Healthcare	24	$ 32,723	19.0%	$ 26,737	16.1%	$ 26,737	20.6%	$ 273,007	16.0%
Senior Care Centers [4]	11	14,968	8.7%	14,968 [4]	9.0%	— [4]	—	138,109	8.1%
Brookdale Senior Living [5]	35	14,389	8.4%	14,417	8.7%	14,412	11.1%	101,012	5.9%
Senior Lifestyle Corporation [6]	12	13,651	7.9%	13,651	8.2%	—	—	87,386	5.1%
Anthem Memory Care [5]	11	10,800	6.3%	10,800	6.5%	10,800	8.3%	136,483	8.0%
Carespring Health Care Management	4	11,185	6.5%	9,992	6.0%	9,992	7.7%	102,520	6.0%
Fundamental	7	8,392	4.9%	8,892	5.3%	8,892	6.9%	75,795	4.4%
Traditions Senior Management	7	8,257	4.8%	8,722	5.2%	8,722	6.7%	71,742	4.2%
Genesis Healthcare [5]	6	8,322	4.8%	8,322	5.0%	8,322	6.4%	50,004	2.9%
Juniper Communities	5	6,652	3.9%	6,775	4.1%	6,775	5.2%	81,988	4.8%
All Others [5]	58	42,656	24.8%	43,116	25.9%	34,951	27.1%	590,890	34.6%
	180	$ 171,995	100.0%	$ 166,392	100.0%	$ 129,603	100.0%	$ 1,708,936	100.0%

(1) Represents annualized GAAP rent and interest income prior to abatements for the month of March 2021, except for Anthem (see operator update on page 14) and Senior Lifestyle (see footnote 6 below).
(2) Represents annualized contractual cash rent and interest income prior to abatements for the month of March 2021, except for Anthem and Senior Lifestyle.
(3) Represents annualized cash rent and interest income received after abatements for the month of March 2021.
(4) Senior Care did not pay rent in March 2021. See operator update on page 14.
(5) See operator update on page 14.
(6) Senior Lifestyle did not pay rent during 1Q21. The GAAP and contractual cash rent represents Senior Lifestyle's contractual rent, net of rent received from re-leasing 11 properties in the Senior Lifestyle portfolio. Rent received from the 11 properties re-leased in 1Q21 is included in the "All Others" line. See operator update on page 14.

Operator	Ownership	Type	Properties	States
Prestige Healthcare	Privately Held	SNF/ALF/ILF Other Rehab	78 Properties	5 States
Senior Care Centers	Privately Held	SNF/ALF	22 Properties	1 State
Brookdale Senior Living	NYSE: BKD	ILF/ALF/MC Continuing Care	695 Properties	42 States
Anthem Memory Care	Privately Held	Exclusively MC	11 Properties	4 States
Carespring	Privately Held	SNF/ALF/ILF Transitional Care	13 Properties	2 States
Fundamental	Privately Held	SNF/MC Hospitals & Other Rehab	80 Properties	8 States
Traditions Senior Management	Privately Held	SNF/ALF/ILF	23 Properties	5 States
Genesis	NYSE: GEN	SNF/ALF Senior Living	More than 325 Properties	24 States
Juniper Communities	Privately Held	ALF/ILF/MC/SNF	25 Properties	4 States

PORTFOLIO DIVERSIFICATION – OPERATOR UPDATE

(AS OF MARCH 31, 2021, DOLLAR AMOUNTS IN THOUSANDS)

Senior Care Centers

In March 2021, Senior Care Centers, LLC and Abri Health Services, LLC (collectively, "Lessee") failed to pay rent and additional obligations owed under the master lease. Accordingly, we sent a notice of default and applied the Lessee's security deposits under the master lease to rent. Furthermore, we sent the Lessee a notice of termination of the master lease to be effective April 17, 2021. On April 16, 2021, the Lessee filed for Chapter 11 bankruptcy. At the time of the April 16, 2021 bankruptcy filings by the Lessee, we were in the process of transitioning the portfolio to HMG Healthcare, LLC, with a goal to complete the transition by the end of 2Q21.

Brookdale Senior Living

Brookdale's master lease was scheduled for expiration on December 31, 2021. During 1Q21, we extended their term by one year through an amended master lease, with a new maturity date of December 31, 2022. Also, the renewal options under the amended master lease will remain the same which provides three renewal options consisting of a four-year renewal option, a five-year renewal option and a 10-year renewal option. The notice period for the first renewal option is January 1, 2022 to April 30, 2022. During 2020, we extended a $4,000 capital commitment to Brookdale, which is available through December 31, 2021 at a 7% yield. As of March 31, 2021, we have funded $2,091 under this agreement and our remaining commitment is $1,909. Brookdale is current on rent payments through April 2021.

Anthem Memory Care

Rental revenue from Anthem is currently being accounted for on a cash basis due to Anthem's 2017 default under its master lease. Anthem paid us annual cash rent of $9,900 in 2020, and we anticipate they will pay their annualized 1Q21 cash rent of $10,800 through 2021. We receive regular financial performance updates from Anthem and continue to monitor their performance obligations under the master lease agreement.

Senior Lifestyle

During 2020, an affiliate of Senior Lifestyle ("Senior Lifestyle") paid us $13,800 of their $18,400 contractual rent and we applied their letter of credit and deposits totaling $3,725 to past due rent of $3,600 and to their outstanding notes receivable of $125. Accordingly, we recognized $17,400 of rental revenue from Senior Lifestyle in 2020. To date in 2021, Senior Lifestyle has not paid rent or its other obligations under the master lease. During 1Q21, we transitioned 11 assisted living communities previously leased to Senior Lifestyle to two operators. These communities are located in Illinois, Ohio and Wisconsin. Total cash rent expected under these two master lease agreements is $5,250 for the first lease year, $7,078 for the second lease year, and $7,303 for the third lease year, escalating 2% annually thereafter. The current minimum monthly rent due from Senior Lifestyle less amounts received from the re-leased properties is $1,138. In April 2021, we transitioned a memory care property in Colorado previously leased to Senior Lifestyle, to an operator new to us. The new master lease has a five-year term with $150 of cash rent starting in the second lease year and $300 in the third lease year escalating 2% annually thereafter. For the remaining 11 assisted living communities, three communities are expected to be transferred to one of our existing operators by the end of 2Q21, three are expected to be sold by the end of 2Q21, subject to timely completion of due diligence, one is expected to be transferred by the end of July, one has been closed and will be sold for an alternative use, and options are currently being evaluated for the remaining three communities.

Genesis

Genesis reported doubt regarding its ability to continue as a going concern on its Quarterly Report on Form 10-Q filed in August 2020. On March 3, 2021, Genesis announced its three-part strategic restructuring plan to strengthen its liquidity position and capital structure. As part of its plan, Genesis delisted its Class A common stock from the New York Stock Exchange and deregistered its Class A Common Stock under the Securities Exchange Act of 1934, during 1Q21. Genesis is current on rent payments through April 2021.

Other Operators

During 2020, we consolidated our two master leases with an operator into one combined master lease and agreed to abate $650 of rent and allow the operator to defer rent as needed through March 31, 2021. During 1Q21, we granted the operator an extended three-month rent deferral period starting April 1, 2021. During 1Q21, the operator deferred $1,002 of rent. The remaining deferred balance due from this operator is $1,357 as of March 31, 2021. Additionally, during 1Q21, we sold a closed assisted living community that they previously operated.

87%[1] of 1Q21 contractual cash rent and mortgage interest collected

ABATED RENT

- $600 abated rent during 1Q21
- 2021 rent and mortgage interest escalations were reduced by 50% in the form of a rent and interest credit to provide financial support to our eligible operating partners. During 1Q21, we recognized a decrease of $292 in GAAP revenue and a $1,204 decrease in funds available for distribution. We expect the escalation reductions to reduce GAAP revenue by approximately $170, $34 and $32 during 2Q, 3Q and 4Q of 2021, respectively, and to reduce funds available for distribution by approximately $133 in 2Q21.

DELINQUENT RENT

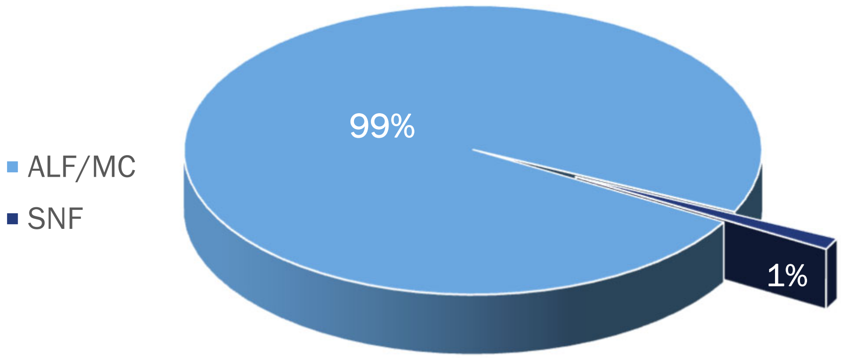
- As of March 31, 2020, Senior Lifestyle's unaccrued outstanding rent balance was $4,722. See page 14 for more detail.

CONTRACTUAL RENT AND MORTGAGE INTEREST 2021[1]

- Collected, 86.5%[1] - $34,859
- Abated, 1.5%[1] - $600
- Net Deferred, 2.8% - $1,122
- Delinquent, 9.2% - $3,720

(1) Excludes application of the 50% escalation reduction.

DEFERRED RENT OUTSTANDING BY PROPERTY TYPE



DEFERRED RENT

- Deferred rent of $1,144 and received $21 of deferred rent repayments during 1Q21.
- As of March 31, 2021, $2,165 of deferred rent was outstanding.
- Our rent deferral agreements generally require the deferred rent to be paid within 6 to 24 months.
- LTC evaluated deferral requests with close attention to ongoing operations, rent coverage, corporate financial health and liquidity of the operator.

SUBSEQUENT TO MARCH 31, 2021

- Provided $367 of deferred rent, net of repayment and $319 of rent abatement in April 2021.
- Agreed to provide rent deferrals and abatements up to $800 for each May and June 2021.

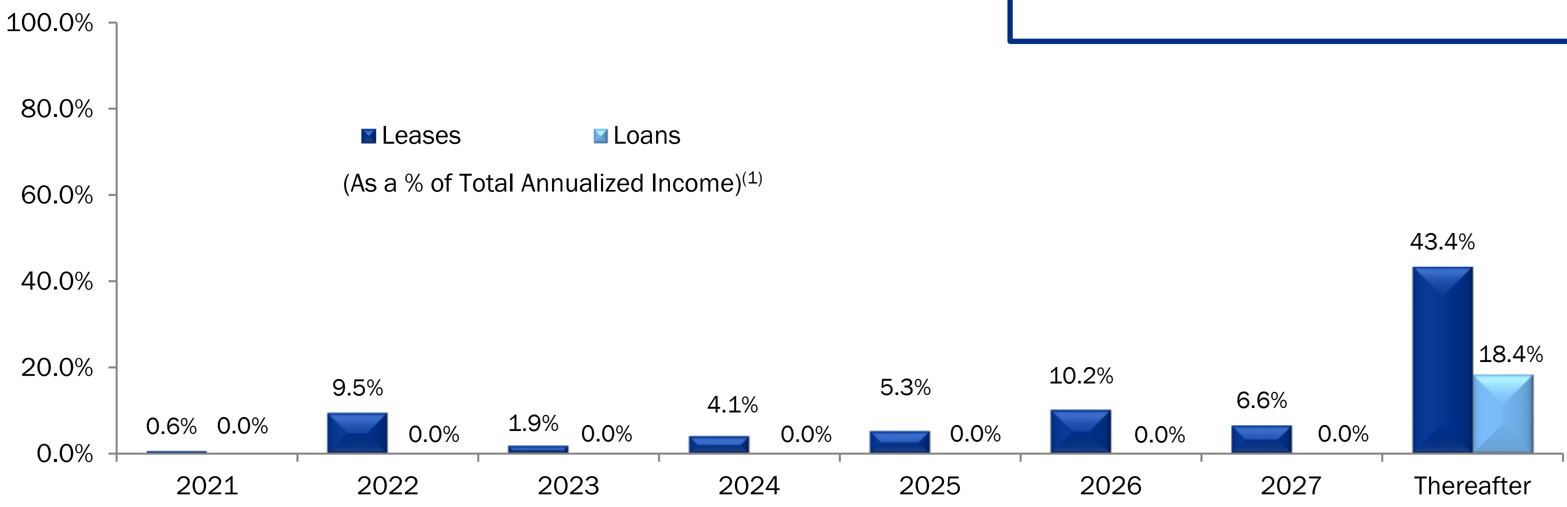
(AS OF MARCH 31, 2021, DOLLAR AMOUNTS IN THOUSANDS)

YEAR	RENTAL INCOME(1)	% OF TOTAL	INTEREST INCOME(1)	% OF TOTAL	ANNUALIZED INCOME(1)	% OF TOTAL
2021	$ 950 (2)	0.7%	$ —	—	$ 950	0.6%
2022	16,395 (3)	11.7%	—	—	16,395	9.5%
2023	3,318	2.4%	—	—	3,318	1.9%
2024	7,094	5.0%	—	—	7,094	4.1%
2025	9,068	6.5%	—	—	9,068	5.3%
2026	17,568	12.5%	—	—	17,568	10.2%
2027	11,290	8.0%	—	—	11,290	6.6%
Thereafter	74,578	53.2%	31,734	100.0%	106,312	61.8%
Total	$ 140,261	100.0%	$ 31,734	100.0%	$ 171,995	100.0%

Near Term Lease Maturities:

- One in 2021 with an annualized GAAP rent totaling $1.0 million (2)
- Three in 2022 with an annualized GAAP rent totaling $16.4 million (3)

As of March 31, 2021, approximately 92% of owned properties are covered under master leases and approximately 92% of rental revenues come from master leases or cross-default leases.



(1) Includes annualized GAAP rent for leased properties, except for Anthem and Senior Lifestyle, and annualized interest income from mortgage loans outstanding as of March 31, 2021. See page 14 for operator disclosure.
(2) The lease maturity is related to a 123-bed skilled nursing center in Washington. During 1Q21, we entered into an agreement, subject to standard due diligence and other contingencies, to sell this property.
(3) One of the three lease maturities is Brookdale which represents 88% of the annualized GAAP rent, maturing in 2022, as of March 31, 2021. See page 14 for Brookdale disclosure.

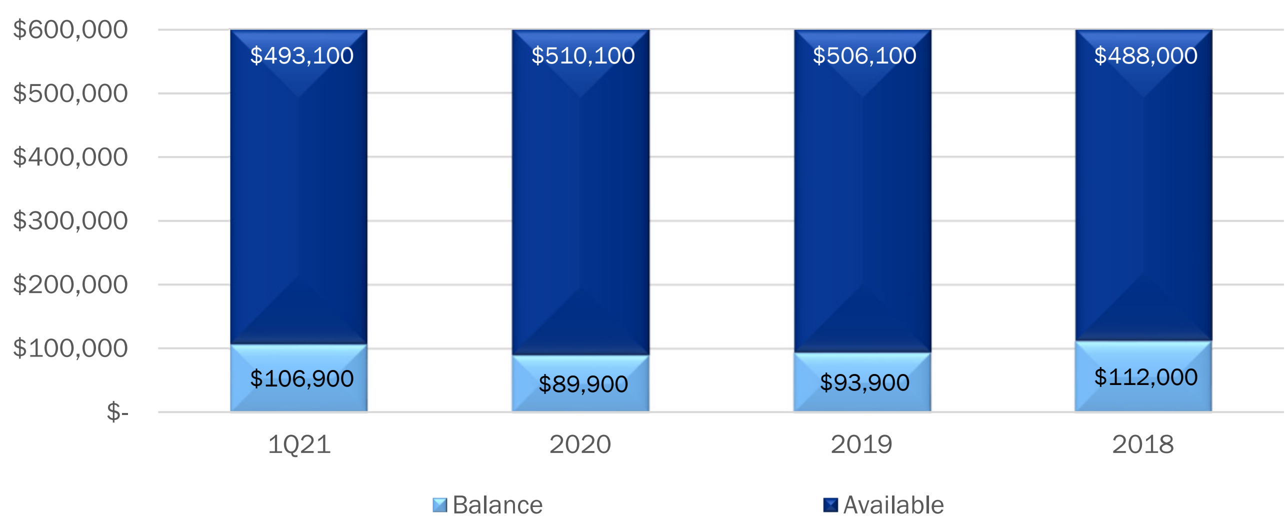
ENTERPRISE VALUE

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND NUMBER OF SHARES)

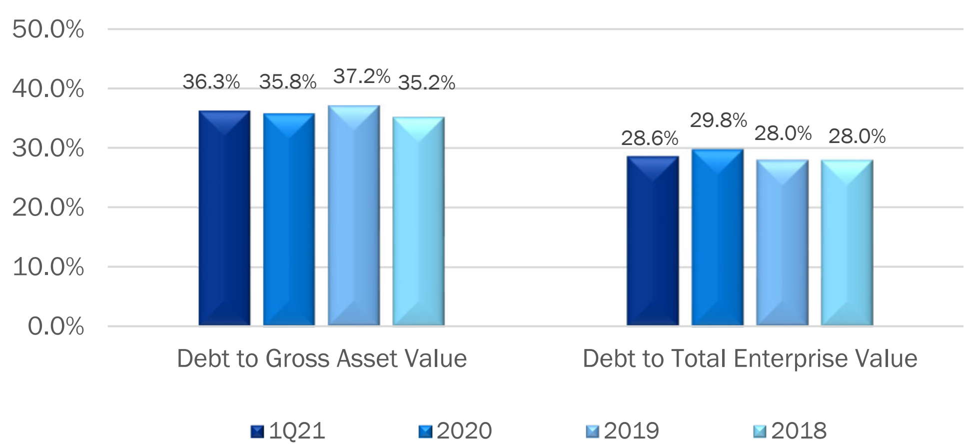
			MARCH 31, 2021	CAPITALIZATION
DEBT				
Bank borrowings - weighted average rate 1.3% (1)			$ 106,900	
Senior unsecured notes, net of debt issue costs - weighted average rate 4.4% (2)			552,521	
Total debt - weighted average rate 3.9%			659,421	28.7%
EQUITY		3/31/2021		
	No. of shares	Closing Price		
Common stock	39,361,622	$ 41.72 (3)	1,642,167	71.3%
Total Market Value			1,642,167	
TOTAL VALUE			$ 2,301,588	100.0%
Add: Non-controlling interest			8,404	
Less: Cash and cash equivalents			(8,201)	
ENTERPRISE VALUE			$ 2,301,791	
Debt to Enterprise Value			28.6%	
Debt to Annualized Adjusted EBITDAre (4)			5.1x	

(1) Subsequent to March 31, 2021, we paid $5,000 under our unsecured revolving line of credit. Accordingly, we have $101,900 outstanding with $498,100 available for borrowing.
(2) Represents outstanding balance of $553,140, net of debt issue costs of $619.
(3) Closing price of our common stock as reported by the NYSE on March 31, 2021.
(4) See page 21 for reconciliation of annualized adjusted EBITDAre.

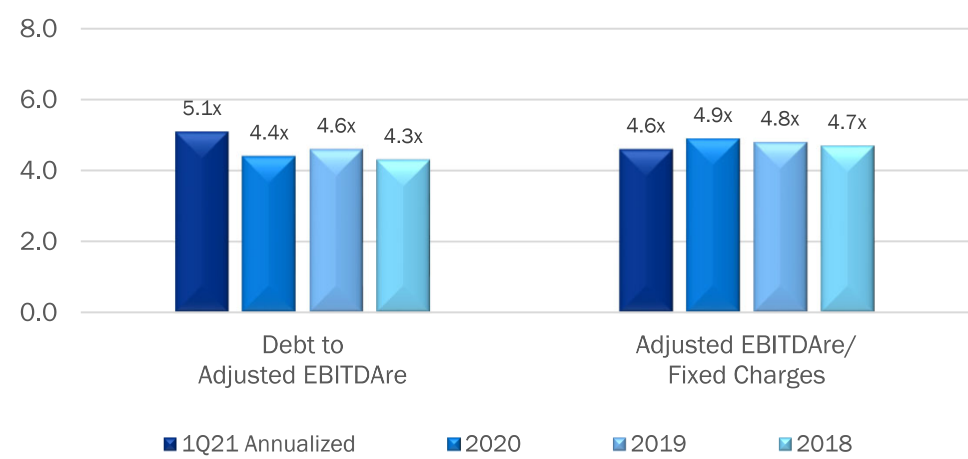
LINE OF CREDIT LIQUIDITY



LEVERAGE RATIOS



COVERAGE RATIOS

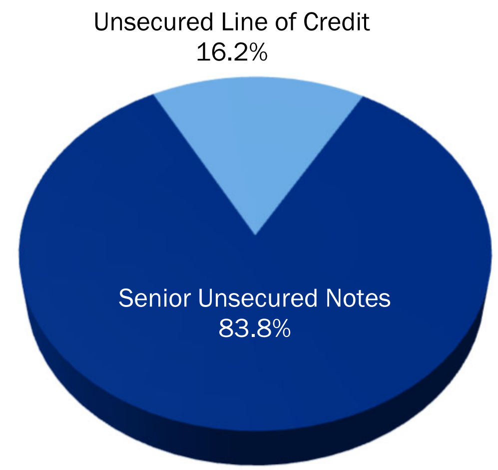


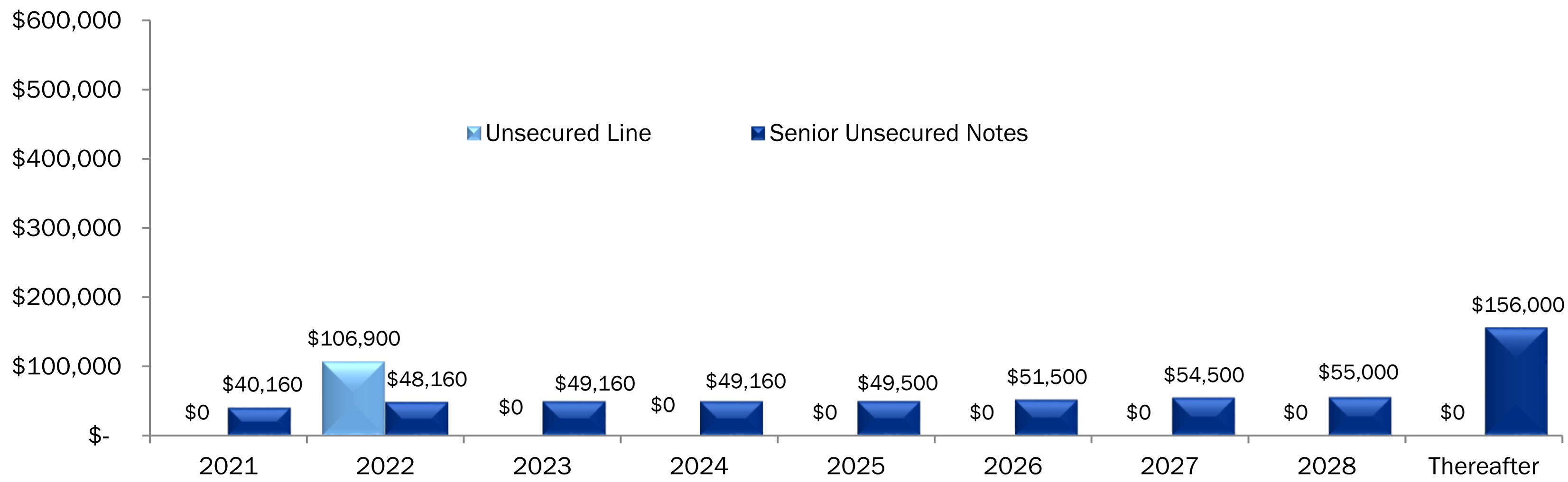
DEBT MATURITY

(AS OF MARCH 31, 2021, DOLLAR AMOUNTS IN THOUSANDS)

YEAR	UNSECURED LINE OF CREDIT (1)	SENIOR UNSECURED NOTES (2)	TOTAL	% OF TOTAL
2021	$ —	$ 40,160	$ 40,160	6.1%
2022	106,900	48,160	155,060	23.5%
2023	—	49,160	49,160	7.4%
2024	—	49,160	49,160	7.5%
2025	—	49,500	49,500	7.5%
2026	—	51,500	51,500	7.8%
2027	—	54,500	54,500	8.3%
2028	—	55,000	55,000	8.3%
Thereafter	—	156,000	156,000	23.6%
Total	$ 106,900	$ 553,140 (3)	$ 660,040 (3)	100.0%

DEBT STRUCTURE





(1) Subsequent to March 31, 2021, we paid $5,000 under our unsecured revolving line of credit. Accordingly, we have $101,900 outstanding with $498,100 available for borrowing.
(2) Reflects scheduled principal payments.
(3) Excludes debt issue costs which are netted against the principal outstanding in the senior unsecured notes balance on our Consolidated Balance Sheets shown on page 23.

FINANCIAL DATA SUMMARY
(DOLLAR AMOUNTS IN THOUSANDS)

	3/31/21	12/31/20	12/31/19	12/31/18
Gross real estate assets	$ 1,708,936	$ 1,711,844	$ 1,741,230	$ 1,666,842
Net real estate investments	$ 1,348,209	$ 1,359,609	$ 1,390,915	$ 1,349,520
Gross asset value	$ 1,816,167	$ 1,811,867	$ 1,864,705	$ 1,831,070
Total debt [1]	$ 659,421	$ 649,382	$ 693,388	$ 645,029
Total liabilities [1]	$ 690,532	$ 683,680	$ 728,783	$ 680,649
Total equity	$ 764,771	$ 775,806	$ 785,426	$ 832,971

(1) Includes outstanding gross bank borrowings and senior unsecured notes, net of debt issue costs.

NON-CASH REVENUE COMPONENTS

	1Q21	2Q21[1]	3Q21[1]	4Q21[1]	1Q22
Straight-line rent	$ 682 [2]	$ (19)	$ (119)	$ (131)	$ (222)
Amortization of lease incentives	(112)	(110)	(110)	(110)	(110)
Effective interest	1,744 [2]	1,483	1,473	1,398	1,348
Net	$ 2,314	$ 1,354	$ 1,244	$ 1,157	$ 1,016

(1) For leases and loans in place at March 31, 2021, assuming no renewals, modifications or replacements and no new investments are added to our portfolio.
(2) 2021 rent and loan escalation were reduced by 50% in the form of a rent credit to provide financial support to the majority of our operating partners.

COMPONENTS OF RENTAL INCOME

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
Cash rent	$ 28,623 [1]	$ 33,075
Revenue related to real estate taxes reimbursed by operators	3,538 [2]	4,222
Straight-line rent	682 [3]	839
Straight-line rent write-off	(758) [4]	—
Amortization of lease incentives	(112)	(101)
Total rental income	$ 31,973	$ 38,035

(1) Decreased due to reduced revenue from Senior Lifestyle, abated and deferred rent, and 50% escalation reduction partially offset by increased rent from acquisitions and completed development projects and contractual rent increases.
(2) Decreased due to Senior Lifestyle partially offset by increases from re-leasing properties to other operators.
(3) Decreased due to more leases accounted for on a cash basis and normal amortization partially offset by increases due to 50% escalation reduction for those leases accounted for on a straight-line basis.
(4) Represents a write-off of straight-line rent receivable as a result of transitioning an operator's lease to cash-basis accounting.

(DOLLAR AMOUNTS IN THOUSANDS)

RECONCILIATION OF ANNUALIZED ADJUSTED EBITDA*re* AND FIXED CHARGES

	THREE MONTHS ENDED	FOR THE YEAR ENDED		
	3/31/21	12/31/2020	12/31/2019	12/31/2018
Net income	$ 13,850	$ 95,677	$ 80,872	$ 155,076
Add/Less: Loss (gain) on sale of real estate, net	773	(44,117)	(2,106)	(70,682)
Less: Gain on insurance proceeds	—	(373) (2)	(2,111) (3)	—
Add: Loss on unconsolidated joint ventures	—	758 (4)	—	—
Add: Impairment loss from investments	—	3,977 (5)	5,500 (4)	—
Add: Interest expense	6,972	29,705	30,582	30,196
Add: Depreciation and amortization	9,877	39,071	39,216	37,555
EBITDA*re*	31,472	124,698	151,953	152,145
Add/(less): Non-recurring one-time items	758 (1)	22,841 (6)	(1,535) (7)	(3,074) (8)
Adjusted EBITDAre	**$ 32,230**	**$ 147,539**	**$ 150,418**	**$ 149,071**
Interest expense	$ 6,972	$ 29,705	$ 30,582	$ 30,196
Add: Capitalized interest	—	354	608	1,248
Fixed charges (9)	**$ 6,972**	**$ 30,059**	**$ 31,190**	**$ 31,444**
Annualized Adjusted EBITDA*re*	$ 128,920			
Annualized Fixed Charges	$ 27,888			
Debt (net of debt issue costs)	$ 659,421	$ 649,382	$ 693,388	$ 645,029
Debt to Adjusted EBITDA*re*	5.1x	4.4x	4.6x	4.3x
Adjusted EBITDA*re* to Fixed Charges	4.6x	4.9x	4.8x	4.7x

(1) Represents a write-off of straight-line rent receivable as a result of transitioning an operator's lease to cash-basis accounting.
(2) Represents gain on insurance proceeds related to roof damage at a property.
(3) Represents gain from property insurance proceeds related to a previously sold property in Texas.
(4) In 4Q19, we wrote down our investment in an unconsolidated joint venture (“JV”) to its estimated fair value as a result of the JV entering into a contract to sell the properties comprising the JV. In 2Q20, the JV sold the properties and we incurred an additional loss of $758.
(5) Represents an impairment loss relating to a 48-unit memory care in Colorado and a 61-unit assisted living community in Florida which was sold in 1Q21.
(6) Represents the $23,029 straight-line rent receivable write-off related to Senior Lifestyle, Genesis and another operator, the write-off of Senior Lifestyle’s lease incentives balance ($185) offset by (2) above.
(7) Represents (3) above and $1,350 deferred rent repayment from an operator offset by $1,926 write-off of straight-line rent due to a lease termination.
(8) Represents net write-off of earn-out liabilities and the related lease incentives.
(9) Given we do not have preferred stock, our fixed-charge coverage ratio and interest coverage ratio are the same.

INCOME STATEMENT DATA

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31, 2021	THREE MONTHS ENDED MARCH 31, 2020
	(unaudited)	
Revenues		
Rental income	$ 31,973	$ 38,035
Interest income from mortgage loans	7,922	7,777
Interest and other income	385	598
Total revenues	40,280	46,410
Expenses		
Interest expense	6,972	7,710
Depreciation and amortization	9,877	9,669
(Recovery) provision for credit losses	(9)	1
Transaction costs	92	70
Property tax expense	3,981	4,223
General and administrative expenses	5,033	5,100
Total expenses	25,946	26,773
Other Operating Income		
(Loss) gain on sale of real estate, net	(773)	43,854
Operating Income	13,561	63,491
Income from unconsolidated joint ventures	289	231
Net Income	13,850	63,722
Income allocated to non-controlling interests	(88)	(89)
Net income attributable to LTC Properties, Inc.	13,762	63,633
Income allocated to participating securities	(120)	(263)
Net income available to common stockholders	$ 13,642	$ 63,370
Earnings per common share:		
Basic	$0.35	$1.60
Diluted	$0.35	$1.60
Weighted average shares used to calculate earnings per common share:		
Basic	39,100	39,539
Diluted	39,179	39,541
Dividends declared and paid per common share	$0.57	$0.57

CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MARCH 31, 2021	DECEMBER 31, 2020
ASSETS	*(unaudited)*	*(audited)*
Investments:		
Land	$ 126,331	$ 127,774
Buildings and improvements	1,314,707	1,324,227
Accumulated depreciation and amortization	(354,623)	(349,643)
Operating real estate property, net	1,086,415	1,102,358
Properties held-for-sale, net of accumulated depreciation: 2021—$3,512; 2020—$0	4,512	—
Real property investments, net	1,090,927	1,102,358
Mortgage loans receivable, net of loan loss reserve: 2021—$2,592; 2020—$2,592	257,282	257,251
Real estate investments, net	1,348,209	1,359,609
Notes receivable, net of loan loss reserve: 2021—$137; 2020—$146	13,577	14,465
Investments in unconsolidated joint ventures	19,340	11,340
Investments, net	1,381,126	1,385,414
Other assets:		
Cash and cash equivalents	8,201	7,772
Debt issue costs related to bank borrowings	1,104	1,324
Interest receivable	34,491	32,746
Straight-line rent receivable	24,377	24,452
Lease incentives	2,349	2,462
Prepaid expenses and other assets	3,655	5,316
Total assets	$ 1,455,303	$ 1,459,486
LIABILITIES		
Bank borrowings	$ 106,900	$ 89,900
Senior unsecured notes, net of debt issue costs: 2021—$619; 2020—$658	552,521	559,482
Accrued interest	3,347	4,216
Accrued expenses and other liabilities	27,764	30,082
Total liabilities	690,532	683,680
EQUITY		
Stockholders' equity:		
Common stock: $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2021—39,362; 2020—39,242	394	392
Capital in excess of par value	851,150	852,780
Cumulative net income	1,402,537	1,388,775
Cumulative distributions	(1,497,714)	(1,474,545)
Total LTC Properties, Inc. stockholders' equity	756,367	767,402
Non-controlling interests	8,404	8,404
Total equity	764,771	775,806
Total liabilities and equity	$ 1,455,303	$ 1,459,486

FUNDS FROM OPERATIONS – RECONCILIATION OF FFO AND FAD

(UNAUDITED, AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
GAAP net income available to common stockholders	$ 13,642	$ 63,370
Add: Depreciation and amortization	9,877	9,669
Add/(less): Loss (gain) on sale of real estate, net	773	(43,854)
NAREIT FFO attributable to common stockholders	$ 24,292	$ 29,185
NAREIT Diluted FFO attributable to common stockholders per share	$0.62	$0.74
NAREIT FFO attributable to common stockholders	$ 24,292	$ 29,185
Add: Non-recurring items	758 (1)	—
FFO attributable to common stockholders, excluding non-recurring items	$ 25,050	$ 29,185
NAREIT FFO attributable to common stockholders	$ 24,292	$ 29,185
Non-cash income:		
Less: Straight-line rental income	(682)	(839)
Add: Amortization of lease incentives	112	101
Add: Other non-cash contra revenue	758 (1)	—
Less: Effective interest income from mortgage loans	(1,744)	(1,523)
Net non-cash income	(1,556)	(2,261)
Non-cash expense:		
Add: Non-cash compensation charges	1,852	1,777
Less: Capitalized interest	—	(191)
Net non-cash expense	1,852	1,586
Funds available for distribution (FAD)	$ 24,588	$ 28,510

(1) Represents a write-off of straight-line rent receivable as a result of transitioning an operator's lease to cash-basis accounting.

(UNAUDITED, AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	FFO		FAD	
FOR THE THREE MONTHS ENDED MARCH 31,	**2021**	**2020**	**2021**	**2020**
FFO/FAD attributable to common stockholders	$ 24,292	$ 29,185	$ 24,588	$ 28,510
Non-recurring one-time items	758 [(1)]	—	—	—
FFO/FAD attributable to common stockholders excluding non-recurring items	25,050	29,185	24,588	28,510
Effect of dilutive securities:				
Participating securities	120	—	120	—
Diluted FFO/FAD excluding non-recurring items	$ 25,170	$ 29,185	$ 24,708	$ 28,510
Shares for basic FFO/FAD per share	39,100	39,539	39,100	39,539
Effect of dilutive securities:				
Stock options	1	2	1	2
Performance-based stock units	78	—	78	—
Participating securities	195	—	195	—
Shares for diluted FFO/FAD per share	39,374	39,541	39,374	39,541

(1) Represents a write-off of straight-line rent receivable as a result of transitioning an operator's lease to cash-basis accounting.

Assisted Living Communities ("ALF"): The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See Independent Living and Memory Care) Assisted living properties are seniors housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

Contractual Lease Rent: Rental revenue as defined by the lease agreement between us and the operator for the lease year.

Coronavirus Stimulus Funds ("CSF"): CSF includes funding from various state and federal programs to support healthcare providers in dealing with the challenges of the coronavirus pandemic. Included in CSF are state-specific payments identified by operators as well as federal payments connected to the Paycheck Protection Program and the Provider Relief Fund. CSF is self-reported by operators in unaudited financial statements provided to LTC. Specifically excluded from CSF are the suspension of the Medicare sequestration cut, and increases to the Federal Medical Assistance Percentages (FMAP), both of which are reflected in reported coverage both including and excluding CSF.

Earnings Before Interest, Tax, Depreciation and Amortization for Real Estate ("EBITDA*re*"): As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), EBITDA*re* is calculated as net income (computed in accordance with GAAP) excluding (i) interest expense, (ii) income tax expense, (iii) real estate depreciation and amortization, (iv) impairment write-downs of depreciable real estate, (v) gains or losses on the sale of depreciable real estate, and (vi) adjustments for unconsolidated partnerships and joint ventures.

Funds Available for Distribution ("FAD"): FFO excluding the effects of straight-line rent, amortization of lease costs, effective interest income, deferred income from unconsolidated joint ventures, non-cash compensation charges, capitalized interest and non-cash interest charges.

Funds From Operations ("FFO"): As defined by NAREIT, net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

GAAP Lease Yield: GAAP rent divided by the sum of the purchase price and transaction costs.

GAAP Rent: Total rent we will receive as a fixed amount over the initial term of the lease and recognized evenly over that term. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

Gross Asset Value: The carrying amount of total assets after adding back accumulated depreciation and loan loss reserves, as reported in the company's consolidated financial statements.

Gross Investment: Original price paid for an asset plus capital improvements funded by LTC, without any depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

Independent Living Communities ("ILF"): Seniors housing properties offering a sense of community and numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or seniors apartments.

Interest Income: Represents interest income from mortgage loans and other notes.

Licensed Beds/Units: The number of beds and/or units that an operator is authorized to operate at seniors housing and long-term care properties. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

Memory Care Communities ("MC"): Seniors housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

Metropolitan Statistical Areas ("MSA"): Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population. MSAs 1 to 31 have a population of 20.3M – 2.1M. MSAs 32 to 100 have a population of 2.1M – 0.6M. MSAs less than 100 have a population of 0.5M – 55K. Cities in a Micro-SA have a population of 216K – 13K. Cities not in a MSA has population of less than 100K.

Mezzanine: In certain circumstances, the Company strategically allocates a portion of its capital deployment toward mezzanine loans to grow relationships with operating companies that have not typically utilized sale leaseback financing as a component of their capital structure. Mezzanine financing sits between senior debt and common equity in the capital structure, and typically is used to finance development projects or value-add opportunities on existing operational properties. We seek market-based, risk-adjusted rates of return typically between 12-18% with the loan term typically between four to eight years. Security for mezzanine loans can include all or a portion of the following credit enhancements; secured second mortgage, pledge of equity interests and personal/corporate guarantees. Mezzanine loans can be recorded for GAAP purposes as either a loan or joint venture depending upon specifics of the loan terms and related credit enhancements.

Micropolitan Statistical Areas ("Micro-SA"): Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 population.

Mortgage Loan: Mortgage financing is provided on properties based on our established investment underwriting criteria and secured by a first mortgage. Subject to underwriting, additional credit enhancements may be required including, but not limited to, personal/corporate guarantees and debt service reserves. When possible, LTC attempts to negotiate a purchase option to acquire the property at a future time and lease the property back to the borrower.

Net Real Estate Assets: Gross real estate investment less accumulated depreciation. Net Real Estate Asset is commonly referred to as Net Book Value ("NBV").

Non-cash Rental Income: Straight-line rental income and amortization of lease inducement.

Non-cash Compensation Charges: Vesting expense relating to stock options and restricted stock.

Normalized EBITDAR Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

Normalized EBITDARM Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.

Occupancy: The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

Operator Financial Statements: Property level operator financial statements which are unaudited and have not been independently verified by us.

Payor Source: LTC revenue by operator underlying payor source for the period presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

Private Pay: Private pay includes private insurance, HMO, VA, and other payors.

Purchase Price: Represents the fair value price of an asset that is exchanged in an orderly transaction between market participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

Rental Income: Represents GAAP rent net of amortized lease inducement cost.

Same Property Portfolio ("SPP"): Same property statistics allow for the comparative evaluation of performance across a consistent population of LTC's leased property portfolio and the Prestige Healthcare mortgage loan portfolio. Our SPP is comprised of stabilized properties occupied and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a property must be occupied and stabilized for a minimum of 15 months to be included in our SPP.

Skilled Nursing Properties ("SNF"): Seniors housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare or state Medicaid programs.

Stabilized: Properties are generally considered stabilized upon the earlier of achieving certain occupancy thresholds (e.g. 80% for SNFs and 90% for ALFs) and, as applicable, 12 months from the date of acquisition/lease transition or, in the event of a de novo development, redevelopment, major renovations or addition, 24 months from the date the property is first placed in or returned to service, or properties acquired in lease-up.

Under Development Properties ("UDP"): Development projects to construct seniors housing properties.