# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20459**

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# FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report: **March 1, 2018**
(Date of earliest event reported)

# LTC PROPERTIES, INC.
(Exact name of Registrant as specified in its charter)

| | | |
|---|---|---|
| **Maryland** | **1-11314** | **71-0720518** |
| (State or other jurisdiction of incorporation or organization) | (Commission file number) | (I.R.S. Employer Identification No) |

**2829 Townsgate Road, Suite 350**
**Westlake Village, CA 91361**
(Address of principal executive offices)

**(805) 981-8655**
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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**Item 2.02. — Results of Operations and Financial Condition**

On March 1, 2018, LTC Properties, Inc. announced the operating results for the three months ended December 31, 2017. The text of the press release and the supplemental information package are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are specifically incorporated by reference herein.

The information in this Form 8-K and the related information in the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of LTC under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01. — Financial Statements and Exhibits**

| | |
|---|---|
| 99.1 | Press Release issued March 1, 2018. |
| 99.2 | LTC Properties, Inc. Supplemental Information Package for the period ending December 31, 2017. |

**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LTC PROPERTIES, INC.

Dated: March 1, 2018

By: /s/ WENDY L. SIMPSON
Wendy L. Simpson
Chairman, CEO & President

**FOR IMMEDIATE RELEASE**

For more information contact:
Wendy L. Simpson
Pam Kessler
(805) 981-8655

**LTC REPORTS 2017 FOURTH QUARTER RESULTS
AND DISCUSSES RECENT INVESTMENT ACTIVITY**

WESTLAKE VILLAGE, CALIFORNIA, March 1, 2018— LTC Properties, Inc. (NYSE: LTC), a real estate investment trust that primarily invests in seniors housing and health care properties, today announced operating results for its fourth quarter ended December 31, 2017.

Net income available to common stockholders was $19.8 million, or $0.50 per diluted share, for the 2017 fourth quarter, compared with $20.6 million, or $0.53 per diluted share, for the same period in 2016. The decrease in net income available to common stockholders was primarily due to: a $1.2 million net loss on the sale of an assisted living community; donation of a skilled nursing center in the fourth quarter of 2017; higher interest expense resulting from the sale of $100.0 million senior unsecured notes in 2017; a reduction in rental income related to the properties sold in 2017; and a defaulted master lease that was placed on a cash basis during the third quarter of 2017, partially offset by higher income from unconsolidated joint ventures and mezzanine loans.

Funds from Operations ("FFO") was $30.4 million for the 2017 fourth quarter, compared with $30.7 million for the comparable 2016 period. FFO per diluted common share was $0.77 and $0.78 for the quarters ended December 31, 2017 and 2016, respectively. The decrease in FFO and FFO per diluted common share was primarily due to the same factors that impacted net income available to common stockholders, except for the net loss on sale which is added back to FFO.

During the fourth quarter of 2017, LTC completed the following transactions:

- Acquired a newly constructed 73-unit assisted living and memory care community in Missouri for $16.6 million. The property was added to an existing master lease agreement at an initial annual lease rate of 7.0%.

- Entered into a partnership agreement with a 90% controlling interest to develop a 110-unit independent living, assisted living and memory care community in Wisconsin. The total estimated project cost, including the purchase of land, is $22.5 million. LTC anticipates entering into a 10-year lease agreement at an initial cash yield of 7.5% with a new operator.

- Entered into a partnership agreement with a 90% controlling interest to acquire an 87-unit assisted living and memory care community in South Carolina for $10.0 million. Simultaneously with the acquisition, LTC entered into a 10-year master lease agreement with a new operator at an initial cash yield of 7.25%.

- Completed the development of a 66-unit memory care community in Illinois which opened in December 2017.



- Sold a 36-unit closed assisted living community in Oregon for $1.4 million and recorded a net loss on sale of $70,000.

- Donated an 85-bed skilled nursing center located in Texas to a nonprofit health care provider organization. The net book value of this property was $1.2 million.

**Conference Call Information**

LTC will conduct a conference call on Friday, March 2, 2018, at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time), to provide commentary on its performance and operating results for the quarter ended December 31, 2017. The conference call is accessible by telephone and the internet. Telephone access will be available by dialing 877-510-2862 (domestically) or 412-902-4134 (internationally). To participate in the webcast, go to LTC's website at www.LTCreit.com 15 minutes before the call to download the necessary software.

An audio replay of the conference call will be available from March 2 through March 16, 2018 and may be accessed by dialing 877-344-7529 (domestically) or 412-317-0088 (internationally) and entering conference number 10115647. Additionally, an audio archive will be available on LTC's website on the "Presentations" page of the "Investor Information" section, which is under the "Investors" tab. LTC's earnings release and supplemental information package for the current period will be available on its website on the "Press Releases" and "Presentations" pages, respectively, of the "Investor Information" section which is under the "Investors" tab.

**About LTC**

LTC is a self-administered real estate investment trust that primarily invests in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including mezzanine lending. At December 31, 2017, LTC had 202 investments located in 29 states comprising 105 assisted living communities, 96 skilled nursing centers and 1 behavioral health care hospital. Assisted living communities, independent living communities, memory care communities and combinations thereof are included in the assisted living property type. For more information on LTC Properties, Inc., visit the Company's website at www.LTCreit.com, or connect with us on Twitter @LTCreit and LinkedIn.

**Forward Looking Statements**

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. Please see LTC's most recent Annual Report on Form 10-K, its subsequent Quarterly Reports on Form 10-Q, and its other publicly available filings with the Securities and Exchange Commission for a discussion of these and other 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 LTC 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.

(financial tables follow)



**LTC PROPERTIES, INC.**
**CONSOLIDATED STATEMENTS OF INCOME**
*(amounts in thousands, except per share amounts)*

| | Three Months Ended December 31, 2017 | Three Months Ended December 31, 2016 | Twelve Months Ended December 31, 2017 | Twelve Months Ended December 31, 2016 |
|---|---|---|---|---|
| | (unaudited) | | (audited) | |
| Revenues: | | | | |
| Rental income | $ 34,124 | $ 34,822 | $ 137,657 | $ 133,527 |
| Interest income from mortgage loans | 6,719 | 6,974 | 26,769 | 27,321 |
| Interest and other income | 886 | 345 | 3,639 | 735 |
| Total revenues | 41,729 | 42,141 | 168,065 | 161,583 |
| Expenses: | | | | |
| Interest expense | 7,683 | 6,856 | 29,949 | 26,442 |
| Depreciation and amortization | 9,424 | 9,309 | 37,610 | 35,932 |
| Impairment charges | — | 766 | 1,880 | 766 |
| (Recovery) provision for doubtful accounts | (67) | 212 | (206) | 457 |
| Transaction costs | — | 83 | 56 | 179 |
| General and administrative expenses | 4,243 | 4,548 | 17,513 | 17,412 |
| Total expenses | 21,283 | 21,774 | 86,802 | 81,188 |
| Operating income | 20,446 | 20,367 | 81,263 | 80,395 |
| Income from unconsolidated joint ventures | 628 | 299 | 2,263 | 1,138 |
| (Loss) gain on sale of real estate, net | (1,240) | — | 3,814 | 3,582 |
| Net income | 19,834 | 20,666 | 87,340 | 85,115 |
| Income allocated to participating securities | (81) | (89) | (362) | (385) |
| Net income available to common stockholders | $ 19,753 | $ 20,577 | $ 86,978 | $ 84,730 |
| **Earnings per common share:** | | | | |
| Basic | $ 0.50 | $ 0.53 | $ 2.21 | $ 2.21 |
| Diluted | $ 0.50 | $ 0.53 | $ 2.20 | $ 2.21 |
| **Weighted average shares used to calculate earnings per common share:** | | | | |
| Basic | 39,429 | 39,065 | 39,409 | 38,388 |
| Diluted | 39,645 | 39,260 | 39,637 | 38,597 |
| Dividends declared and paid per common share | $ 0.57 | $ 0.57 | $ 2.28 | $ 2.19 |



**Supplemental Reporting Measures**

FFO, adjusted FFO ("AFFO"), and Funds Available for Distribution ("FAD") are supplemental measures of a real estate investment trust's ("REIT") financial performance that are not defined by U.S. generally accepted accounting principles ("GAAP"). Investors, analysts and the Company use FFO, AFFO and FAD as supplemental measures of operating performance. The Company believes FFO, AFFO and FAD are helpful in evaluating the operating performance of a REIT. Real estate values historically rise and fall with market conditions, but cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time. We believe that by excluding the effect of historical cost depreciation, which may be of limited relevance in evaluating current performance, FFO, AFFO and FAD facilitate like comparisons of operating performance between periods. Additionally the Company believes that normalized FFO, normalized AFFO and normalized FAD provide useful information because they allow investors, analysts and our management to compare the Company's operating performance on a consistent basis without having to account for differences caused by unanticipated items.

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), means net income available to common stockholders (computed in accordance with 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. Normalized FFO represents FFO adjusted for certain items detailed in the reconciliations. The Company's computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or have a different interpretation of the current NAREIT definition from that of the Company; therefore, caution should be exercised when comparing our Company's FFO to that of other REITs.

We define AFFO as FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures. GAAP requires rental revenues related to non-contingent leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. This method results in rental income in the early years of a lease that is higher than actual cash received, creating a straight-line rent receivable asset included in our consolidated balance sheet. At some point during the lease, depending on its terms, cash rent payments exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. Effective interest method, as required by GAAP, is a technique for calculating the actual interest rate for the term of a mortgage loan based on the initial origination value. Similar to the accounting methodology of straight-line rent, the actual interest rate is higher than the stated interest rate in the early years of the mortgage loan thus creating an effective interest receivable asset included in the interest receivable line item in our consolidated balance sheet and reduces down to zero when, at some point during the mortgage loan, the stated interest rate is higher than the actual interest rate. By excluding the non-cash portion of rental income, interest income from mortgage loans and income from unconsolidated joint ventures, investors, analysts and our management can compare AFFO between periods. Normalized AFFO represents AFFO adjusted for certain items detailed in the reconciliations.

We define FAD as AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges. FAD is useful in analyzing the portion of cash flow that is available for distribution to stockholders. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents annual distributions to common shareholders expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs. Normalized FAD represents FAD adjusted for certain items detailed in the reconciliations.

While the Company uses FFO, Normalized FFO, AFFO, Normalized AFFO, FAD and Normalized FAD as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders, such measures are not representative of cash generated from operating activities in accordance with GAAP, and are not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income available to common stockholders.



**Reconciliation of FFO, AFFO and FAD**

The following table reconciles GAAP net income available to common stockholders to each of NAREIT FFO attributable to common stockholders and normalized FFO attributable to common stockholders, as well as normalized AFFO and normalized FAD *(unaudited, amounts in thousands, except per share amounts)*:

| | Three Months Ended December 30, | | Twelve Months Ended December 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| GAAP net income available to common stockholders | $ 19,753 | $ 20,577 | $ 86,978 | $ 84,730 |
| Add: Depreciation and amortization | 9,424 | 9,309 | 37,610 | 35,932 |
| Add: Impairment charges | — | 766 | 1,880 | 766 |
| Loss (Gain) on sale of real estate, net | 1,240 | — | (3,814) | (3,582) |
| NAREIT FFO attributable to common stockholders | 30,417 | 30,652 | 122,654 | 117,846 |
| | | | | |
| Less: Non-cash rental income | (2,804) | (4,777) | (8,485) | (11,532) |
| Less: Non-cash other income | — | — | (842) | — |
| Less: Effective interest income from mortgage loans | (1,398) | (1,349) | (5,500) | (5,256) |
| Less: Deferred income from unconsolidated joint ventures | (36) | — | (177) | — |
| Adjusted FFO (AFFO) | 26,179 | 24,526 | 107,650 | 101,058 |
| | | | | |
| Add: Non-cash compensation charges | 1,282 | 1,131 | 5,249 | 4,280 |
| Add: Non-cash interest related to earn-out liabilities | 126 | 146 | 602 | 684 |
| Less: Capitalized interest | (281) | (215) | (908) | (1,408) |
| Funds available for distribution (FAD) | $ 27,306 | $ 25,588 | $ 112,593 | $ 104,614 |
| | | | | |
| NAREIT Basic FFO attributable to common stockholders per share | $ 0.77 | $ 0.78 | $ 3.11 | $ 3.07 |
| NAREIT Diluted FFO attributable to common stockholders per share | $ 0.77 | $ 0.78 | $ 3.10 | $ 3.06 |
| | | | | |
| NAREIT Diluted FFO attributable to common stockholders | $ 30,498 | $ 30,741 | $ 123,016 | $ 118,231 |
| Weighted average shares used to calculate NAREIT diluted FFO per share attributable to common stockholders | 39,645 | 39,260 | 39,637 | 38,597 |
| | | | | |
| Diluted AFFO | $ 26,260 | $ 24,615 | $ 108,012 | $ 101,443 |
| Weighted average shares used to calculate diluted AFFO per share | 39,645 | 39,260 | 39,637 | 38,597 |
| | | | | |
| Diluted FAD | $ 27,387 | $ 25,677 | $ 112,955 | $ 104,999 |
| Weighted average shares used to calculate diluted FAD per share | 39,645 | 39,260 | 39,637 | 38,597 |



**LTC PROPERTIES, INC.**
**CONSOLIDATED BALANCE SHEETS**
*(amounts in thousands, except per share)*

| | December 31, 2017 (audited) | December 31, 2016 (audited) |
|---|---|---|
| **ASSETS** | | |
| Investments: | | |
| Land | $ 124,041 | $ 116,096 |
| Buildings and improvements | 1,262,335 | 1,185,467 |
| Accumulated depreciation and amortization | (304,117) | (275,861) |
| Operating real estate property, net | 1,082,259 | 1,025,702 |
| Properties held-for-sale, net of accumulated depreciation: 2017—$1,916; 2016—$0 | 3,830 | — |
| Real property investments, net | 1,086,089 | 1,025,702 |
| Mortgage loans receivable, net of loan loss reserve: 2017—$2,255; 2016—$2,315 | 223,907 | 229,801 |
| Real estate investments, net | 1,309,996 | 1,255,503 |
| Notes receivable, net of loan loss reserve: 2017—$166; 2016—$166 | 16,402 | 16,427 |
| Investments in unconsolidated joint ventures | 29,898 | 25,221 |
| Investments, net | 1,356,296 | 1,297,151 |

| | | |
|---|---|---|
| Other assets: | | |
| Cash and cash equivalents | 5,213 | 7,991 |
| Debt issue costs related to bank borrowings | 810 | 1,847 |
| Interest receivable | 15,050 | 9,683 |
| Straight-line rent receivable, net of allowance for doubtful accounts: 2017—$814; 2016—$960 | 64,490 | 55,276 |
| Prepaid expenses and other assets | 23,711 | 22,948 |
| Total assets | $ 1,465,570 | $ 1,394,896 |
| | | |
| **LIABILITIES** | | |
| Bank borrowings | $ 96,500 | $ 107,100 |
| Senior unsecured notes, net of debt issue costs: 2017—$1,131; 2016—$1,009 | 571,002 | 502,291 |
| Accrued interest | 5,276 | 4,675 |
| Accrued incentives and earn-outs | 8,916 | 12,229 |
| Accrued expenses and other liabilities | 25,228 | 28,553 |
| Total liabilities | 706,922 | 654,848 |
| | | |
| **EQUITY** | | |
| Stockholders' equity: | | |
| Common stock: $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2017—39,570; 2016—39,221 | 396 | 392 |
| Capital in excess of par value | 856,992 | 839,005 |
| Cumulative net income | 1,100,783 | 1,013,443 |
| Cumulative distributions | (1,203,011) | (1,112,792) |
| Total LTC Properties, Inc. stockholders' equity | 755,160 | 740,048 |
| Non-controlling interests | 3,488 | — |
| Total equity | 758,648 | 740,048 |
| Total liabilities and equity | $ 1,465,570 | $ 1,394,896 |

Exhibit 99.2

Harbour Senior Living of Monroeville
Monroeville, PA

# Supplemental Operating & Financial Data

December 2017

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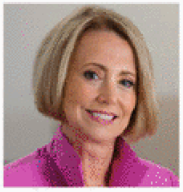
Carmel Village at Clovis
Clovis, CA

# Leadership



**WENDY SIMPSON**
Chairman, Chief Executive Officer and President

**PAM KESSLER**
Executive Vice President, CFO and Secretary

**CLINT MALIN**
Executive Vice President and Chief Investment Officer

**CECE CHIKHALE**
Senior Vice President, Controller and Treasurer

**DOUG KOREY**
Senior Vice President, Managing Director of Business Development

**PETER LYEW**
Vice President, Director of Taxes

**GIBSON SATTERWHITE**
Vice President, Asset Management

## Board of Directors

**WENDY SIMPSON**
Chairman

**BOYD HENDRICKSON**
Lead Independent Director

**JAMES PIECZYNSKI**
Nominating & Corporate Governance Committee Chairman

**DEVRA SHAPIRO**
Audit Committee Chairman

**TIMOTHY TRICHE, MD**
Compensation Committee Chairman



# Analyst Coverage

## Analysts

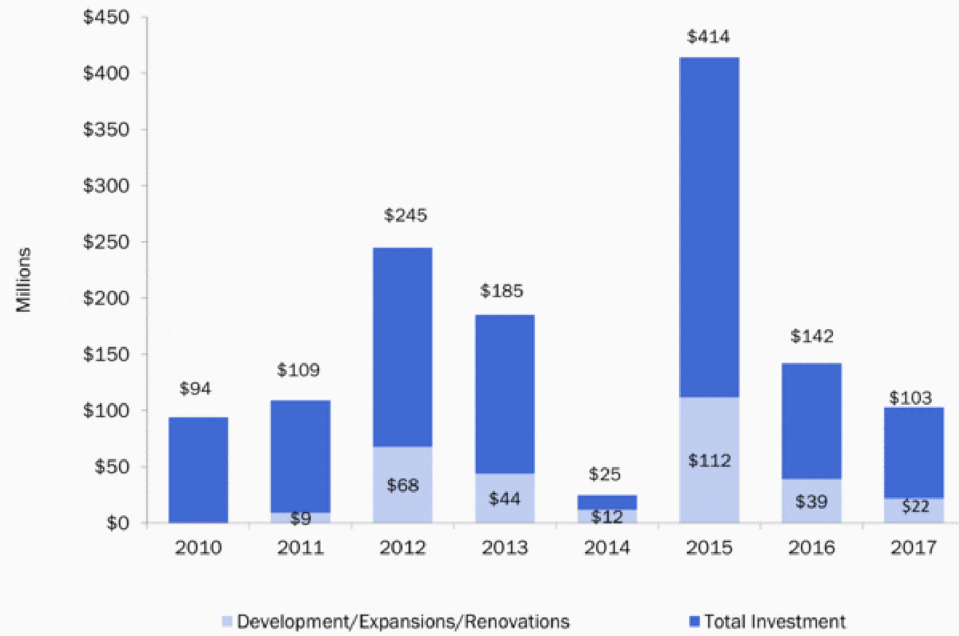
| | |
|---|---|
| JOHN KIM<br>BMO Capital Markets Corp | JORDAN SADLER<br>KeyBanc Capital Markets, Inc |
| JOE FRANCE<br>Cantor Fitzgerald | KARIN FORD<br>Mitsubishi - MUFG |
| DANIEL BERNSTEIN<br>CapitalOne | RICH ANDERSON<br>Mizuho Securities USA Inc |
| DOUG CHRISTOPHER<br>D.A.Davidson | MIKE CARROLL<br>RBC Capital Markets Corporation |
| JOHN ROBERTS<br>JJ.B. Hilliard, W.L. Lyons, Inc. | CHAD VANACORE<br>Stifel, Nicolaus & Company, Inc |
| PETER MARTIN<br>JMP Securities, LLC | TODD STENDER<br>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.

Thrive at Deerwood
Jacksonville, FL

## Execution of Growth Strategy

### $1.3 Billion in Total Investments Underwritten



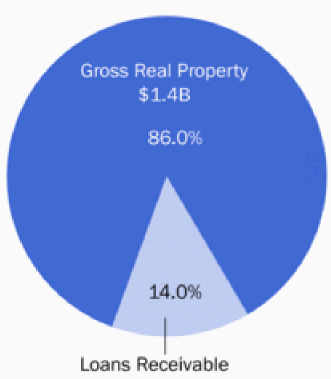



## Portfolio Overview

(dollar amounts in thousands)

| Type of Property | # of Properties | Gross Investments | % of Investments | Twelve Months Ended December 31, 2017 Rental Income[1] | Interest Income[1] | % of Revenues |
|---|---|---|---|---|---|---|
| Skilled Nursing | 96 | $ 803,691 | 49.7% | $ 68,466 | $ 26,540 | 58.1% |
| Assisted Living | 105 | 781,770 | 48.3% | 67,774 | - | 41.4% |
| Under Development[2] | - | 22,215 | 1.4% | - | - | - |
| Other[3] | 1 | 10,608 | 0.6% | 866 | - | 0.5% |
| Total | 202 | $ 1,618,284 | 100.0% | $ 137,106 | $ 26,540 | 100.0% |

(1) Includes rental income and interest income from mortgage loans and excludes rental income from properties sold and interest income from loans that paid off during the twelve months ended December 31, 2017.
(2) Includes three development projects consisting of a 66-unit memory care community in Illinois, a 143-bed skilled nursing center in Kentucky and a 110-unit independent living, assisted living and memory care community in Wisconsin.
(3) Includes three parcels of land held-for use and one behavioral health care hospital.




# Real Estate Activities – Acquisitions and Loan Originations

(dollar amounts in thousands)

## Acquisitions

| Date | | # of Properties | Property Type | # Beds/Units | Location | Operator | Date of Construction | Contractual Initial Cash Yield | Purchase Price | Additional Commitment [1] |
|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | 2/1 | 1 | SNF | 126 beds | Mansfield, TX | Fundamental | 2015 | 8.50% | $ 16,000 | $ - |
| | 4/21 | 1 | MC | 60 units | Louisville, KY | Clarity Pointe | 2016 | - [4] | 14,250 | - |
| | 4/29 | 2 | MC | 120 units | Wichita & Overland Park, KS | Anthem Memory Care | 2011/2013 | - [2] | 25,000 | 750 |
| | 6/14 | 1 | ALF/MC | 70 units | Athens, GA | Thrive Senior Living | 2016 | - [4] | 14,300 | - |
| | 9/30 | 1 | UDP[2][3] | 143 beds | Union, KY | Carespring | 2016-2018 | 8.50% | 5,300 | 19,025 |
| | 10/28 | 1 | UDP[2] | 66 units | Oak Lawn, IL | Anthem Memory Care | 2016-2018 | - [2] | 1,591 | 12,878 |
| | | 7 | | 316 units/269 beds | | | | | $ 76,441 | $ 32,653 |
| 2017 | 6/16 | 2 | ALF/MC/ILF | 180 units | Clovis, CA | Frontier | 2014/2016 | 7.00% | $ 38,813 | $ - |
| | 6/23 | 1 | MC | 60 units | West Chester, OH | Thrive Senior Living | 2017 | - [4] | 15,650 | - |
| | 10/31 | 1 | ALF/MC | 73 units | Kansas City, MO | Oxford Senior Living | 2017 | 7.00% | 16,555 | - |
| | 12/13 | 1 | UDP[2] | 110 units | Cedarburg, WI | Tealwood Senior Living | 2017-2019 | 7.50% | 800 [5] | 21,671 [5] |
| | 12/22 | 1 | ALF/MC | 87 units | Spartanburg, SC | Affinity Living Group | 1999 | 7.25% | 10,000 [5] | - [5] |
| | | 6 | | 510 units | | | | | $ 81,818 | $ 21,671 |

(1) Commitments may include capital improvement or development allowances for approved projects but excludes incentive payments and contingent payments. For a comprehensive list of our commitments, see our Annual Report on Form 10-K.
(2) See page 10 for development activities and Anthem disclosure.
(3) Represents purchase of land and initial improvements.
(4) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (five in lease-up and one stabilized) is approximately $6,400 which represents a lease rate of 7.35% which excludes future annual variable rent escalators.
(5) LTC owns a 90% controlling interest in the partnership that owns the real estate and accounts for the partnership on a consolidated basis.

## Loan Originations

| Date | | # of Properties | Property Type | # Beds/ Units | Location | Loan Type | Maturity Date | Operator | Origination | Total Funded to Date | 2017 Revenue [1] | Stated Interest Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | 4/29 | 2 | SNF | 216 beds | East Lansing, MI | Mortgage | Apr-20 | Prestige Healthcare | $ 12,250 [2] | $ 8,948 | $ 801 | 9.41% |
| | 8/31 | 2 | SNF | 146 beds | Albany & Florence, OR | Mezzanine | Sep-21 | Regency Pacific | 1,400 [3] | 1,200 | 183 | 15.00% |
| | 12/22 | 64 | SNF | 7,786 beds | Various states | Mezzanine | Nov-21 | Genesis | 12,500 [4] | 12,500 | 1,572 | LIBOR +11.75% |
| | | 68 | | 8,148 beds | | | | | $ 26,150 | $ 22,648 | $ 2,556 | |

(1) Represents year-to-date GAAP interest income.
(2) Represents the origination of a 4-year first mortgage loan for $12,250, funding $7,750 at closing with the remaining commitment of $4,500 available for approved capital improvement projects. Additionally, we committed $8,000 to be funded upon the properties achieving certain predetermined coverage thresholds.
(3) Represents a mezzanine loan secured by a second mortgage on two skilled nursing centers in Oregon.
(4) Represents a mezzanine loan on a portfolio of 64 skilled nursing centers located in eight states.

# Real Estate Activities – Unconsolidated Joint Ventures

(dollar amounts in thousands)

> "We are constantly developing creative, innovative financing solutions designed specifically to benefit local, regional operators."
>
> Wendy Simpson | Chairman, CEO & President | LTC Properties


Canterfield of Ocala
Ocala, FL

| Commitment Year | Location | # of Projects | Operator | Property Type | Investment Type | Return | # Beds/ Units | Investment Commitment | 4Q17 Funding | Total Funded to Date | Remaining Commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2015 | Peoria & Yuma, AZ | 4 | Senior Lifestyle | ALF/MC/ILF | Preferred Equity | 15.00% (1) | 585 units | $ 25,650 | $ - | $ 23,014 | $ 2,636 |
| 2015 | Ocala, FL | 1 | Canterfield | UDP-ALF/IL/MC | Mezzanine | 15.00% (2) | 99 units | 2,900 | - | 2,900 | - |
| 2016 | Fort Myers, FL | 1 | Canterfield | UDP-ALF/MC | Mezzanine | 15.00% (2) | 127 units | 3,400 | - | 3,400 | - |
| | | | | | | | 811 units | $ 31,950 | $ - | $ 29,314 | $ 2,636 |

(1) Currently, 6% is paid in cash and 9% is deferred.
(2) Currently, 10% is paid in cash and 5% is deferred.



# Real Estate Activities – De Novo Development

(dollar amounts in thousands)

| Estimated Rent Inception Date | Commitment Year | Location | Operator | # of Projects | Property Type | Contractual Initial Cash Yield | # Beds/ Units | Investment Commitment (1) | 4Q17 Funding | Total Capitalized Interest/Other | Total Project Basis to Date | Remaining Commitment (2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - (3) | 2016 | Oak Lawn, IL | Anthem | 1 | MC | - (3) | 66 units | $ 15,151 | $ 2,711 | $ 196 | $ 7,751 | $ 7,596 |
| 4Q18 | 2016 | Union, KY | Carespring | 1 | SNF | 8.50% | 143 beds | 24,325 | 1,661 | 410 | 11,486 | 13,249 |
| 2Q19 | 2017 | Cedarburg, WI | Tealwood | 1 | ILF/ALF/MC | 7.50% | 110 units | 22,471 | 2,971 | 7 | 2,978 | 19,500 |
| | | Total | | 3 | | 8.02% | 176 units/143 beds | $ 61,947 | $ 7,343 | $ 613 | $ 22,215 | $ 40,345 |

(1) Includes purchase of land and initial improvement funding, if applicable, and development commitment.
(2) Remaining Commitment is calculated as follows: "Investment Commitment" less "Total Project Basis" plus "Total Capitalized Interest/Other."
(3) During the year ended December 31, 2017, we issued a notice of default on a master lease covering one property under development and 10 additional operational memory care communities resulting from lessee's partial payment of minimum rent. As a result, we entered into a forbearance agreement with our lessee whereby we have agreed not to pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and our guarantees through December 31, 2017, with the stipulation that the lessee pay $400 per month toward their obligations of the master lease through December 31, 2017. For fiscal 2018, we anticipate receiving a minimum of $5,200 of cash rent and we are currently negotiating the terms and length of a further forbearance agreement.


Hamilton House Rendering
Cedarburg, WI

# Real Estate Activities – Expansions & Renovations

(dollar amounts in thousands)

## Owned

| Estimated Rent Inception Date | Commitment Year | Project Type | Location | Operator | # of Projects | Property Type | Contractual Initial Cash Yield | Investment Commitment | 4Q17 Funding | Total Funded to Date | Remaining Commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| - (1) | 2017 | Renovation | Spartanburg, SC | Affinity Living Group | 1 | ALF/MC | 7.25% | $ 1,500 | $ - | $ - | $ 1,500 |
| - (1) | 2017 | Renovation | Las Vegas, NV | Fundamental | 1 | OTH | 9.00% | 5,550 | 391 | 391 | 5,159 |
| | | | | Total | 2 | | | $ 7,050 | $ 391 | $ 391 | $ 6,659 |

(1) Rent payment increases upon each funding.

## Mortgage Loans

| Estimated Interest Inception Date | Commitment Year | Project Type | Location | Operator | # of Projects | Property Type | Contractual Initial Cash Yield | Investment Commitment | 4Q17 Funding | Total Funded to Date | Remaining Commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| - (1) | 2015 | Expansion | Richmond, MI | Prestige Healthcare | 1 | SNF | 9.41% | $ 10,000 | $ 392 | $ 9,770 | $ 230 |
| - (1) | 2015 | Expansion | Rochester Hills, MI | Prestige Healthcare | 1 | SNF | 9.41% | 10,000 | 78 | 1,008 | 8,992 |
| - (2) | 2015 | Renovation | Farmington & Howell, MI | Prestige Healthcare | 2 | SNF | 9.41% | 5,000 | 705 | 2,285 | 2,715 |
| - (2) | 2016 | Expansion | Grand Blanc, MI | Prestige Healthcare | 1 | SNF | 9.41% | 5,500 | 1,158 | 2,991 | 2,509 |
| - (2) | 2016 | Renovation | East Lansing, MI | Prestige Healthcare | 2 | SNF | 9.41% | 4,500 | 246 | 1,198 | 3,302 |
| | | | | Total | 7 | | | $ 35,000 | $ 2,579 | $ 17,252 | $ 17,748 |

(1) Commitments are part of the total loan commitment secured by 15 properties in Michigan operated by Prestige Healthcare. Interest payment increases upon each funding.
(2) Interest payment increases upon each funding.



# Real Estate Activities – Lease-Up

(dollar amounts in thousands)

## Lease-Up

| Date Acquired | Date Opened (1) | Occupancy at 12/31/17 | Development Commitment Year | Project Type | Location | Operator | # of Projects | Property Type | Contractual Initial Cash Yield | # of Units | Total Investment (2) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Oct-14 | Feb-16 | 65% | 2014 | Development | Burr Ridge, IL | Anthem (3) | 1 | MC | - (3) | 66 units | $ 12,248 |
| Sep-15 | Aug-16 | 62% | 2015 | Development | Murrieta, CA | Anthem (3) | 1 | MC | - (3) | 66 units | 12,904 |
| May-15 | Jul-16 | 44% | 2015 | Development | Tinley Park, IL | Anthem (3) | 1 | MC | - (3) | 66 units | 11,962 |
| Oct-15 | Dec-17 | 17% | 2015 | Development | Glenview, IL | Anthem (3) | 1 | MC | - (3) | 66 units | 13,532 |
| | | | | | | | 4 | | | 264 units | $ 50,646 |
| Jun-17 | Sep-16 | 85% | N/A | Acquisition | Clovis, CA | Frontier | 1 | MC/ILF | 7.00% | 73 units | $ 17,226 |
| Jun-17 | Nov-14 | 71% | N/A | Acquisition | Clovis, CA | Frontier | 1 | ALF | 7.00% | 107 units | 21,669 |
| | | | | | | | 2 | | | 180 units | $ 38,895 |
| May-15 | Nov-16 | 49% | 2015 | Development | Wichita, KS | Oxford Senior Living | 1 | ILF | 7.43% | 108 units | $ 14,172 |
| Oct-17 | Aug-17 | 33% | 2017 | Acquisition (4) | Kansas City, MO | Oxford Senior Living | 1 | ALF/MC | 7.00% | 73 units | 16,555 |
| | | | | | | | 2 | | | 181 units | $ 30,727 |
| Apr-16 | Mar-16 | 67% | N/A | Acquisition | Louisville, KY | Thrive Senior Living (5) | 1 | MC | | 60 units | $ 14,178 |
| Jun-16 | May-16 | 87% | N/A | Acquisition (4) | Athens, GA | Thrive Senior Living (5) | 1 | ALF/MC | | 70 units | 14,382 |
| Feb-15 | May-16 | 59% | 2015 | Development | Corpus Christi, TX | Thrive Senior Living (5) | 1 | MC | | 56 units | 11,847 |
| Feb-15 | Sep-16 | 70% | 2015 | Development | Murrells Inlet, SC | Thrive Senior Living (5) | 1 | ALF/MC | | 89 units | 16,265 |
| Jun-17 | Apr-17 | 55% | 2017 | Acquisition (4) | West Chester, OH | Thrive Senior Living (5) | 1 | MC | | 60 units | 15,909 |
| | | | | | | | 5 | | 7.35% (5) | 335 units | $ 72,581 |
| | | | | | | Total | 13 | | | 960 units | $ 192,849 |

(1) Represents date of Certificate of Occupancy.
(2) Total Investment for acquisitions include closing costs.
(3) See page 10 for Anthem disclosure.
(4) Properties were newly constructed and purchased following issuance of final certificate of occupancy and licensure.
(5) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (five in lease-up and one stabilized) is approximately $6,400 which represents a lease rate of 7.35% which excludes future annual variable rent escalators.

# Real Estate Activities – Lease-Up History

## Lease-Up History

| Property | Location | Operator | Property Type | Project Type | # Beds/Units | Date Acquired | Date Opened [1] | Date Stabilized | # of months to Stabilization |
|---|---|---|---|---|---|---|---|---|---|
| Highline Place | Littleton, CO | Anthem | MC | Development | 60 units | May 2012 | Jul 2013 | Sep 2013 | 2 |
| Willowbrook Place - Kipling | Littleton, CO | Anthem | MC | Development | 60 units | Sep 2013 | Aug 2014 | Dec 2015 | 16 |
| Chelsea Place | Aurora, CO | Anthem | MC | Development | 48 units | Sep 2013 | Dec 2014 | Mar 2016 | 15 |
| Greenridge Place | Westminster, CO | Anthem | MC | Development | 60 units | Dec 2013 | Feb 2015 | Feb 2017 | 24 |
| Coldspring Transitional Care Center | Cold Spring, KY | Carespring | SNF | Development | 143 beds | Dec 2012 | Nov 2014 | Jun 2016 | 19 |
| Hillside Heights Rehabilitation Suites | Amarillo, TX | Fundamental | SNF | Redevelopment | 120 beds | Oct 2011 | Jul 2013 | Aug 2013 | 1 |
| Pavilion at Glacier Valley | Slinger, WI | Fundamental | SNF | Redevelopment | 106 beds | Feb 2015 | Feb 2014 | Feb 2016 | 24 |
| Pavilion at Creekwood [2] | Mansfield, TX | Fundamental | SNF | Acquisition | 126 beds | Feb 2016 | Jul 2015 | Feb 2017 | 12 |
| Mustang Creek Estates | Frisco, TX | Mustang Creek Mgmt | ALF/MC | Development | 80 units | Dec 2012 | Oct 2014 | Dec 2015 | 14 |
| The Oxford Grand | Wichita, KS | Oxford Senior Living | ALF/MC | Development | 77 units | Oct 2012 | Oct 2013 | Sep 2014 | 11 |
| Thrive at Deerwood [3] | Jacksonville, FL | Thrive Senior Living | MC | Acquisition | 60 units | Sep 2015 | Jul 2015 | Jul 2017 | 24 |

(1) Represents date of Certificate of Occupancy.
(2) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold. The occupancy for Mansfield, TX property at December 31, 2017 was 75.4%.
(3) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold. Thrive began operating the Jacksonville, FL property on September 19, 2017 and occupancy at December 31, 2017 was 63.3%.



# Portfolio Metrics

## Same Property Portfolio Statistics [1]

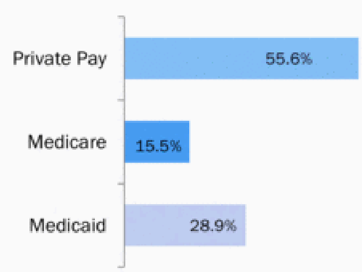
| | Occupancy | | Normalized EBITDARM Coverage | | Normalized EBITDAR Coverage | |
|---|---|---|---|---|---|---|
| Owned Properties | 3Q17 | 2Q17 | 3Q17 | 2Q17 | 3Q17 | 2Q17 |
| Assisted Living | 85.4% | 85.2% | 1.43 | 1.44 | 1.21 | 1.23 |
| Skilled Nursing | 78.2% | 78.4% | 1.89 | 1.93 | 1.38 | 1.41 |

(1) Information is for the trailing twelve months through September 30, 2017 and June 30, 2017 and is from property level operator financial statements which are unaudited and have not been independently verified by LTC.

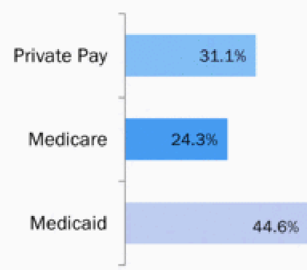
## Stabilized Property Portfolio

TTM Ended September 30, 2017

Total Portfolio Payor Source



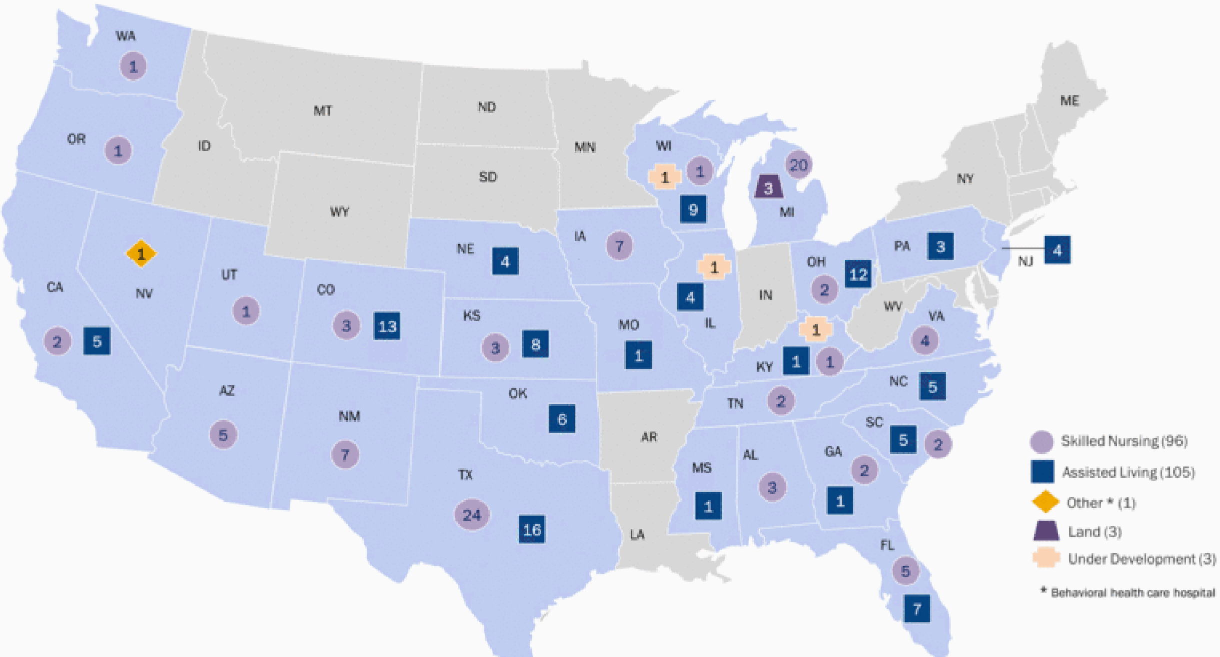

SNF Portfolio Payor Source



# Portfolio Diversification – Geography

(as of December 31, 2017)

## 202 Properties | 3 Development Projects | 3 Land Parcels | 29 States | 30 Operators



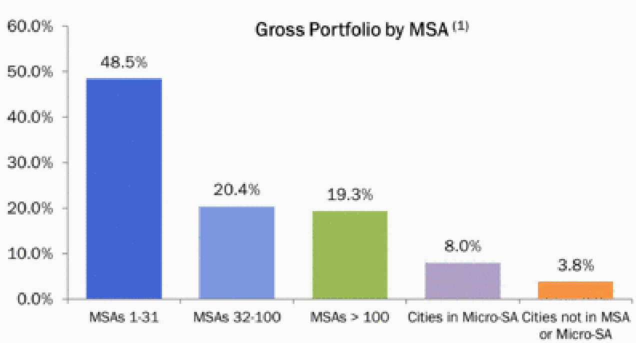



# Portfolio Diversification – Geography

(as of December 31, 2017, dollar amounts in thousands)

| State [(1)] | # of Props | SNF | % | ALF | % | UDP | % | OTH [(2)] | % | Gross Investment | % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Texas | 40 | $ 216,247 | 26.9% | $ 50,804 | 6.5% | $ - | - | $ - | - | $ 267,051 | 16.5% |
| Michigan | 20 | 225,051 | 28.0% | - | - | - | - | 943 | 8.9% | 225,994 | 14.0% |
| Wisconsin | 10 | 13,946 | 1.7% | 112,474 | 14.4% | 2,978 | 13.4% | - | - | 129,398 | 8.0% |
| Ohio | 14 | 54,000 | 6.7% | 61,321 | 7.8% | - | - | - | - | 115,321 | 7.1% |
| Colorado | 16 | 8,044 | 1.0% | 106,879 | 13.7% | - | - | - | - | 114,923 | 7.1% |
| California | 7 | 22,130 | 2.8% | 80,124 | 10.2% | - | - | - | - | 102,254 | 6.3% |
| Illinois | 4 | - | - | 69,115 | 8.8% | 7,750 | 34.9% | - | - | 76,865 | 4.8% |
| Florida | 12 | 35,362 | 4.4% | 39,247 | 5.0% | - | - | - | - | 74,609 | 4.6% |
| Kansas | 11 | 14,112 | 1.8% | 57,577 | 7.5% | - | - | - | - | 71,689 | 4.4% |
| New Jersey | 4 | - | - | 62,064 | 7.9% | - | - | - | - | 62,064 | 3.8% |
| All Others | 64 | 214,799 | 26.7% | 142,165 | 18.2% | 11,487 | 51.7% | 9,665 | 91.1% | 378,116 | 23.4% |
| Total | 202 | $ 803,691 | 100.0% | $ 781,770 | 100.0% | $ 22,215 | 100.0% | $ 10,608 | 100.0% | $ 1,618,284 | 100.0% |

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




(1) The MSA rank by population as of July 1, 2016, as estimated by the United States Census Bureau.

**Approximately 69% of our properties are in the Top 100 MSAs**

| | |
|---|---|
| MSAs 1 - 31 | • Population 20.2M – 2.1M |
| MSAs 32 - 100 | • Population 2.1M – 0.6M |
| MSAs > 100 | • Population 0.5M – 55K |
| Cities in a Micro-SA | • Population 216K – 13K |
| Cities not in MSA | • Population less than 100K |

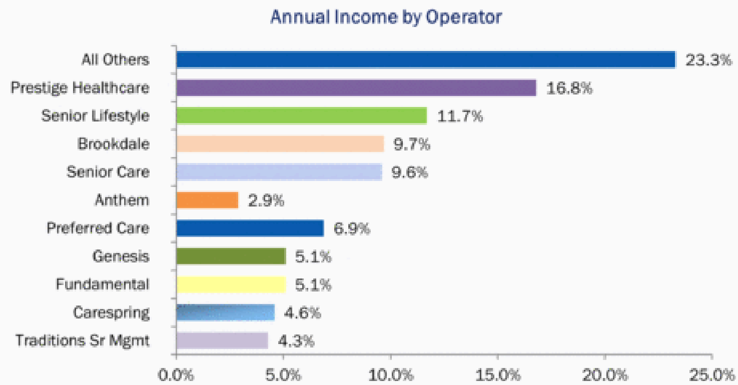
# Portfolio Diversification – Operators

(as of December 31, 2017, dollar amounts in thousands)

| Operators | # of Properties | Annual Income [1] | % | Gross Investment | % |
|---|---|---|---|---|---|
| Prestige Healthcare | 22 | $ 27,651 | 16.8% | $ 238,184 | 14.7% |
| Senior Lifestyle Corporation | 23 | 19,174 | 11.7% | 189,226 | 11.7% |
| Brookdale Senior Living | 37 | 16,034 | 9.7% | 126,991 | 7.8% |
| Senior Care Centers | 11 | 15,756 | 9.6% | 138,109 | 8.5% |
| Anthem Memory Care [2] | 10 | 4,841 | 2.9% | 126,120 | 7.8% |
| Preferred Care | 26 | 11,278 | 6.9% | 86,998 | 5.4% |
| Genesis Healthcare | 8 | 8,434 | 5.1% | 54,864 | 3.4% |
| Fundamental | 7 | 8,341 | 5.1% | 75,043 | 4.6% |
| Carespring Health Care Management | 3 | 7,635 | 4.6% | 89,033 | 5.5% |
| Traditions Senior Management | 5 | 7,056 | 4.3% | 62,877 | 3.9% |
| All Others | 50 | 38,326 | 23.3% | 430,839 | 26.7% |
| | 202 | $ 164,526 | 100.0% | $ 1,618,284 | 100.0% |

(1) Includes annualized GAAP rent for leased properties except for Anthem as described below, and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended December 31, 2017.

(2) Anthem is currently being accounted for on a cash basis. Contractual annualized GAAP rent is $11,960. See page 10 for Anthem disclosure.






# Portfolio Diversification - Top Ten Operator Profiles

(as of December 31, 2017)

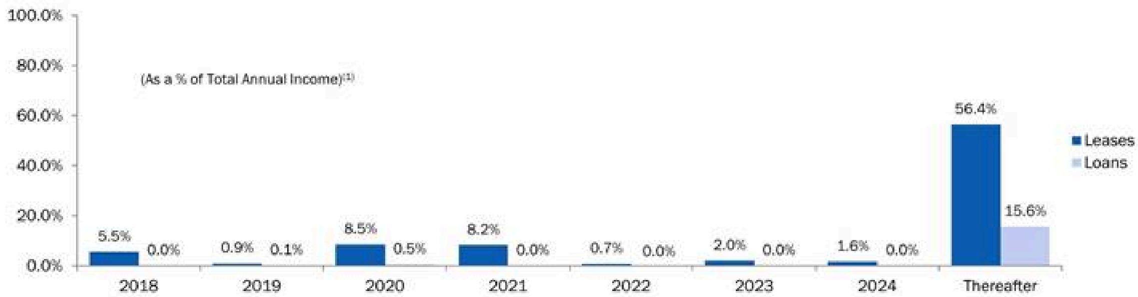
| Prestige Healthcare | Senior Lifestyle Family-Owned Communities | Brookdale Senior Living | Senior Care Centers | Preferred Care, Inc |
|---|---|---|---|---|
| Privately Held | Privately Held | NYSE: BKD | Privately Held | Privately Held |
| SNF/ALF/ILF<br>Other Rehab | ALF/ILF/MC/SNF<br>Short Term Stays | ALF/ILF/MC<br>Continuing Care | SNF/ALF/ILF/MC<br>Transitional Care & Rehab | SNF/ALF/ILF<br>Specialty Care |
| 68 Properties | 177 Properties | Approx 1,031 Properties | 107 Properties | 108 Properties |
| 7 States | 25 States | 46 States | 2 States | 12 States |

| Anthem Memory Care | Genesis HealthCare | Fundamental | Carespring | Traditions Senior Management |
|---|---|---|---|---|
| Privately Held | NYSE: GEN | Privately Held | Privately Held | Privately Held |
| Exclusively MC | SNF/ALF<br>Senior Living | SNF/MC<br>Hospitals & Other Rehab | SNF/ALF/ILF<br>Transitional Care | SNF/ALF/ILF |
| 11 Properties | More than 450 Properties | 100 Properties | 11 Properties | 33 Properties |
| 4 States | 30 States | 10 States | 2 States | 6 States |

# Portfolio Maturity

(as of December 31, 2017, dollar amounts in thousands)

| Year | Rental Income[1] | % of Total | Interest Income[1] | % of Total | Annual Income[1] | % of Total |
|---|---|---|---|---|---|---|
| 2018 | $ 9,101 | 6.6% | $ - | - | $ 9,101 | 5.5% |
| 2019 | 1,571 | 1.1% | 123 | 0.5% | 1,694 | 1.0% |
| 2020 | 14,058 | 10.2% | 801 | 3.0% | 14,859 | 9.0% |
| 2021 | 13,494 | 9.8% | - | - | 13,494 | 8.2% |
| 2022 | 1,175 | 0.9% | - | - | 1,175 | 0.7% |
| 2023 | 3,285 | 2.4% | - | - | 3,285 | 2.0% |
| 2024 | 2,630 | 1.9% | - | - | 2,630 | 1.6% |
| Thereafter[2] | 92,672 | 67.1% | 25,616 | 96.5% | 118,288 | 72.0% |
| Total | $ 137,986 | 100.0% | $ 26,540 | 100.0% | $ 164,526 | 100.0% |




(1) Includes annualized GAAP rent for leased properties except for Anthem as described below, and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended December 31, 2017.

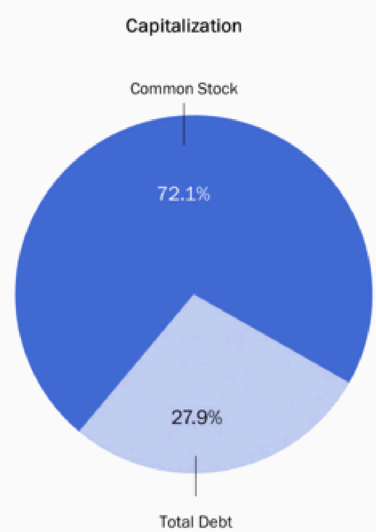
(2) Anthem is currently being accounted for on a cash basis. Contractual annualized GAAP rent is $11,960. See page 10 for Anthem disclosure.



# Enterprise Value

(amounts in thousands, except per share amounts and number of shares)

| | No. of shares | 12/31/17 Closing Price | At December 31, 2017 | Capitalization |
|---|---|---|---|---|
| **Debt** | | | | |
| Bank borrowings - weighted average rate 2.9%[1] | | | $ 96,500 | |
| Senior unsecured notes - weighted average rate 4.5%[2] | | | 571,002 | |
| Total debt - weighted average rate 4.3% | | | 667,502 | 27.9% |
| **Equity** | | | | |
| Common stock | 39,570,272 | $ 43.55[3] | 1,723,285 | 72.1% |
| **Total Market Value** | | | $ 2,390,787 | 100% |
| Less: Cash and cash equivalents | | | (5,213) | |
| **Enterprise Value** | | | $ 2,385,574 | |
| Debt to Enterprise Value | | | 28.0% | |
| Debt to Annualized Normalized EBITDA[4] | | | 4.3x | |




(1) Subsequent to December 31, 2017, we borrowed an additional $24,000 under our unsecured revolving line of credit. Accordingly, we have $120,500 outstanding under our unsecured revolving line of credit with $479,500 available for borrowing.

(2) Represents outstanding balance of $572,133, net of debt issue costs of $1,131. Rate includes amortization of debt issue cost. Subsequent to December 31, 2017, we paid down $4,167 of scheduled principal. Accordingly, we have $567,966 outstanding under our senior unsecured notes.

(3) Closing price of our common stock as reported by the NYSE on December 31, 2017.

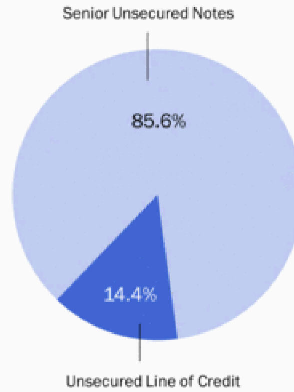
(4) See page 23 for reconciliation of annualized normalized EBITDA.

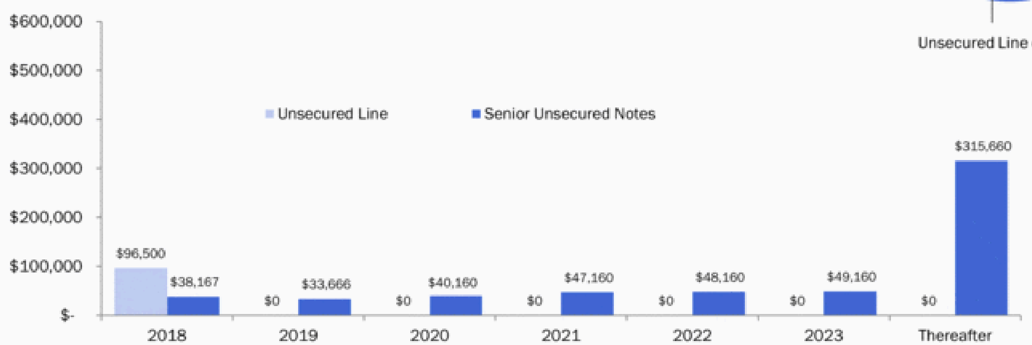
# Debt Maturity

(as of December 31, 2017, dollar amounts in thousands)

| Year | Unsecured Line of Credit [1] | Senior Unsecured Notes [2] | Total | % of Total |
|---|---|---|---|---|
| 2018 | $ 96,500 | $ 38,167 | $ 134,667 | 20.1% |
| 2019 | - | 33,666 | 33,666 | 5.0% |
| 2020 | - | 40,160 | 40,160 | 6.0% |
| 2021 | - | 47,160 | 47,160 | 7.1% |
| 2022 | - | 48,160 | 48,160 | 7.2% |
| 2023 | - | 49,160 | 49,160 | 7.4% |
| Thereafter | - | 315,660 | 315,660 | 47.2% |
| Total | $ 96,500 | $ 572,133 [3] | $ 668,633 [3] | 100.0% |

Debt Structure




(1) Total commitment under our unsecured revolving line of credit is $600,000 which matures in October 2018, with a one-year extension option. Subsequent to December 31, 2017, we borrowed an additional $24,000 under our unsecured revolving line of credit. Accordingly, we have $120,500 outstanding under our unsecured revolving line of credit with $479,500 available for borrowing.
(2) Reflects scheduled principal payments. Subsequent to December 31, 2017, we paid down $4,167 of scheduled principal. Accordingly, we have $567,966 outstanding under our senior unsecured notes.
(3) Excludes debt issue costs which are included in the senior unsecured notes balance shown on page 20.



# Financial Data Summary

(dollar amounts in thousands)

## Balance Sheet, Leverage Ratios and Coverage Ratios

| | 12/31/17 | 12/31/16 | 12/31/15 | 12/31/14 |
|---|---|---|---|---|
| **Balance Sheet** | | | | |
| Gross real estate assets | $1,618,284 | $1,533,679 | $1,418,405 | $1,117,167 |
| Net real estate investments | 1,309,996 | 1,255,503 | 1,164,950 | 892,179 |
| Gross asset value | 1,774,024 | 1,673,238 | 1,528,879 | 1,189,758 |
| Total debt [1] | 667,502 | 609,391 | 571,872 | 280,584 |
| Total liabilities | 706,922 | 654,848 | 616,222 | 304,649 |
| Preferred stock | - | - | - | 38,500 |
| Total equity | 758,648 | 740,048 | 659,202 | 660,121 |
| **Leverage Ratios** | | | | |
| Debt to gross asset value | 37.6% | 36.4% | 37.4% | 23.6% |
| Debt to total enterprise value | 28.0% | 24.9% | 26.2% | 15.4% |

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

| | 4Q17 Annualized | 12/31/17 | 12/31/16 | 12/31/15 | 12/31/14 |
|---|---|---|---|---|---|
| **Coverage Ratios** | | | | | |
| Debt to normalized EBITDA | 4.3x | 4.4x | 4.2x | 4.7x | 2.6x |
| Normalized EBITDA / interest incurred | 4.8x | 5.0x | 5.2x | 6.7x | 7.3x |
| Normalized EBITDA / fixed charges | 4.8x | 5.0x | 5.2x | 5.9x | 6.0x |

# Financial Data Summary

(dollar amounts in thousands)

## Reconciliation of Annualized Normalized EBITDA and Fixed Charges

| | 4Q17 Annualized [1] | For the Year Ended 12/31/17 | 12/31/16 | 12/31/15 |
|---|---|---|---|---|
| Net income | $ 84,296 | $ 87,340 | $ 85,115 | $ 73,081 |
| Add back/(deduct): | | | | |
| Loss/(gain) on sale of real estate, net | 1,240 | (3,814) | (3,582) | (586) |
| Add: Impairment charges | - | 1,880 [2] | 766 [3] | 2,250 [4] |
| Add: Interest expense | 30,732 | 29,949 | 26,442 | 17,497 |
| Add: Depreciation and amortization | 37,696 | 37,610 | 35,932 | 29,431 |
| Adjusted EBITDA | 153,964 | 152,965 | 144,673 | 121,673 |
| Add: Non-recurring one-time items | - | - | - | 937 |
| Normalized EBITDA | $ 153,964 | $ 152,965 | $ 144,673 | $ 122,610 |
| Interest expense: | $ 30,732 | $ 29,949 | $ 26,442 | $ 17,497 |
| Add: Capitalized interest | 1,124 | 908 | 1,408 | 827 |
| Interest incurred | $ 31,856 | $ 30,857 | $ 27,850 | $ 18,324 |
| Interest incurred | $ 31,856 | $ 30,857 | $ 27,850 | $ 18,324 |
| Preferred stock dividend | - | - | - | 2,454 |
| Fixed Charges | $ 31,856 | $ 30,857 | $ 27,850 | $ 20,778 |

(1) Gain on sale of real assets, Impairment charges and non-recurring one-time items were not annualized.

(2) In conjunction with our negotiations to transition two properties to another operator in our portfolio, we wrote off $1,880 of straight-line rent and other receivables related to these two properties.

(3) Impairment charge related to an asset sold in 2017.

(4) Impairment charge related to an asset sold in 2015.

## Non-Cash Revenue Components

| | 4Q17 | 1Q18[1] | 2Q18[1] | 3Q18[1] | 4Q18[1] |
|---|---|---|---|---|---|
| Straight-line rent | $ 3,332 | $ 3,207 | $ 2,201 | $ 1,099 | $ 730 |
| Amort of lease inducement | (528) | (531) | (531) | (531) | (531) |
| Effective Interest | 1,398 | 1,391 | 1,393 | 1,387 | 1,328 |
| Net | $ 4,202 | $ 4,067 | $ 3,063 | $ 1,955 | $ 1,527 |

(1) For leases and loans in place at December 31, 2017, assuming no renewals, modification or replacement, and no new investments are added to our portfolio and excludes straight-line rent under the Anthem master lease which is in default and currently being accounted for on a cash basis. See page 10 for Anthem disclosure.



# Income Statement Data

(amounts in thousands, except per share amounts)

| | Three Months Ended December 31, 2017 | 2016 | Twelve Months Ended December 31, 2017 | 2016 |
|---|---|---|---|---|
| | *(unaudited)* | | *(audited)* | |
| **Revenues** | | | | |
| Rental income | $ 34,124 | $ 34,822 | $ 137,657 | $ 133,527 |
| Interest income from mortgage loans | 6,719 | 6,974 | 26,769 | 27,321 |
| Interest and other income | 886 | 345 | 3,639 | 735 |
| Total revenues | 41,729 | 42,141 | 168,065 | 161,583 |
| **Expenses** | | | | |
| Interest expense | 7,683 | 6,856 | 29,949 | 26,442 |
| Depreciation and amortization | 9,424 | 9,309 | 37,610 | 35,932 |
| Impairment charges | - | 766 | 1,880 | 766 |
| (Recovery) provision for doubtful accounts | (67) | 212 | (206) | 457 |
| Transaction costs | - | 83 | 56 | 179 |
| General and administrative expenses | 4,243 | 4,548 | 17,513 | 17,412 |
| Total expenses | 21,283 | 21,774 | 86,802 | 81,188 |
| Operating Income | 20,446 | 20,367 | 81,263 | 80,395 |
| Income from unconsolidated joint ventures | 628 | 299 | 2,263 | 1,138 |
| (Loss) gain on sale of real estate, net | (1,240) | - | 3,814 | 3,582 |
| **Net Income** | 19,834 | 20,666 | 87,340 | 85,115 |
| Income allocated to participating securities | (81) | (89) | (362) | (385) |
| Net income available to common stockholders | $ 19,753 | $ 20,577 | $ 86,978 | $ 84,730 |
| **Earnings per common share:** | | | | |
| Basic | $0.50 | $0.53 | $2.21 | $2.21 |
| Diluted | $0.50 | $0.53 | $2.20 | $2.21 |
| **Weighted average shares used to calculate earnings per common share:** | | | | |
| Basic | 39,429 | 39,065 | 39,409 | 38,388 |
| Diluted | 39,645 | 39,260 | 39,637 | 38,597 |
| Dividends declared and paid per common share | $0.57 | $0.57 | $2.28 | $2.19 |

# Consolidated Balance Sheets

(amounts in thousands, except per share amounts)

| | December 31, 2017 (audited) | December 31, 2016 (audited) |
|---|---|---|
| **ASSETS** | | |
| Investments: | | |
| Land | $ 124,041 | $ 116,096 |
| Buildings and improvements | 1,262,335 | 1,185,467 |
| Accumulated depreciation and amortization | (304,117) | (275,861) |
| Operating real estate property, net | 1,082,259 | 1,025,702 |
| Properties held-for-sale, net of accumulated depreciation: | | |
| 2017 - $1,916; 2016 - $0 | 3,830 | - |
| Real property investments, net | 1,086,089 | 1,025,702 |
| Mortgage loans receivable, net of loan loss | | |
| reserve: 2017 - $2,255; 2016 - $2,315 | 223,907 | 229,801 |
| Real estate investments, net | 1,309,996 | 1,255,503 |
| Notes receivable, net of loan loss reserve: | | |
| 2017 - $166; 2016 - $166 | 16,402 | 16,427 |
| Investments in unconsolidated joint ventures | 29,898 | 25,221 |
| Investments, net | 1,356,296 | 1,297,151 |
| Other assets: | | |
| Cash and cash equivalents | 5,213 | 7,991 |
| Debt issue costs related to bank borrowings | 810 | 1,847 |
| Interest receivable | 15,050 | 9,683 |
| Straight-line rent receivable, net of allowance for | | |
| doubtful accounts: 2017 - $814; 2016 - $960 | 64,490 | 55,276 |
| Prepaid expenses and other assets | 23,711 | 22,948 |
| Total assets | $ 1,465,570 | $ 1,394,896 |

| | December 31, 2017 (audited) | December 31, 2016 (audited) |
|---|---|---|
| **LIABILITIES** | | |
| Bank borrowings | $ 96,500 | $ 107,100 |
| Senior unsecured notes, net of debt issue | | |
| costs: 2017 - $1,131; 2016 - $1,009 | 571,002 | 502,291 |
| Total Debt | 667,502 | 609,391 |
| Accrued interest | 5,276 | 4,675 |
| Accrued incentives and earn-outs | 8,916 | 12,229 |
| Accrued expenses and other liabilities | 25,228 | 28,553 |
| **Total liabilities** | 706,922 | 654,848 |
| **EQUITY** | | |
| Stockholders' equity: | | |
| Common stock (1) | 396 | 392 |
| Capital in excess of par value | 856,992 | 839,005 |
| Cumulative net income | 1,100,783 | 1,013,443 |
| Cumulative distributions | (1,203,011) | (1,112,792) |
| Total stockholders' equity | 755,160 | 740,048 |
| Non-controlling interests | 3,488 | - |
| Total equity | 758,648 | 740,048 |
| Total liabilities and equity | $ 1,465,570 | $ 1,394,896 |

(1) Common stock of $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2017 – 39,570; 2016 – 39,221



# Funds from Operations

(unaudited, amounts in thousands, except per share amounts)

## Reconciliation of FFO, AFFO, and FAD

| | Three Months Ended December 31, 2017 | Three Months Ended December 31, 2016 | Twelve Months Ended December 31, 2017 | Twelve Months Ended December 31, 2016 |
|---|---|---|---|---|
| GAAP net income available to common stockholders | $ 19,753 | $ 20,577 | $ 86,978 | $ 84,730 |
| Add: Depreciation and amortization | 9,424 | 9,309 | 37,610 | 35,932 |
| Add: Impairment charges | - | 766 | 1,880 | 766 |
| Less: (Gain) Loss on sale of real estate, net | 1,240 | - | (3,814) | (3,582) |
| **NAREIT FFO attributable to common stockholders** | 30,417 | 30,652 | 122,654 | 117,846 |
| Less: Non-cash rental income | (2,804) | (4,777) | (8,485) | (11,532) |
| Less: Non-cash other income | - | - | (842) | - |
| Less: Effective interest income from mortgage loans | (1,398) | (1,349) | (5,500) | (5,256) |
| Less: Deferred income from unconsolidated joint ventures | (36) | - | (177) | - |
| Adjusted FFO (AFFO) | 26,179 | 24,526 | 107,650 | 101,058 |
| Add: Non-cash compensation charges | 1,282 | 1,131 | 5,249 | 4,280 |
| Add: Non-cash interest related to earn-out liabilities | 126 | 146 | 602 | 684 |
| Less: Capitalized interest | (281) | (215) | (908) | (1,408) |
| Funds available for distribution (FAD) | $ 27,306 | $ 25,588 | $ 112,593 | $ 104,614 |
| NAREIT Diluted FFO attributable to common stockholders per share | $0.77 | $0.78 | $3.10 | $3.06 |

# Funds from Operations

(unaudited, amounts in thousands, except per share amounts)

## Reconciliation of FFO Per Share

| For the three months ended December 31, | FFO 2017 | FFO 2016 | AFFO 2017 | AFFO 2016 | FAD 2017 | FAD 2016 |
|---|---|---|---|---|---|---|
| Normalized FFO/AFFO/FAD attributable to common stockholders | $ 30,417 | $ 30,652 | $ 26,179 | $ 24,526 | $ 27,306 | $ 25,588 |
| Effect of dilutive securities: | | | | | | |
| Participating securities | 81 | 89 | 81 | 89 | 81 | 89 |
| Diluted normalized FFO/AFFO/FAD assuming conversion | $ 30,498 | $ 30,741 | $ 26,260 | $ 24,615 | $ 27,387 | $ 25,677 |
| | | | | | | |
| Shares for basic FFO/AFFO/FAD per share | 39,429 | 39,065 | 39,429 | 39,065 | 39,429 | 39,065 |
| Effect of dilutive securities: | | | | | | |
| Stock options | 7 | 11 | 7 | 11 | 7 | 11 |
| Performance based stock units (MSU) | 67 | 27 | 67 | 27 | 67 | 27 |
| Participating securities | 142 | 157 | 142 | 157 | 142 | 157 |
| Shares for diluted normalized FFO/AFFO/FAD per share | 39,645 | 39,260 | 39,645 | 39,260 | 39,645 | 39,260 |

| For the twelve months ended December 31, | FFO 2017 | FFO 2016 | AFFO 2017 | AFFO 2016 | FAD 2017 | FAD 2016 |
|---|---|---|---|---|---|---|
| Normalized FFO/AFFO/FAD attributable to common stockholders | $ 122,654 | $ 117,846 | $ 107,650 | $ 101,058 | $ 112,593 | $ 104,614 |
| Effect of dilutive securities: | | | | | | |
| Participating securities | 362 | 385 | 362 | 385 | 362 | 385 |
| Diluted normalized FFO/AFFO/FAD assuming conversion | $ 123,016 | $ 118,231 | $ 108,012 | $ 101,443 | $ 112,955 | $ 104,999 |
| | | | | | | |
| Shares for basic FFO/AFFO/FAD per share | 39,409 | 38,388 | 39,409 | 38,388 | 39,409 | 38,388 |
| Effect of dilutive securities: | | | | | | |
| Stock options | 10 | 13 | 10 | 13 | 10 | 13 |
| Performance based stock units (MSU) | 67 | 27 | 67 | 27 | 67 | 27 |
| Participating securities | 151 | 169 | 151 | 169 | 151 | 169 |
| Shares for diluted normalized FFO/AFFO/FAD per share | 39,637 | 38,597 | 39,637 | 38,597 | 39,637 | 38,597 |



# Glossary

Adjusted Funds from Operations ("AFFO"): FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures.

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.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

Funds Available for Distribution ("FAD"): AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges.

Funds From Operations ("FFO"): As defined by the National Association of Real Estate Investment Trusts ("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.

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.

# Glossary

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 AFFO: AFFO adjusted for non-recurring, infrequent or unusual items.

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.

Normalized FAD: FAD adjusted for non-recurring, infrequent or unusual items.

Normalized FFO: FFO adjusted for non-recurring, infrequent or unusual items.

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 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 issuance of certificate of occupancy for properties acquired in lease-up.

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



# LTC Properties, Inc.

LTC LISTED NYSE

## Company

Founded in 1992, LTC Properties, Inc. (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.

## 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, 2017 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 adjusted EBITDA, normalized EBITDA, FFO, normalized FFO, normalized AFFO, normalized FAD, normalized interest coverage ratio, and normalized fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 23, 26 and 27 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.