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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: July 28, 2022  
(Date of earliest event reported)

**LTC PROPERTIES, INC.**

(Exact name of Registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

1-11314  
(Commission file number)

71-0720518  
(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):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$.01 par value	LTC	New York Stock Exchange

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 ☐

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. ☐

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

On July 28, 2022, LTC Properties, Inc. announced the operating results for the three months ended June 30, 2022. 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 July 28, 2022.](#)

[99.2](#)    [LTC Properties, Inc. Supplemental Information Package for the period ending June 30, 2022.](#)

104    Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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: July 28, 2022

By: /s/ WENDY L. SIMPSON

Wendy L. Simpson  
Chairman & CEO

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**FOR IMMEDIATE RELEASE**

For more information contact:  
Mandi Hogan  
(805) 981-8655

**LTC REPORTS 2022 SECOND QUARTER RESULTS  
AND DISCUSSES RECENT ACTIVITIES**

**WESTLAKE VILLAGE, CALIFORNIA, July 28, 2022** -- **LTC Properties, Inc. (NYSE: LTC)** ("LTC" or the "Company"), a real estate investment trust that primarily invests in seniors housing and health care properties, today announced operating results for the second quarter ended June 30, 2022.

	Three Months Ended June 30,	
	2022	2021
	<i>(unaudited)</i>	
Net income available to common stockholders	\$ 54,065	\$ 18,126
Diluted earnings per common share	\$ 1.36	\$ 0.46
NAREIT funds from operations ("FFO") attributable to common stockholders	\$ 25,350	\$ 22,171
NAREIT diluted FFO per common share	\$ 0.64	\$ 0.57
FFO attributable to common stockholders, excluding non-recurring items	\$ 24,491	\$ 22,304
Funds available for distribution ("FAD")	\$ 26,779	\$ 22,781
FAD, excluding non-recurring items	\$ 25,598	\$ 22,914

Second quarter 2022 results were impacted by:

- Higher rental income due to:
  - o a \$1.2 million lease termination fee received in connection with the sale of a 74-unit assisted living community;
  - o rent received from properties transitioned from the former Senior Lifestyle and Senior Care portfolios;
  - o increases in property tax revenue from properties formerly leased to Senior Care and the acquisition of four skilled nursing centers during the 2022 second quarter; and
  - o rental income from completed development projects and annual rent escalations.
- The increase in rental income was partially offset by:
  - o the sale of three assisted living communities and a skilled nursing center during the 2022 second quarter, and a skilled nursing center during 2021; and,
  - o temporary rent deferrals.
- Higher interest income from mortgage loans due to mortgage loan originations in 2022 and 2021.
- Higher interest and other income due to a mezzanine loan origination and additional funding under working capital loans partially offset by loan payoffs.



- Higher interest expense due to 2021 term loan originations, the issuance of \$75.0 million senior unsecured notes during the quarter and higher interest rates on LTC's revolving line of credit, partially offset by a lower outstanding balance, and scheduled principal paydowns on its senior unsecured notes.
- Higher provision for credit losses due to 2022 second quarter mortgage loan originations, partially offset by principal paydowns.
- Higher general and administrative expenses due to increased costs related to conference sponsorships and travel, as well as higher non-cash compensation charges, and increases in overall costs due to inflationary pressures.

During the second quarter of 2022, LTC completed the following:

- Acquired four newer skilled nursing centers located in Texas with a combined total of 339 beds for \$51.5 million and leased these centers to an affiliate of Ignite Medical Resorts ("Ignite"), a current LTC operating partner. The lease term is 10 years, with two five-year renewal options, and contains a purchase option beginning in the sixth lease year through the end of the seventh lease year. The Company expects to receive rent of approximately \$1.0 million in each of the third and fourth quarters of 2022, and approximately \$4.3 million during 2023. Rent will increase annually beginning on the third anniversary of the lease by 2.0% to 4.0% based on the change in the Medicare Market Basket Rate. Additionally, LTC provided Ignite a 10-year working capital loan for up to \$2.0 million, of which \$1.9 million has been funded, at 8% for first year, increasing to 8.25% for the second year, then increasing annually with the lease rate.
- Originated two mortgage loans for \$35.9 million secured by four newer assisted living communities and a land parcel. The four assisted living communities located in North Carolina, have a combined total of 217 units, and are operated by an existing LTC partner. The communities are newly constructed with an average age of under four years. The land parcel includes approximately 7.6 acres adjacent to one of the assisted living communities and is being held for the future development of a seniors housing community. The loans are cross-defaulted, have a four-year term, an interest rate of 7.25% and an IRR of 8%.
- Sold three assisted living communities and a skilled nursing center as follows:
  - o Two assisted living communities in California with a total of 232 units to the operator pursuant to the purchase option under their lease for \$43.7 million, and recognized a gain on sale of \$25.9 million. The communities had a gross book value of \$31.8 million and a net book value of \$16.8 million;
  - o A 121-bed skilled nursing center in California for \$13.3 million, and recognized a gain on sale of \$10.8 million. The property had a gross book value of \$4.6 million and a net book value of \$1.8 million; and,
  - o A 74-unit assisted living community in Virginia for \$16.9 million, and recognized a gain on sale of \$1.3 million. The community had a gross book value of \$16.9 million and a net book value of \$15.5 million. In connection with the sale, the current operator paid LTC a \$1.2 million lease termination fee.
- Received \$5.3 million of principal paydown on a working capital loan with HMG Healthcare. The current outstanding balance under the working capital loan is \$13.3 million, with a remaining availability of up to \$11.7 million;

- Provided a temporary reduction of rent totaling \$600,000 in the second quarter 2022 to Anthem and provided a \$900,000 temporary reduction of rent for third quarter 2022 to \$1.8 million. However, LTC anticipates receiving total annual cash rent from Anthem in 2022 of approximately \$10.8 million as LTC believes occupancy at the properties under Anthem's master lease will recover and Anthem expects to receive additional stimulus funds from the Employee Retention Tax Credit program that will be used to pay the deferred rent. Anthem has paid its agreed upon rent of \$600,000 for the month of July 2022.
- Provided \$702,000 of net deferred rent, which excludes the deferred rent provided to Anthem discussed above, and \$1.2 million of abated rent.
- Sold \$75.0 million aggregate principal amount of 3.66% senior unsecured notes. The notes have an average 10-year life, scheduled principal payments and will mature on May 17, 2033.
- Repaid \$101.9 million under the Company's revolving line of credit.
- Sold 909,800 shares of common stock for \$34.2 million in net proceeds under the Company's equity distribution agreement. The proceeds from the sale were used to paydown LTC's unsecured revolving line of credit which was used to fund investments and for general corporate purposes.

Subsequent to June 30, 2022, LTC completed the following:

- Terminated a master lease covering 12 assisted living communities with a total of 625 units, and transitioned the communities to an existing LTC operator. The former operator was one of the few for whom we had provided assistance in form of rent deferrals and abatements. LTC is evaluating options for this portfolio.
  - o In connection with the lease termination, LTC abated rent for June 2022 and has forgiven the former operator's outstanding deferred rent balance of \$7.1 million. Also, LTC paid the former operator a \$500,000 lease termination fee in exchange for cooperation and assistance in facilitating an orderly transition; and,
  - o The new master lease has a two-year term, with zero rent for the first four months. Thereafter, cash rent will be based on mutually agreed upon fair market rent. In connection with the new master lease, LTC paid the new operator a \$410,000 lease incentive payment which will be amortized as a yield adjustment to rental income over the two-year lease term.
- Provided \$240,000 of abated rent in July 2022 and agreed to provide rent abatements up to \$240,000 for each of August and September of 2022 to an operator pursuant to a master lease covering two assisted living communities. LTC is evaluating options for these communities.
- Agreed to defer \$150,000 of the \$445,000 monthly contractual rent for August and September of 2022 from a lessee that operates eight assisted living communities under a master lease. The operator requested rent assistance due to protracted lease-up of their portfolio during COVID. LTC anticipates they will be able to repay the total \$300,000 of deferred rent in 2023, upon receipt of additional stimulus funds from the Employee Retention Credit program. This operator is current on rent through July 2022.
- Borrowed a net of \$20.5 million under its unsecured revolving line of credit.
- Paid \$20.2 million in regular scheduled principal paydowns under LTC's senior unsecured notes; and,

Sold 125,200 shares of common stock for \$4.8 million in net proceeds under its equity distribution agreement. The proceeds from the sale were used to paydown LTC's unsecured revolving line of credit and for general corporate purposes.

### **Conference Call Information**

LTC will conduct a conference call on Friday, July 29, 2022, 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 June 30, 2022. The conference call is accessible by telephone and the internet. Interested parties may access the live conference call via the following:

Webcast	<a href="http://www.LTCReit.com">www.LTCReit.com</a>
USA Toll-Free Number	1-844-200-6205
Canada Toll-Free Number	1-833-950-0062
Conference Access Code	898490

Additionally, an audio replay of the call will be available one hour after the live call and through August 12, 2022 via the following:

USA Toll-Free Number	1-866-813-9403
Canada Local Number	1-226-828-7578
International Toll-Free Number	+44 204 525 0658
Conference Number	214260

### **About LTC**

LTC is a real estate investment trust (REIT) investing in seniors housing and health care properties primarily through sale-leasebacks, mortgage financing, joint-ventures and structured finance solutions including preferred equity and mezzanine lending. LTC's investment portfolio includes 202 properties in 29 states with 32 operating partners. Based on its gross real estate investments, LTC's investment portfolio is comprised of approximately 50% seniors housing and 50% skilled nursing properties. Learn more at [www.LTCreit.com](http://www.LTCreit.com).

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenues:</b>				
Rental income	\$ 31,628	\$ 29,804	\$ 61,952	\$ 61,777
Interest income from mortgage loans	10,097	7,933	19,733	15,855
Interest and other income	1,299	392	2,126	777
Total revenues	43,024	38,129	83,811	78,409
<b>Expenses:</b>				
Interest expense	7,523	6,860	14,666	13,832
Depreciation and amortization	9,379	9,508	18,817	19,385
Provision (recovery) for credit losses	305	—	659	(9)
Transaction costs	67	133	99	225
Property tax expense	4,019	3,800	8,001	7,781
General and administrative expenses	5,711	5,337	11,519	10,370
Total expenses	27,004	25,638	53,761	51,584
<b>Other operating income:</b>				
Gain on sale of real estate, net	38,094	5,463	38,196	4,690
Operating income	54,114	17,954	68,246	31,515
Income from unconsolidated joint ventures	376	376	751	665
Net income	54,490	18,330	68,997	32,180
Income allocated to non-controlling interests	(107)	(91)	(202)	(179)
Net income attributable to LTC Properties, Inc.	54,383	18,239	68,795	32,001
Income allocated to participating securities	(318)	(113)	(407)	(233)
Net income available to common stockholders	\$ 54,065	\$ 18,126	\$ 68,388	\$ 31,768
<b>Earnings per common share:</b>				
Basic	\$ 1.37	\$ 0.46	\$ 1.74	\$ 0.81
Diluted	\$ 1.36	\$ 0.46	\$ 1.73	\$ 0.81
<b>Weighted average shares used to calculate earnings per common share:</b>				
Basic	39,492	39,169	39,347	39,135
Diluted	39,665	39,170	39,520	39,136
Dividends declared and paid per common share	\$ 0.57	\$ 0.57	\$ 1.14	\$ 1.14

### **Supplemental Reporting Measures**

FFO and 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 and FAD as supplemental measures of operating performance. The Company believes FFO 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 and FAD facilitate like comparisons of operating performance between periods. Occasionally, the Company may exclude non-recurring items from FFO and FAD in order to 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. 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 FAD as FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income, deferred income from unconsolidated joint ventures, non-cash compensation charges, capitalized interest and non-cash interest charges. 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. 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.

While the Company uses FFO and 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 and FAD

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
GAAP net income available to common stockholders	\$ 54,065	\$ 18,126	\$ 68,388	\$ 31,768
Add: Depreciation and amortization	9,379	9,508	18,817	19,385
Less: Gain on sale of real estate, net	(38,094)	(5,463)	(38,196)	(4,690)
NAREIT FFO attributable to common stockholders	25,350	22,171	49,009	46,463
Add: Non-recurring items	(859) <sup>(1)</sup>	133 <sup>(3)</sup>	(436) <sup>(4)</sup>	1,183 <sup>(6)</sup>
FFO attributable to common stockholders, excluding non-recurring items	\$ 24,491	\$ 22,304	\$ 48,573	\$ 47,646
NAREIT FFO attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 49,009	\$ 46,463
Non-cash income:				
Less: straight-line rental adjustment (income)	293	19	527	(663) <sup>(7)</sup>
Add: amortization of lease incentives	206	116	602 <sup>(5)</sup>	228
Add: Other non-cash expense	—	—	—	758 <sup>(8)</sup>
Less: Effective interest income from mortgage loans	(1,387)	(1,483)	(2,789)	(3,227) <sup>(7)</sup>
Net non-cash income	(888)	(1,348)	(1,660)	(2,904)
Non-cash expense:				
Add: Non-cash compensation charges	2,012	1,958	3,937	3,810
Less: Provision (recovery) for credit losses	305	—	659	(9)
Net non-cash expense	2,317	1,958	4,596	3,801
Funds available for distribution (FAD)	\$ 26,779	\$ 22,781	\$ 51,945	\$ 47,360
Add: Non-recurring items	(1,181) <sup>(2)</sup>	133 <sup>(3)</sup>	(1,181) <sup>(2)</sup>	1,337 <sup>(9)</sup>
FAD, excluding non-recurring items	\$ 25,598	\$ 22,914	\$ 50,764	\$ 48,697

(1) Represents (2) below partially offset by the provision for credit losses related to the origination of two mortgage loans during 2022 second quarter (\$322).

(2) Represents the lease termination fee received in connection with the sale of a 74-unit assisted living community (\$1,181).

(3) Represents the GAAP and cash impact of the 50% reduction of 2021 rent escalation.

(4) Represents (2) from above partially offset by the provision for credit losses related to the origination of two mortgage loans during the second quarter of 2022 and a \$25,000 mezzanine loan during the first quarter of 2022 (\$572) and (5) below.

(5) Includes a lease incentive balance write-off of \$173 related to a closed property and subsequent lease termination.

(6) Represents the GAAP impact of the 50% reduction of 2021 rent and interest escalation.

(7) Includes the impact of the 50% reduction of 2021 rent and interest escalation on straight-line rent and effective interest.

(8) Represents a straight-line rent receivable write-off due to transitioning rental revenue to cash basis.

(9) Represents the cash impact of the 50% reduction of 2021 rent and interest escalation.

(Reconciliation of FFO and FAD continued on next page)

**Reconciliation of FFO and FAD (continued)**

The following table continues the reconciliation between GAAP net income available to common stockholders and each of NAREIT FFO attributable to common stockholders and FAD (*unaudited, amounts in thousands, except per share amounts*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
NAREIT Basic FFO attributable to common stockholders per share	\$ 0.64	\$ 0.57	\$ 1.25	\$ 1.19
NAREIT Diluted FFO attributable to common stockholders per share	\$ 0.64	\$ 0.57	\$ 1.24	\$ 1.19
NAREIT Diluted FFO attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 49,009	\$ 46,696
Weighted average shares used to calculate NAREIT diluted FFO per share attributable to common stockholders	39,665	39,170	39,520	39,333
Diluted FFO attributable to common stockholders, excluding non-recurring items	\$ 24,491	\$ 22,417	\$ 48,573	\$ 47,879
Weighted average shares used to calculate diluted FFO, excluding non-recurring items, per share attributable to common stockholders	39,665	39,369	39,520	39,333
Diluted FAD	\$ 26,779	\$ 22,894	\$ 51,945	\$ 47,593
Weighted average shares used to calculate diluted FAD per share	39,665	39,369	39,520	39,333
Diluted FAD, excluding non-recurring items	\$ 25,598	\$ 23,027	\$ 50,764	\$ 48,930
Weighted average shares used to calculate diluted FAD, excluding non-recurring items, per share	39,665	39,369	39,520	39,333



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

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
<b>ASSETS</b>		
Investments:		
Land	\$ 125,786	\$ 123,239
Buildings and improvements	1,284,151	1,285,318
Accumulated depreciation and amortization	(374,170)	(374,606)
Real property investments, net	1,035,767	1,033,951
Mortgage loans receivable, net of loan loss reserve: 2022—\$3,830; 2021—\$3,473	379,817	344,442
Real estate investments, net	1,415,584	1,378,393
Notes receivable, net of loan loss reserve: 2022—\$588; 2021—\$286	58,206	28,337
Investments in unconsolidated joint ventures	19,340	19,340
Investments, net	1,493,130	1,426,070
Other assets:		
Cash and cash equivalents	6,401	5,161
Debt issue costs related to revolving line of credit	2,681	3,057
Interest receivable	42,713	39,522
Straight-line rent receivable	22,689	24,146
Lease incentives	1,910	2,678
Prepaid expenses and other assets	8,703	4,191
Total assets	<u>\$ 1,578,227</u>	<u>\$ 1,504,825</u>
<b>LIABILITIES</b>		
Revolving line of credit	\$ 56,000	\$ 110,900
Term loans, net of debt issue costs: 2022—\$563; 2021—\$637	99,437	99,363
Senior unsecured notes, net of debt issue costs: 2022—\$1,549; 2021—\$524	579,431	512,456
Accrued interest	3,946	3,745
Accrued expenses and other liabilities	28,917	33,234
Total liabilities	767,731	759,698
<b>EQUITY</b>		
Stockholders' equity:		
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2022—40,380; 2021—39,374	404	394
Capital in excess of par value	893,155	856,895
Cumulative net income	1,513,431	1,444,636
Accumulated other comprehensive income (loss)	6,139	(172)
Cumulative distributions	(1,610,155)	(1,565,039)
Total LTC Properties, Inc. stockholders' equity	802,974	736,714
Non-controlling interests	7,522	8,413
Total equity	810,496	745,127
Total liabilities and equity	<u>\$ 1,578,227</u>	<u>\$ 1,504,825</u>

SUPPLEMENTAL  
OPERATING  
AND  
FINANCIAL DATA



SECOND QUARTER 2022

## 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, 2021 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 EBITDAre, adjusted EBITDAre, 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](http://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](http://www.LTCreit.com).



## LEADERSHIP



**WENDY SIMPSON**  
Chairman and  
Chief Executive Officer



**PAM KESSLER**  
Co-President,  
CFO and Secretary



**CLINT MALIN**  
Co-President and  
Chief Investment Officer



**CECE CHIKHAILE**  
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  
of Marketing,  
Investor Relations  
and ESG



**MIKE BOWDEN**  
Vice President,  
Investments



**RACHEL SON**  
Vice President  
and Controller

## BOARD OF DIRECTORS

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

## ANALYSTS

CONNOR SIVERSKY	Berenberg Capital Markets
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AARON HECHT	JMP Securities, LLC
AUSTIN WURCHMIDT	KeyBanc Capital Markets, Inc.
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RICHARD ANDERSON	SMBC Nikko Securities
STEVE MANAKER	Stifel, Nicolaus & Company, Inc.

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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**TRANSFER AGENT**  
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1155 Long Island Avenue  
Edgewood, NY 11717-8309  
ATTN: IWS  
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# REAL ESTATE ACTIVITIES – INVESTMENTS AND CAPITAL RECYCLING SINCE 2010

(FROM JANUARY 1, 2010 THROUGH JUNE 30, 2022)

Total Investments <sup>(1)</sup>

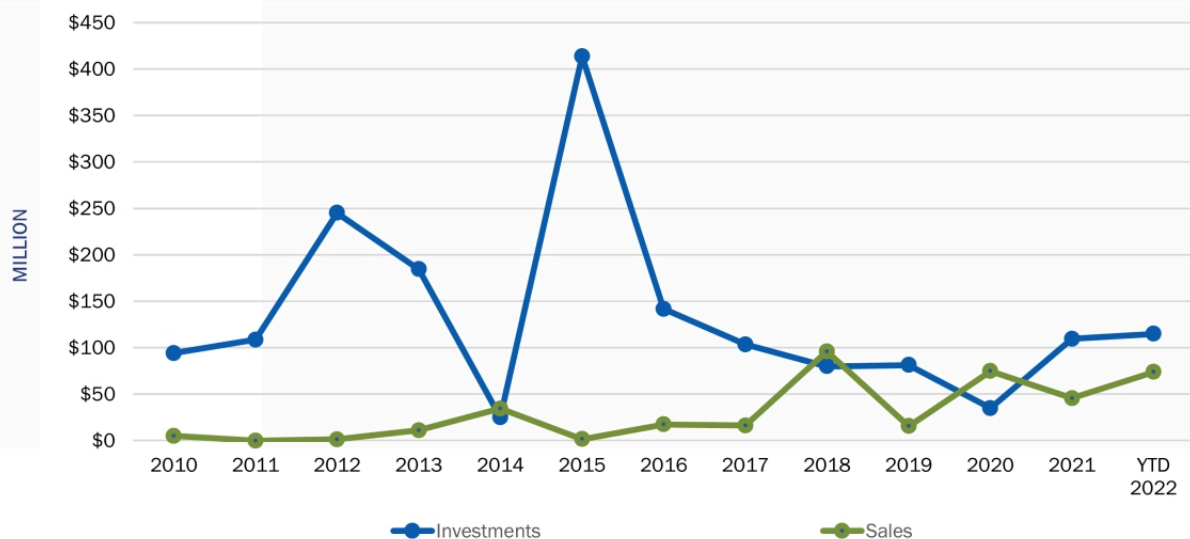
**\$ 1.7**  
Billion

Total Sales <sup>(2)</sup>

**\$ 392.6**  
Million

Total Gains

**\$ 177.4**  
Million



(1) Represents total investments.  
(2) Reflects total sales price.

# REAL ESTATE ACTIVITIES – ACQUISITIONS, MORTGAGE & MEZZANINE LOAN ORIGINATIONS

(DOLLAR AMOUNTS IN THOUSANDS)

## ACQUISITIONS

DATE	# OF PROPERTIES	PROPERTY TYPE	# OF BEDS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	CONTRACTUAL INITIAL CASH YIELD	PURCHASE PRICE
2022 4/1	4	SNF	339 beds	Various cities in TX	Ignite Medical Resorts	2017-2018	8.00%	\$ 51,534 <sup>(1)</sup>

- (1) The lease term is 10 years, with two 5-year renewal options, and contains a purchase option beginning in the sixth lease year through the end of the seventh lease year. We expect to receive rent of approximately \$1,000 in each of 3Q22 and 4Q22 and approximately \$4,300 during 2023. Rent will increase annually beginning on the third anniversary of the lease by 2.0% to 4.0% based on the change in the Medicare Market Basket Rate. Additionally, we provided a 10-year working capital loan for up to \$2,000, of which \$1,867 has been funded, at 8.00% for first year increasing to 8.25% for the second year then increasing annually with the lease rate.

## MORTGAGE LOANS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/ UNITS	LOCATION	OPERATOR	MATURITY DATE	CONTRACTUAL INITIAL RATE	ORIGINATION	INITIAL INVESTMENT	INITIAL ADDITION
2021 9/30	— <sup>(1)</sup>	OTH	N/A	St Peters, MO	N/A <sup>(1)</sup>	Oct-2022	7.50%	\$ 1,780	\$ 1,780	\$ —
10/1	1	SNF	189 beds	Lafayette, LA	Crossroads Area Management	Oct-2024	7.50%	27,347	27,047	3
10/5	1	ALF/MC	68 units	Ocala, FL	Pointe Group Care	Sep-2025	7.75%	16,707	12,530	4,177
12/1	13	ALF/MC/ILF	523 units	Various cities in NC & SC	ALG Senior Living	Dec-2025	7.25%	59,250	52,502	6,748
	15		189 beds/591 units					\$ 105,084	\$ 93,859	\$ 11,225
2022 5/5	4	ALF	217 units	Various cities in NC	ALG Senior Living	Jun-2026	7.25%	\$ 35,074	\$ 33,842	\$ 1,232
5/5	— <sup>(6)</sup>	OTH	N/A	Mills River, NC	ALG Senior Living	Jun-2026	7.25%	826	826	—
	4		217 units					\$ 35,900	\$ 34,668	\$ 1,232

- (1) We entered into a one-year loan agreement secured by a parcel of land for a future development of a post-acute skilled nursing center to be operated by Ignite Medical Resorts.  
 (2) The loan includes a 12-month extension option and the remaining commitment is for capital improvement. See page 7 for Renovations and Expansions.  
 (3) The remaining commitment of \$4,177 is for the construction of a memory care addition to the property. See page 7 for Renovations and Expansions.  
 (4) The initial rate is 7.25% with an 8.00% IRR. The remaining commitment is comprised of a \$6,098 capital improvement commitment and a \$650 working capital commitment, which has been fully funded. See page 7 for Renovations and Expansions.  
 (5) The initial rate is 7.25% with an 8.00% IRR. The remaining commitment is for working capital.  
 (6) Represents a mortgage loan on a parcel of land adjacent to one of the assisted living communities secured under the \$35,074 ALG mortgage loan. The land is being held for the future development of a seniors housing community. The initial rate is 7.25% with an 8.00% IRR.

## MEZZANINE LOANS

COMMITMENT YEAR	# OF PROPERTIES	PROPERTY TYPE	# OF UNITS	LOCATION	OPERATOR	MATURITY DATE	CONTRACTUAL INITIAL RATE	INVESTMENT BALANCE
2021	1	ILF	136 units	Bend, OR	BPM Senior Living	Oct-2024	8.00% <sup>(1)</sup>	\$ 4,355
2022	5	ILF/ALF/MC	621 units	Various cities in OR & MT	The Springs Living	May-2027	8.00% <sup>(2)</sup>	\$ 25,000

- (1) The loan includes two 12-month extension options. The initial cash rate is 8.00% for the first 18 months then increasing to 10.50% thereafter with a 10.50% IRR. Our investment represents approximately 8.00% of the total investment.  
 (2) The loan includes two 12-month extension options. The initial cash rate is 8.00% with a 11.00% IRR. Our investment represents approximately 12.00% of the total investment.



# REAL ESTATE ACTIVITIES – JOINT VENTURES

(DOLLAR AMOUNTS IN THOUSANDS)

## UNCONSOLIDATED JOINT VENTURES

COMMITMENT YEAR	# OF PROPERTIES	PROPERTY TYPE	# OF UNITS	LOCATION	OPERATOR	INVESTMENT TYPE	RETURN	INVESTMENT COMMITMENT
2020	1	ALF/MC	95 units	Arlington, WA	Fields Senior Living	Preferred Equity	7.00% <sup>(1)</sup>	\$ 6,340
2020	1	UDP-ILF/ALF	267 units	Vancouver, WA	Koelsch Communities	Preferred Equity	8.00% <sup>(2)</sup>	13,000
	2		362 units					\$ 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 investment. The property opened in December 2021 and occupancy was 69.5% at June 30, 2022. We have the option to require the JV partner to purchase our preferred equity interest at any time between August 17, 2031 and December 31, 2036.
- (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. The JV provides the JV partner the option to buy out our investment at any time after August 31, 2023 at the IRR rate. Also, we have the option to require the JV partner to purchase our preferred equity interest at any time between August 31, 2027 and prior to the end of the first renewal term of the lease. The estimated project completion is 1Q23.

## CONSOLIDATED JOINT VENTURES

INVESTMENT YEAR	PROPERTY TYPE	# OF UNITS	LOCATION	OPERATOR	INVESTMENT PURPOSE	TOTAL JOINT VENTURES COMMITMENT	NON-CONTROLLING INTEREST CONTRIBUTION	LTC CONTRIBUTION
2017	ALF/MC/ILF	110 units	Cedarburg, WI	Tealwood Senior Living	Owned Real Estate & Development	\$ 22,244	\$ 2,305	\$ 19,939
2017	ALF	87 units	Spartanburg, SC	ALG Senior Living	Owned Real Estate	11,660	1,241	10,419
		197 units				33,904	3,546	30,358
2018	ALF/MC	78 units	Medford, OR	Fields Senior Living <sup>(1)</sup>	Owned Real Estate & Development	18,978	1,090	17,888
2018	ILF	89 units	Medford, OR	Fields Senior Living <sup>(1)</sup>	Owned Real Estate	14,661	2,858	11,803
		167 units				33,639	3,948	29,691
		364 units				\$ 67,543	\$ 7,494	\$ 60,049

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

# REAL ESTATE ACTIVITIES – LEASE-UP AND RENOVATIONS & EXPANSIONS

(DOLLAR AMOUNTS IN THOUSANDS)

## LEASE-UP <sup>(1)</sup>

DATE ACQUIRED	DATE OPENED	OCCUPANCY AT 6/30/2022	DEVELOPMENT COMMITMENT YEAR	# OF PROPERTIES	PROPERTY TYPE	# OF UNITS	PROJECT TYPE	LOCATION	OPERATOR	CONTRACTUAL INITIAL CASH YIELD	TOTAL INVESTMENT
May-2018	Sep-2020 <sup>(3)</sup>	86%	2018	1	ALF/MC	78 units	Development	Medford, OR	Fields Senior Living	7.65%	\$ 2.1

- (1) Pertains to properties we own and developed and consolidated joint ventures.  
 (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.

## RENOVATIONS & EXPANSIONS: MORTGAGE LOANS

ESTIMATED INTEREST INCEPTION DATE	COMMITMENT YEAR	# OF PROPERTIES	PROPERTY TYPE	PROJECT TYPE	LOCATION	OPERATOR	CONTRACTUAL INITIAL CASH YIELD	INVESTMENT COMMITMENT	2Q22 FUNDING	TOTAL FUNDED TO DATE	REMAINING COMMITMENT
— <sup>(1)</sup>	2018	1	SNF	Renovation	Grand Haven, MI	Prestige Healthcare	9.41%	\$ 3,000	\$ 28	\$ 1,768	\$ 1,232
— <sup>(2)</sup>	2021	1	SNF	Renovation	Lafayette, LA	Crossroads Area Management	7.50%	\$ 300	\$ 70	\$ 300	\$ 0
— <sup>(3)</sup>	2021	1	ALF/MC	Expansion	Ocala, FL	Pointe Group Care	7.75%	4,177	407	407	0
— <sup>(4)</sup>	2021	13	ALF/MC/ILF	Renovation	Various cities in NC and SC	ALG Senior Living	7.25%	6,098	74	275	5,823
		15						\$ 10,575	\$ 551	\$ 982	\$ 9,593

- (1) This commitment is part of a total loan commitment secured by four properties in Michigan. Interest payment increases upon each funding.  
 (2) This commitment is part of a \$27,347 loan commitment which was fully funded in 2Q22.  
 (3) This commitment is part of a \$16,707 loan commitment for the construction of a memory care addition to the property. Interest payment increases upon each funding.  
 (4) This commitment is part of a \$59,250 loan commitment secured by 13 properties, (12) North Carolina and (1) South Carolina. Interest payment increases upon each funding.



# PORTFOLIO OVERVIEW

(DOLLAR AMOUNTS IN THOUSANDS)

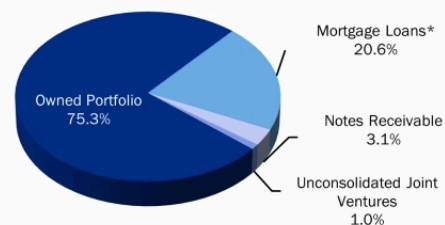
TWELVE MONTHS ENDED  
JUNE 30, 2022

BY INVESTMENT TYPE	# OF PROPERTIES	GROSS INVESTMENT	% OF INVESTMENT	REVENUES	% OF REVENUES	INCOME STATEMENT LINE
Owned Portfolio	153	\$ 1,409,937	75.3%	\$ 100,854 <sup>(1)</sup>	71.2%	Rental Income
Mortgage Loans	41	383,647	20.6%	36,689 <sup>(2)</sup>	25.9%	Interest Income from Mortgage Loans
Notes Receivable	7	58,794	3.1%	2,544 <sup>(3)</sup>	1.8%	Interest and Other Income
Unconsolidated Joint Ventures <sup>(4)</sup>	1	19,340	1.0%	1,504	1.1%	Income from Unconsolidated Joint Ventures
Total	202	\$ 1,871,718	100.0%	\$ 141,591	100.0%	

BY PROPERTY TYPE	# OF PROPERTIES	GROSS INVESTMENT	% OF INVESTMENT
Assisted Living	125	\$ 942,581	50.3%
Skilled Nursing	76	901,911	48.2%
Other <sup>(5)</sup>	1	14,226	0.8%
Under Development <sup>(4)</sup>	—	13,000	0.7%
Total	202	\$ 1,871,718	100.0%

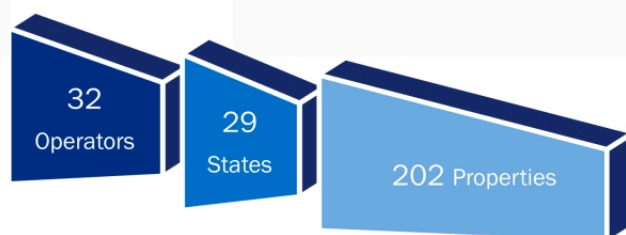
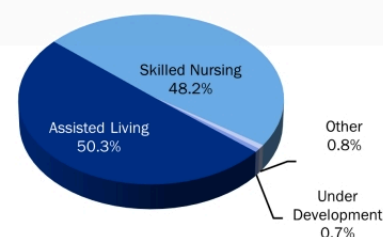
- (1) Includes cash rent, straight-line rent and amortization of lease incentives and excludes real estate tax reimbursement, and rental income from properties sold during the twelve months ended June 30, 2022. See page 20 for Components of Rental Income.
- (2) Includes interest income from mortgage loans, construction loans and effective interest during the twelve months ended June 30, 2022.
- (3) Includes interest income from mezzanine loans and working capital notes.
- (4) See page 6 for detail of Unconsolidated Joint Ventures and under development properties.
- (5) Includes one behavioral health care hospital and three parcels for land held-for-use, a parcel of land securing a first mortgage held for future development of a post-acute skilled nursing center and a parcel of land securing a first mortgage held for future development of a seniors housing community.

GROSS INVESTMENT BY INVESTMENT TYPE



\*Weighted average maturity – 15.7 years

GROSS INVESTMENT BY PROPERTY TYPE



# PORTFOLIO OVERVIEW

(DOLLAR AMOUNTS IN THOUSANDS)

TWELVE MONTHS ENDED  
JUNE 30, 2022

OWNED PROPERTIES	# OF PROPERTIES	GROSS INVESTMENT	% OF GROSS INVESTMENT	RENTAL INCOME <sup>(1)</sup>	% OF TOTAL REVENUES
Assisted Living	99	\$ 797,556	42.6%	\$ 52,106	36.8%
Skilled Nursing	53	600,701	32.1%	47,776	33.7%
Other	1	11,680	0.6%	972	0.7%
Total	153	\$ 1,409,937	75.3%	\$ 100,854	71.2%

MORTGAGE LOANS	# OF PROPERTIES	GROSS INVESTMENT	% OF GROSS INVESTMENT	INTEREST INCOME <sup>(2)</sup>	% OF TOTAL REVENUES
Assisted Living	18	\$ 95,207	5.1%	\$ 3,377	2.4%
Skilled Nursing	23	285,894	15.3%	33,201	23.4%
Other	—	2,546	0.2%	111	0.1%
Total	41	\$ 383,647	20.6%	\$ 36,689	25.9%

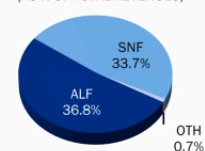
REAL ESTATE INVESTMENTS	194	\$ 1,793,584	95.9%	\$ 137,543	97.1%
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NOTES RECEIVABLE	# OF PROPERTIES	GROSS INVESTMENT	% OF GROSS INVESTMENT	INTEREST AND OTHER INCOME <sup>(3)</sup>	% OF TOTAL REVENUES
Assisted Living	7	\$ 43,478	2.3%	\$ 2,128	1.5%
Skilled Nursing	—	15,316	0.8%	416	0.3%
Total	7	\$ 58,794	3.1%	\$ 2,544	1.8%

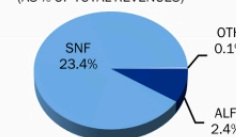
UNCONSOLIDATED JOINT VENTURES	# OF PROPERTIES	GROSS INVESTMENT	% OF GROSS INVESTMENT	UNCONSOLIDATED JV INCOME	% OF TOTAL REVENUES
Assisted Living	1	\$ 6,340	0.3%	\$ 450	0.3%
Under Development	—	13,000	0.7%	1,054	0.8%
Total	1	\$ 19,340	1.0%	\$ 1,504	1.1%

TOTAL INVESTMENTS	202	\$ 1,871,718	100.0%	\$ 141,591	100.0%
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RENTAL INCOME  
(AS % OF TOTAL REVENUES)



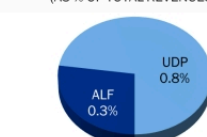
INTEREST INCOME  
(AS % OF TOTAL REVENUES)



INTEREST & OTHER INCOME  
(AS % OF TOTAL REVENUES)



UNCONSOLIDATED JV INCOME  
(AS % OF TOTAL REVENUES)



(1) Includes cash rent, straight-line rent and amortization of lease incentives and excludes real estate tax reimbursement, and rental income from properties sold during the twelve months ended June 30, 2022. See page 20 for Components of Rental Income.

(2) Includes interest income from mortgage loans, construction loans and effective interest during the twelve months ended June 30, 2022.

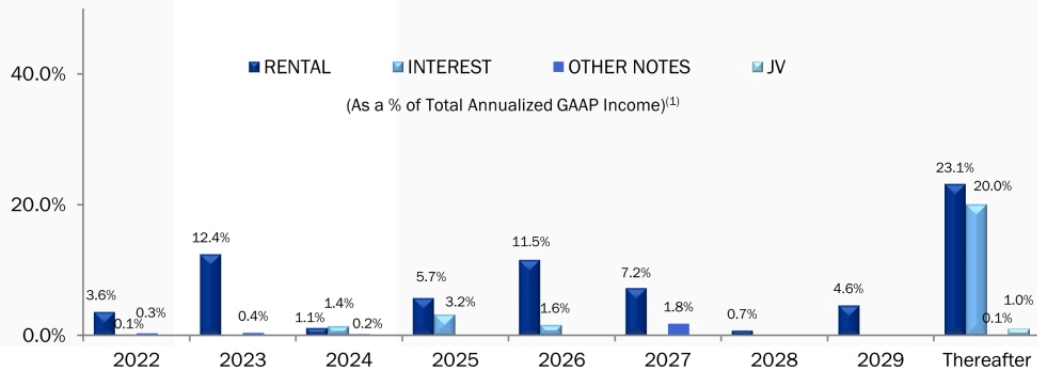
(3) Includes interest income from mezzanine loans and working capital notes.

# PORTFOLIO MATURITY

(AS OF JUNE 30, 2022, DOLLAR AMOUNTS IN THOUSANDS)



YEAR	RENTAL INCOME <sup>(1)</sup>	% OF TOTAL	INTEREST INCOME <sup>(1)</sup>	% OF TOTAL	OTHER NOTES INCOME <sup>(1)</sup>	% OF TOTAL	UNCONSOLIDATED JV INCOME <sup>(1)(2)</sup>	% OF TOTAL	ANNUALIZED GAAP INCOME <sup>(1)</sup>	% OF TOTAL
2022	\$ 5,650 <sup>(3)</sup>	5.1%	\$ 135	0.3%	\$ 589	12.5%	\$ —	—	\$ 6,374	4.0%
2023	19,578 <sup>(4)</sup>	17.7%	—	—	659	14.0%	—	—	20,237	12.8%
2024	1,799	1.6%	2,079	5.0%	353	7.5%	—	—	4,231	2.7%
2025	9,086	8.3%	5,029	12.2%	—	—	—	—	14,115	8.9%
2026	18,060	16.4%	2,541	6.2%	—	—	—	—	20,601	13.1%
2027	11,289	10.2%	—	—	2,835	60.2%	—	—	14,124	9.0%
2028	1,068	1.0%	—	—	—	—	—	—	1,068	0.7%
2029	7,300	6.6%	—	—	—	—	—	—	7,300	4.6%
Thereafter	36,509	33.1%	31,566	76.3%	273	5.8%	1,505	100.0%	69,853	44.2%
<b>Total</b>	<b>\$ 110,339</b>	<b>100.0%</b>	<b>\$ 41,350</b>	<b>100.0%</b>	<b>\$ 4,709</b>	<b>100.0%</b>	<b>\$ 1,505</b>	<b>100.0%</b>	<b>\$ 157,903</b>	<b>100.0%</b>



## Near Term Maturities:

- One lease and two loans in 2022 with an annualized GAAP income totaling \$6.4 million
- Seven leases and three loans in 2023 with an annualized GAAP income totaling \$20.2 million
- Three leases and two loans in 2024 with an annualized GAAP income totaling \$4.2 million
- As of June 30, 2022, approximately 93% of owned properties are covered under master leases and approximately 92% of rental revenue come from master leases or cross-default leases

- (1) Represents annualized contractual GAAP rent prior to abatements, GAAP interest income from mortgage loans, mezzanine loans and working capital notes and income from unconsolidated joint ventures for the month of June 2022 for investments as of June 30, 2022, except for (3) below.
- (2) Represents income from two preferred equity investments accounted for as unconsolidated joint ventures. These preferred equity investments do not have scheduled maturities but provide the entity an option to redeem our investment at a future date. See page 6 for further discussion on Unconsolidated Joint Ventures.
- (3) Represents anticipated annual GAAP rent of \$5,650 from the HMG portfolio transitioned from Senior Care.
- (4) One of the seven lease maturities is Brookdale which represents 73% of the annualized GAAP income maturing in 2023 as of June 30, 2022. See page 12 for additional information on Brookdale.

# PORTFOLIO DIVERSIFICATION – 32 OPERATORS

(AS OF JUNE 30, 2022, DOLLAR AMOUNTS IN THOUSANDS)

OPERATORS	# OF PROPS	ANNUALIZED		ANNUALIZED CONTRACTUAL		ANNUALIZED		GROSS	
		ACTUAL CASH <sup>(1)(4)</sup>	%	CASH <sup>(2)(4)(5)</sup>	%	GAAP <sup>(3)(5)</sup>	%	INVESTMENT	%
Prestige Healthcare	24	\$ 27,247	18.1%	\$ 27,247	17.7%	\$ 32,607	20.7%	\$ 271,853	14.1%
Brookdale Senior Living <sup>(6)</sup>	35	14,790	9.8%	14,790	9.6%	14,785	9.4%	103,831	5.5%
Carespring Health Care Management	4	10,268	6.8%	10,268	6.7%	11,194	7.1%	102,940	5.4%
Fundamental	7	9,138	6.1%	9,138	6.0%	8,411	5.3%	76,116	4.1%
Ark Post Acute Network	7	8,914	5.9%	8,914	5.8%	8,257	5.2%	71,742	3.9%
Genesis Healthcare	6	8,761	5.8%	8,761	5.7%	8,761	5.6%	50,004	2.7%
HMG Healthcare <sup>(7)</sup>	14	8,400	5.6%	8,400	5.5%	8,250	5.2%	175,532	9.3%
ALG Senior Living	19	8,093	5.4%	8,093	5.3%	8,115	5.1%	110,075	5.8%
Anthem Memory Care <sup>(6)</sup>	11	7,200	4.8%	10,800	7.0%	10,800	6.8%	139,176	7.4%
Juniper Communities	8	6,981	4.6%	6,981	4.5%	6,481	4.1%	96,472	5.1%
All Others <sup>(6)</sup>	67	40,745	27.1%	40,252	26.2%	40,242	25.5%	673,977	36.1%
	202	\$ 150,537	100.0%	\$ 153,644	100.0%	\$ 157,903	100.0%	\$ 1,871,718	100.0%

- (1) Represents annualized cash rental income, interest income from mortgage loans, mezzanine loans and working capital notes and income from unconsolidated joint ventures received for the month of June 2022 for investments as of June 30, 2022, except for (7) below.
- (2) Represents annualized contractual cash rental income prior to abatements, interest income from mortgage loans, mezzanine loans and working capital notes and income from unconsolidated joint ventures for the month of June 2022 for investments as of June 30, 2022, except for (7) below.
- (3) Represents annualized GAAP rent prior to abatements, GAAP interest income from mortgage loans, mezzanine loans and working capital notes and income from unconsolidated joint ventures for the month of June 2022 for investments as of June 30, 2022, except for (7) below.
- (4) The difference between annualized actual cash and annualized contractual cash is due to deferrals, deferred rent payments, abatements and contingent rent received in June 2022.
- (5) The difference between annualized contractual cash and annualized GAAP is due to straight-line rent, lease incentives amortization and effective interest. See page 20 for Non-Cash Revenue Components.
- (6) See operator updates on page 12.
- (7) Represents anticipated annual cash rent of \$5,875 and anticipated annual GAAP rent of \$5,650 for the former Senior Care portfolio and annualized June 2022 rent for the other master leases operated by HMG.

PRESTIGE	Privately Held	SNF/ALF/ILF Other Rehab	78 Properties	5 States
BROOKDALE	NYSE: BKD	ALF/ILF/MC Continuing Care	674 Properties	41 States
CARESPRING	Privately Held	SNF/ALF/ILF Transitional Care	16 Properties	2 States
FUNDAMENTAL	Privately Held	SNF/MC Hospitals & Other Rehab	79 Properties	8 States
ARK	Privately Held	SNF/ALF/ILF	13 Properties	4 States

GENESIS	OTC PINK: GENN	SNF/ Senior Living	More than 250 Properties	22 States
HMG	Privately Held	SNF/ALF/ILF	38 Properties	2 States
ALG	Privately Held	ALF/ILF/MC	149 Properties	7 States
ANTHEM	Privately Held	Exclusively MC	21 Properties	9 States
JUNIPER	Privately Held	ALF/ILF/MC/SNF	29 Properties	4 States

## PORTFOLIO DIVERSIFICATION – OPERATOR UPDATE

(DOLLAR AMOUNTS IN THOUSANDS)



During 1Q21, we amended Brookdale's master lease to extend their maturity for one year through December 31, 2022. The renewal options under the amended master lease remained unchanged, and provided three renewal options consisting of a three-year renewal option, a five-year renewal option and a 10-year renewal option. The notice period for the first renewal option was January 1, 2022 to April 30, 2022. During 2Q22, Brookdale's master lease was further amended to extend the maturity to December 31, 2023. The first renewal options under the new amended master lease was reduced from three years to two years with no other changes to the other two renewal options. Also, the notice period for the first renewal option was changed to November 1, 2022 through February 28, 2023. During 2020, we extended to Brookdale a \$4,000 capital commitment which was fully funded during 2021, and a \$2,000 capital commitment which is available between January 1, 2022 through December 31, 2022. Under the new amendment, the \$2,000 capital commitment was increased to \$4,000 and the maturity was extended to February 28, 2023. The yield on these capital commitments is 7% with a reduced rate for qualified ESG projects. During 2Q22, we funded \$695 under the new \$4,000 capital commitment. Accordingly, we have a remaining commitment of \$3,090 as of June 30, 2022. Brookdale is current on rent payments through July 2022.



Anthem paid us annual cash rent of \$10,800 in 2021 and \$9,900 in 2020. In 2Q22, we provided a temporary reduction of rent totaling \$600 to Anthem and provide a \$900 temporary reduction of rent for 3Q22 to \$1,800. However, we anticipate receiving total annual cash rent from Anthem in 2022 of approximately \$10,800 as we believe occupancy at the properties under Anthem's master lease will recover and Anthem expects to receive additional stimulus funds from the Employee Retention Tax Credit program that will be used to pay the deferred rent. Anthem has paid its agreed upon rent of \$600 for the month of July 2022.

### 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. The combined master lease was amended during 2021 and 2022 to extend the rent deferral period through May 31, 2022. The operator deferred rent of \$816 for 2Q22 resulting in an outstanding deferred rent balance of \$7,067 as of June 30, 2022. Subsequent to June 30, 2022, we terminated the master lease with this operator and transitioned the communities to an existing LTC operator. In connection with the lease termination, we abated rent for June 2022 and have forgiven the former operator's outstanding deferred rent balance. Also, we paid the former operator a \$500 lease termination fee in exchange for cooperation and assistance in facilitating an orderly transition. The transitioned communities will be operated pursuant to a new master lease with a two-year term, with zero rent for the first four months. Thereafter, cash rent will be based on mutually agreed upon fair market rent. In connection with the new master lease, we paid the new operator a \$410 lease incentive payment which will be amortized as a yield adjustment to rental income over the two-year lease term. LTC is evaluating options for this portfolio.

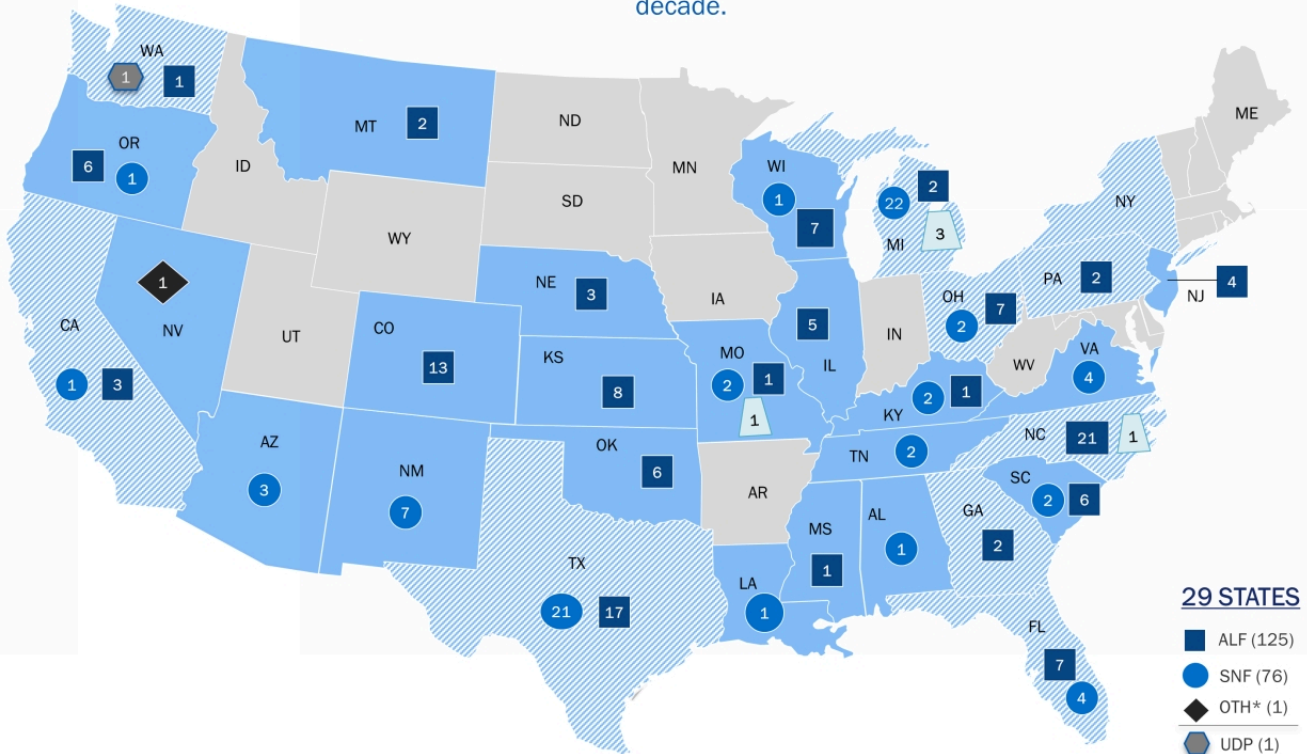
Subsequent to June 30, 2022, we agreed to defer \$150 of the \$445 monthly contractual rent for August and September of 2022 from a lessee that operates eight assisted living communities under a master lease. The operator requested rent assistance due to protracted lease-up of their portfolio during COVID. We anticipate they will be able to repay the total \$300 of deferred rent in 2023, upon receipt of additional stimulus funds from the Employee Retention Tax Credit program. This operator is current on rent through July 2022.



# PORTFOLIO DIVERSIFICATION - GEOGRAPHY

(AS OF JUNE 30, 2022)

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

\* Behavioral health care hospital

# PORTFOLIO DIVERSIFICATION – GEOGRAPHY (29 STATES)

(AS OF JUNE 30, 2022, DOLLAR AMOUNTS IN THOUSANDS)

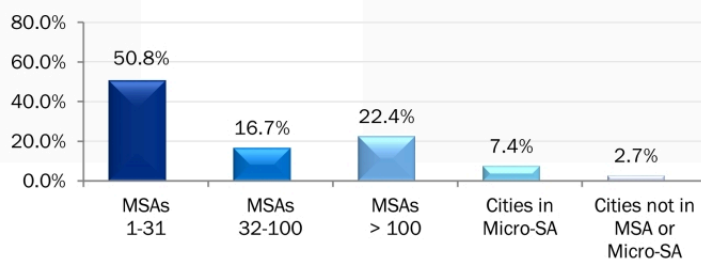
STATE <sup>(1)(2)</sup>	# OF PROPS	GROSS INVESTMENT		GROSS INVESTMENT							
			%	ALF	%	SNF	%	UDP	%	OTH <sup>(3)</sup>	%
Texas	38	\$ 326,983	17.7%	\$ 72,158	7.7%	\$ 254,825	28.7%	\$ —	—	\$ —	—
Michigan	24	280,934	15.2%	21,444	2.3%	258,547	29.2%	—	—	943	6.6%
Wisconsin	8	114,729	6.2%	100,783	10.8%	13,946	1.6%	—	—	—	—
Colorado	13	104,651	5.6%	104,651	11.2%	—	—	—	—	—	—
North Carolina	21	92,639	5.0%	91,873	9.8%	—	—	—	—	766	5.4%
Illinois	5	88,172	4.8%	88,172	9.4%	—	—	—	—	—	—
Ohio	9	87,543	4.7%	33,319	3.5%	54,224	6.1%	—	—	—	—
Florida	11	81,525	4.4%	48,660	5.2%	32,865	3.7%	—	—	—	—
California	4	69,685	3.8%	52,053	5.6%	17,632	2.0%	—	—	—	—
Kentucky	3	63,017	3.4%	14,301	1.5%	48,716	5.5%	—	—	—	—
All Others	66	539,862	29.2%	308,505	33.0%	205,840	23.2%	13,000	100.0%	12,517	88.0%
<b>Total</b>	<b>202</b>	<b>\$ 1,849,740</b>	<b>100.0%</b>	<b>\$ 935,919</b>	<b>100.0%</b>	<b>\$ 886,595</b>	<b>100.0%</b>	<b>\$ 13,000</b>	<b>100.0%</b>	<b>\$ 14,226</b>	<b>100.0%</b>

(1) Due to master leases with properties in various states, revenue by state is not available.

(2) Excludes working capital notes totaling \$21,978. Working capital notes are provided to certain operators under their master leases covering properties in various states. Therefore, the working capital notes outstanding balance is not available by state.

(3) Includes one behavioral health care hospital and three parcels for land held-for-use, one parcel of land securing a first mortgage held for future development of a post-acute skilled nursing center and one parcel of land securing a first mortgage held for future development of a seniors housing community.

## GROSS PORTFOLIO BY MSA <sup>(1)</sup>



(1) The MSA rank by population as of July 1, 2021, as estimated by the United States Census Bureau. Approximately 68% of our properties are in the top 100 MSAs. Includes only our real estate investments.

## AVERAGE PORTFOLIO AGE <sup>(1)</sup>



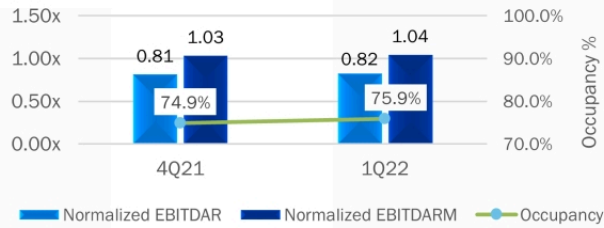
(1) As calculated from construction date or major renovation/expansion. Includes only our real estate investments.

# REAL ESTATE INVESTMENTS METRICS

(TRAILING TWELVE MONTHS THROUGH MARCH 31, 2022 AND DECEMBER 31, 2021)

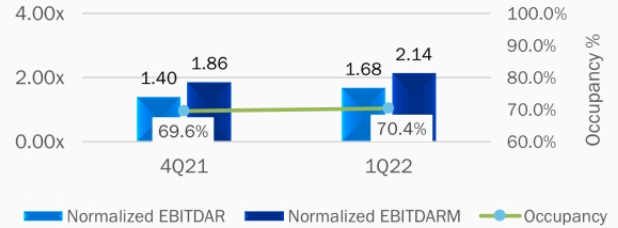
## SAME PROPERTY PORTFOLIO ("SPP") COVERAGE STATISTICS <sup>(1)(2)</sup>

### ASSISTED LIVING



ALF metrics include Coronavirus Stimulus Funds ("CSF") as allocated/reported by operators. Excluding CSF, the 1Q22 normalized EBITDAR and EBITDARM coverages were 0.73x and 0.95x, respectively, and 0.71x and 0.92x, respectively, for 4Q21. See definition of Coronavirus Stimulus Funds on Page 27. Occupancy represents the average TTM occupancy. For the 55% of the reported SPP ALF, spot occupancy was 83% at June 30, 2022, 81% at March 31, 2022 and 83% at December 31, 2021.

### SKILLED NURSING



SNF metrics include CSF, as allocated/reported by operators. Excluding CSF, the 1Q22 normalized EBITDAR and EBITDARM coverages were 1.08x and 1.52x, respectively, and 1.07x and 1.51x, respectively, for 4Q21. Occupancy represents the average TTM occupancy. For the 92% of the reported SPP SNF, average monthly occupancy was 72% in June 2022, 71% in March 2022 and 70% in December 2021.

## LEASES WITH QUARTERLY RENT RESETS – ALF <sup>(3)</sup>

(FOR THE SIX PROPERTIES CURRENTLY COVERED BY LEASES WITH QUARTERLY FAIR MARKET RENT RESETS)

(dollar amounts in thousands)



The spot occupancy for the six properties previously leased to Senior Lifestyle currently covered by leases with quarterly fair market rent resets in June 30, 2022 and December 31, 2020 was 80% and 60%, respectively.

## LEASES WITH QUARTERLY RENT RESETS – SNF <sup>(4)</sup>

(dollar amounts in thousands)



The average monthly occupancy in June 2022 and December 2020 was 56% and 57%, respectively.

- (1) Information is from property level operator financial statements which are unaudited and have not been independently verified by LTC. The same store portfolio excludes each property currently, or formerly, operated by Senior Lifestyle and Senior Care and will be added back to SPP 15 months after the date of the transition to the new operator.
- (2) The coverage and occupancy levels at our properties may 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, and/or residents delay or postpone elective surgeries at hospitals.
- (3) The spot occupancy for the 18 properties previously leased to Senior Lifestyle in June 30, 2022 and December 31, 2020 was 85% and 72%, respectively.
- (4) Represents the portfolio that transitioned from Senior Care.



# PORTFOLIO UPDATE

(AMOUNTS IN THOUSANDS)

## ABATED RENT

- \$1,172 abated rent during 2Q22
- \$452 of the \$1,172 abated rent was provided to an operator in connection with a lease termination subsequent to June 30, 2022. See page 12 for further discussion.

## DEFERRED RENT

- Deferred rent of \$816, excluding the Anthem rent reduction, and received \$114 of deferred repayments during 2Q22.
- As of June 30, 2022, outstanding non-accrued deferred rent of \$7,669 related to assisted living communities. \$7,067 of the outstanding balance relates to an operator of 12 assisted living communities that, subsequent to June 30, 2022, were transitioned to another operator. In connection with the termination of the master lease, the deferred rent balance was forgiven. See page 12 for further discussion.
- Our rent deferral agreements generally require the deferred rent to be paid within 12 to 36 months.
- Reduced agreed upon rent from Anthem by \$600 during 2Q22. See page 12 for further discussion.
- LTC evaluated deferral requests with close attention to ongoing operations, rent coverage, corporate financial health and liquidity of the operator.

## CONTRACTUAL 2Q22 RENT AND MORTGAGE INTEREST

### COLLECTED

**94.9%**  
(\$35,035)

### ABATED

**3.2%**  
(\$1,172)

### NET DEFERRED

**1.9%**  
(\$702)

## SUBSEQUENT TO JUNE 30, 2022

- Provided \$240 of abated rent in July 2022 and agreed to provide rent abatements up to \$240 for each of August and September 2022 to an operator pursuant to a master lease covering two assisted living communities. We are evaluating options for these communities.
- Agreed to reduce expected rent from Anthem by \$300 for each of July, August and September 2022. See page 12 for further discussion.
- Agreed to defer \$150 of the \$445 monthly contractual rent for August and September 2022 from a lessee that operates eight assisted living communities under a master lease. See page 12 for further discussion.

# ENTERPRISE VALUE

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



		JUNE 30, 2022	CAPITALIZATION
<b>DEBT</b>			
Revolving line of credit - WA rate 2.7% <sup>(1)</sup>		\$ 56,000	
Term loans, net of debt issue costs - WA rate 2.6% <sup>(2)</sup>		99,437	
Senior unsecured notes, net of debt issue costs - WA rate 4.3% <sup>(3)</sup>		579,431	
Total debt - WA rate 3.9%		734,868	32.2%
<b>EQUITY</b>			
	6/30/2022		
	No. of shares	Closing Price	
Common stock	40,379,591	\$ 38.39 <sup>(4)</sup>	1,550,172
Total Market Value			1,550,172
<b>TOTAL VALUE</b>		<b>\$ 2,285,040</b>	<b>100.0%</b>
Add: Non-controlling interest		7,522	
Less: Cash and cash equivalents		(6,401)	
<b>ENTERPRISE VALUE</b>		<b>\$ 2,286,161</b>	
Debt to Enterprise Value		32.1%	
Debt to Annualized Adjusted EBITDAre <sup>(5)</sup>		5.7x	

(1) Subsequent to June 30, 2022, we borrowed \$20,500 under our unsecured revolving line of credit. Accordingly, we have \$76,500 outstanding with \$323,500 available for borrowing.

(2) Represents outstanding balance of \$100,000, net of debt issue costs of \$563.

(3) Represents outstanding balance of \$580,980, net of debt issue costs of \$1,549. Subsequent to June 30, 2022, we repaid \$20,160 in scheduled principal paydowns on our senior unsecured notes.

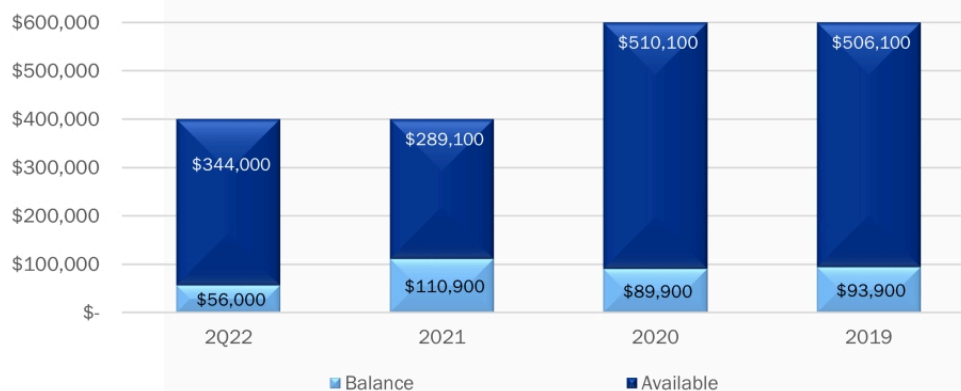
(4) Closing price of our common stock as reported by the NYSE on June 30, 2022.

(5) See page 21 for reconciliation of annualized adjusted EBITDAre.

## DEBT METRICS

(DOLLAR AMOUNTS IN THOUSANDS)

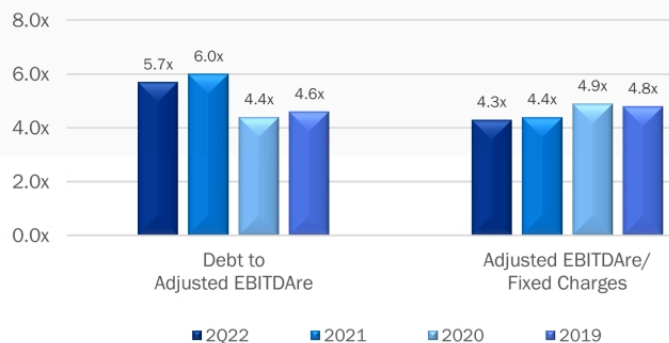
### LINE OF CREDIT LIQUIDITY



### LEVERAGE RATIOS



### COVERAGE RATIOS

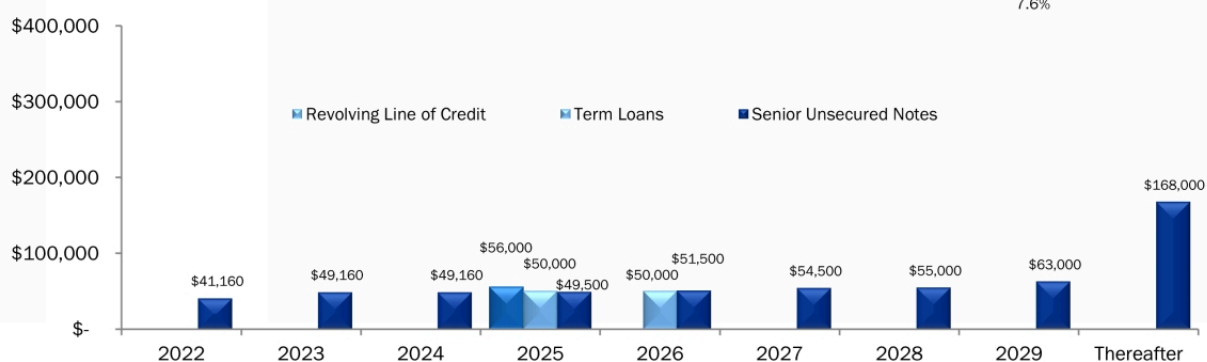
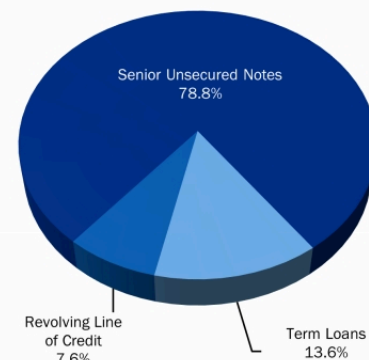


# DEBT MATURITY

(AS OF JUNE 30, 2022, DOLLAR AMOUNTS IN THOUSANDS)

YEAR	REVOLVING LINE OF CREDIT <sup>(1)</sup>	TERM LOANS <sup>(2)</sup>	SENIOR UNSECURED NOTES <sup>(2)</sup>	TOTAL	% OF TOTAL
2022	\$ —	\$ —	\$ 41,160	\$ 41,160	5.6%
2023	—	—	49,160	49,160	6.7%
2024	—	—	49,160	49,160	6.7%
2025	56,000	50,000	49,500	155,500	21.1%
2026	—	50,000	51,500	101,500	13.8%
2027	—	—	54,500	54,500	7.4%
2028	—	—	55,000	55,000	7.4%
2029	—	—	63,000	63,000	8.5%
Thereafter	—	—	168,000	168,000	22.8%
Total	\$ 56,000	\$ 100,000 <sup>(3)</sup>	\$ 580,980 <sup>(3)</sup>	\$ 736,980 <sup>(3)</sup>	100.0%

## DEBT STRUCTURE <sup>(3)</sup>



(1) Subsequent to June 30, 2022, we borrowed \$20,500 under our unsecured revolving line of credit. Accordingly, we have \$76,500 outstanding with \$323,500 available for borrowing.

(2) Reflects scheduled principal payments. Subsequent to June 30, 2022, we repaid \$20,160 in scheduled principal paydowns on our senior unsecured notes.

(3) Excludes debt issue costs which are netted against the principal outstanding in the term loans and senior unsecured notes balance on our Consolidated Balance Sheets shown on page 23.

# FINANCIAL DATA SUMMARY

(DOLLAR AMOUNTS IN THOUSANDS)

	6/30/22	12/31/21	12/31/20	12/31/19
Gross investments	\$ 1,871,718	\$ 1,804,435	\$ 1,737,795	\$ 1,778,341
Net investments	\$ 1,493,130	\$ 1,426,070	\$ 1,385,414	\$ 1,427,845
Gross asset value	\$ 1,956,815	\$ 1,883,190	\$ 1,811,867	\$ 1,864,705
Total debt <sup>(1)</sup>	\$ 734,868	\$ 722,719	\$ 649,382	\$ 693,388
Total liabilities <sup>(1)</sup>	\$ 767,731	\$ 759,698	\$ 683,680	\$ 728,783
Total equity	\$ 810,496	\$ 745,127	\$ 775,806	\$ 785,426

(1) Includes outstanding gross revolving line of credit, term loans, net of debt issue costs, and senior unsecured notes, net of debt issue costs.

## NON-CASH REVENUE COMPONENTS

	2Q22	3Q22 <sup>(1)</sup>	4Q22 <sup>(1)</sup>	1Q23 <sup>(1)</sup>	2Q23 <sup>(1)</sup>
Straight-line rent adjustment	\$ (293)	\$ (443)	\$ (428)	\$ (529)	\$ (572)
Amortization of lease incentives	(206)	(330) <sup>(2)</sup>	(210)	(210)	(206)
Effective interest	1,387 <sup>(3)</sup>	1,564	1,520	1,497	1,501
Net	\$ 888	\$ 791	\$ 882	\$ 758	\$ 723

(1) For leases and loans in place at June 30, 2022, assuming no renewals, modifications or replacements and no new investments are added to our portfolio.  
(2) Includes the write-off of a lease inducement of \$83 related to a lease termination.  
(3) Includes receipt of a \$155 contingent interest payment.

## COMPONENTS OF RENTAL INCOME

	THREE MONTHS ENDED			SIX MONTHS ENDED		
	JUNE 30.			JUNE 30.		
	2022	2021	Variance	2022	2021	Variance
Cash rent	\$28,108	\$26,410	\$ 1,698 <sup>(1)</sup>	\$ 55,080	\$ 55,033	\$ 47
Operator reimbursed real estate tax revenue	4,019	3,529	490 <sup>(2)</sup>	8,001	7,067	934 <sup>(2)</sup>
Straight-line rent (adjustment) income	(293)	(19)	(274) <sup>(3)</sup>	(527)	663	(1,190) <sup>(3)</sup>
Straight-line rent write-off	—	—	—	—	(758)	758 <sup>(4)</sup>
Amortization of lease incentives	(206)	(116)	(90)	(602)	(228)	(374) <sup>(5)</sup>
Total rental income	\$31,628	\$29,804	\$ 1,824	\$ 61,952	\$ 61,777	\$ 175

(1) Increase primarily due to a lease termination fee received in connection with sale of a 74-unit ALF, rent received from properties transitioned from the for Senior Care and Senior Lifestyle portfolios and rental income from completed development projects and annual rent escalations.  
(2) Increase primarily due to properties transitioned from Senior Care and 2Q22 acquisitions.  
(3) Decrease primarily due to the impact of prior year's 50% reduction of 2021 r escalations for those leases accounted for on a straight-line basis.  
(4) Represents a straight-line rent receivable write-off due to transitioning rental revenue recognition to cash basis for one lease.  
(5) Increase due to a lease incentive balance write-off related to a closed proper subsequent lease termination.

# FINANCIAL DATA SUMMARY

(DOLLAR AMOUNTS IN THOUSANDS)

## RECONCILIATION OF ANNUALIZED ADJUSTED EBITDAre AND FIXED CHARGES

	THREE MONTHS ENDED	FOR THE YEAR ENDED		
	6/30/22	12/31/21	12/31/20	12/31/19
Net income	\$ 54,490	\$ 56,224	\$ 95,677	\$ 80,872
Less: Gain on sale of real estate, net	(38,094)	(7,462)	(44,117)	(2,106)
Less: Gain on insurance proceeds	—	—	(373) <sup>(3)</sup>	(2,111) <sup>(3)</sup>
Add: Loss on unconsolidated joint ventures	—	—	758 <sup>(4)</sup>	—
Add: Impairment loss from investments	—	—	3,977 <sup>(5)</sup>	5,500 <sup>(4)</sup>
Add: Interest expense	7,523	27,375	29,705	30,582
Add: Depreciation and amortization	9,379	38,296	39,071	39,216
EBITDAre	33,298	114,433	124,698	151,953
(Less)/add: Non-recurring one-time items	(859) <sup>(1)</sup>	5,947 <sup>(2)</sup>	22,841 <sup>(6)</sup>	(1,535) <sup>(7)</sup>
Adjusted EBITDAre	\$ 32,439	\$ 120,380	\$ 147,539	\$ 150,418
Interest expense	\$ 7,523	\$ 27,375	\$ 29,705	\$ 30,582
Add: Capitalized interest	—	—	354	608
Fixed charges	\$ 7,523	\$ 27,375	\$ 30,059	\$ 31,190
Annualized Adjusted EBITDAre	\$ 129,756			
Annualized Fixed Charges	\$ 30,092			
Debt (net of debt issue costs)	\$ 734,868	\$ 722,719	\$ 649,382	\$ 693,388
Debt to Adjusted EBITDAre	5.7x	6.0x <sup>(8)</sup>	4.4x	4.6x
Adjusted EBITDAre to Fixed Charges <sup>(9)</sup>	4.3x	4.4x	4.9x	4.8x

- (1) Represents the lease termination fee received in connection with the sale of a 74-unit assisted living community (\$1,181) offset by the provision for credit losses related to the origination of two mortgage loans during 2Q22 (\$322).
- (2) Represents the Senior Care settlement payment (\$3,895), the straight-line rent receivable write-off (\$758), the provision for credit losses on mortgage loan originations (\$869), and the 50% reduction of 2021 rent and interest escalations (\$425).
- (3) Represents the gain from insurance proceeds related to previously sold properties.
- (4) In 4Q19, we wrote down our investment in an unconsolidated joint venture ("JV") by \$5,500 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 and the Senior Lifestyle lease incentives write-off of \$185 offset by the gain from insurance proceeds (\$373).
- (7) Represents the gain from insurance proceeds (\$2,111) and deferred rent repayment of \$1,350 from an operator offset by \$1,926 write-off of straight-line rent receivable due a lease termination.
- (8) Increase due to additional borrowings for \$98,215 of investments in 3Q21 and 4Q21.
- (9) Given we do not have preferred stock, our fixed charge coverage ratio and interest coverage ratio are the same.

# INCOME STATEMENT DATA

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Rental income	\$ 31,628	\$ 29,804	\$ 61,952	\$ 61,777
Interest income from mortgage loans	10,097	7,933	19,733	15,855
Interest and other income	1,299	392	2,126	777
Total revenues	43,024	38,129	83,811	78,409
<b>Expenses</b>				
Interest expense	7,523	6,860	14,666	13,832
Depreciation and amortization	9,379	9,508	18,817	19,385
Provision (recovery) for credit losses	305	—	659	(9)
Transaction costs	67	133	99	225
Property tax expense	4,019	3,800	8,001	7,781
General and administrative expenses	5,711	5,337	11,519	10,370
Total expenses	27,004	25,638	53,761	51,584
Other Operating Income				
Gain on sale of real estate, net	38,094	5,463	38,196	4,690
Operating Income	54,114	17,954	68,246	31,515
Income from unconsolidated joint ventures	376	376	751	665
<b>Net Income</b>	54,490	18,330	68,997	32,180
Income allocated to non-controlling interests	(107)	(91)	(202)	(179)
Net income attributable to LTC Properties, Inc.	54,383	18,239	68,795	32,001
Income allocated to participating securities	(318)	(113)	(407)	(233)
Net income available to common stockholders	\$ 54,065	\$ 18,126	\$ 68,388	\$ 31,768
Earnings per common share:				
Basic	\$1.37	\$0.46	\$1.74	\$0.81
Diluted	\$1.36	\$0.46	\$1.73	\$0.81
Weighted average shares used to calculate earnings per common share:				
Basic	39,492	39,169	39,347	39,135
Diluted	39,665	39,170	39,520	39,136
Dividends declared and paid per common share	\$0.57	\$0.57	\$1.14	\$1.14

# CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	JUNE 30, 2022 (unaudited)	DECEMBER 31, 2021 (audited)
<b>ASSETS</b>		
Investments:		
Land	\$ 125,786	\$ 123,239
Buildings and improvements	1,284,151	1,285,318
Accumulated depreciation and amortization	(374,170)	(374,606)
Real property investments, net	1,035,767	1,033,951
Mortgage loans receivable, net of loan loss reserve: 2022—\$3,830; 2021—\$3,473	379,817	344,442
Real estate investments, net	1,415,584	1,378,393
Notes receivable, net of loan loss reserve: 2022—\$588; 2021—\$286	58,206	28,337
Investments in unconsolidated joint ventures	19,340	19,340
Investments, net	1,493,130	1,426,070
Other assets:		
Cash and cash equivalents	6,401	5,161
Debt issue costs related to revolving line of credit	2,681	3,057
Interest receivable	42,713	39,522
Straight-line rent receivable	22,689	24,146
Lease incentives	1,910	2,678
Prepaid expenses and other assets	8,703	4,191
Total assets	\$ 1,578,227	\$ 1,504,825
<b>LIABILITIES</b>		
Revolving line of credit	\$ 56,000	\$ 110,900
Term loans, net of debt issue costs: 2022—\$563; 2021—\$637	99,437	99,363
Senior unsecured notes, net of debt issue costs: 2022—\$1,549; 2021—\$524	579,431	512,456
Accrued interest	3,946	3,745
Accrued expenses and other liabilities	28,917	33,234
Total liabilities	767,731	759,698
<b>EQUITY</b>		
Stockholders' equity:		
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2022—40,380; 2021—39,374	404	394
Capital in excess of par value	893,155	856,895
Cumulative net income	1,513,431	1,444,636
Accumulated other comprehensive income (loss)	6,139	(172)
Cumulative distributions	(1,610,155)	(1,565,039)
Total LTC Properties, Inc. stockholders' equity	802,974	736,714
Non-controlling interests	7,522	8,413
Total equity	810,496	745,127
Total liabilities and equity	\$ 1,578,227	\$ 1,504,825



# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO AND FAD

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
GAAP net income available to common stockholders	\$ 54,065	\$ 18,126	\$ 68,388	\$ 31,768
Add: Depreciation and amortization	9,379	9,508	18,817	19,385
(Less)/add: (Gain) loss on sale of investments, net	(38,094)	(5,463)	(38,196)	(4,690)
NAREIT FFO attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 49,009	\$ 46,463
NAREIT Diluted FFO attributable to common stockholders per share	\$0.64	\$0.57	\$1.24	\$1.19
NAREIT FFO attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 49,009	\$ 46,463
Add: Non-recurring items	(859) <sup>(1)</sup>	133 <sup>(3)</sup>	(436) <sup>(4)</sup>	1,183 <sup>(6)</sup>
FFO attributable to common stockholders, excluding non-recurring items	\$ 24,491	\$ 22,304	\$ 48,573	\$ 47,646
NAREIT FFO attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 49,009	\$ 46,463
Non-cash income:				
Less: Straight-line rental adjustment (income)	293	19	527	(663) <sup>(7)</sup>
Add: Amortization of lease incentives	206	116	602 <sup>(5)</sup>	228
Add: Other non-cash expense	—	—	—	758 <sup>(8)</sup>
Less: Effective interest income from mortgage loans	(1,387)	(1,483)	(2,789)	(3,227) <sup>(7)</sup>
Net non-cash income	(888)	(1,348)	(1,660)	(2,904)
Non-cash expense:				
Add: Non-cash compensation charges	2,012	1,958	3,937	3,810
Add: Provision (recovery) for credit losses	305	—	659	(9)
Net non-cash expense	2,317	1,958	4,596	3,801
Funds available for distribution (FAD)	26,779	22,781	51,945	47,360
Less: Non-recurring income	(1,181) <sup>(2)</sup>	133 <sup>(3)</sup>	(1,181) <sup>(2)</sup>	1,337 <sup>(9)</sup>
Funds available for distribution (FAD), excluding non-recurring items	\$ 25,598	\$ 22,914	\$ 50,764	\$ 48,697

(1) Represents (2) below offset by the provision for credit losses related to the origination of two mortgage loans during 2Q22 (\$322).

(2) Represents the lease termination fee received in connection with the sale of a 74-unit assisted living community (\$1,181).

(3) Represents the GAAP and cash impact of the 50% reduction of 2021 rent escalation.

(4) Represents (2) from above offset by the provision for credit losses related to the origination of two mortgage loans during the 2Q22 and a \$25,000 mezzanine loan during 1Q22 (\$572) and (5) below.

(5) Includes a lease incentive balance write-off of \$173 related to a closed property and subsequent lease termination.

(6) Represents the GAAP impact of the 50% reduction of 2021 rent and interest escalation.

(7) Includes the impact of the 50% reduction of 2021 rent and interest escalation on straight-line rent and effective interest.

(8) Represents a straight-line rent receivable write-off due to transitioning rental revenue to cash basis.

(9) Represents the cash impact of the 50% reduction of 2021 rent and interest escalation.

# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO PER SHARE

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

FOR THE THREE MONTHS ENDED JUNE 30,	FFO		FAD	
	2022	2021	2022	2021
FFO/FAD attributable to common stockholders	\$ 25,350	\$ 22,171	\$ 26,779	\$ 22,781
Non-recurring one-time items	(859) <sup>(1)</sup>	133 <sup>(3)</sup>	(1,181) <sup>(2)</sup>	133 <sup>(3)</sup>
FFO/FAD attributable to common stockholders excluding non-recurring items	24,491	22,304	25,598	22,914
Effect of dilutive securities:				
Participating securities	—	113	—	113
Diluted FFO/FAD excluding non-recurring items	\$ 24,491	\$ 22,417	\$ 25,598	\$ 23,027
Shares for basic FFO/FAD per share	39,492	39,169	39,492	39,169
Effect of dilutive securities:				
Stock options	—	1	—	1
Performance-based stock units	173	—	173	—
Participating securities	—	199	—	199
Shares for diluted FFO/FAD per share	39,665	39,369	39,665	39,369

FOR THE SIX MONTHS ENDED JUNE 30,	FFO		FAD	
	2022	2021	2022	2021
FFO/FAD attributable to common stockholders	\$ 49,009	\$ 46,463	\$ 51,945	\$ 47,360
Non-recurring one-time items	(436) <sup>(4)</sup>	1,183 <sup>(5)</sup>	(1,181) <sup>(2)</sup>	1,337 <sup>(6)</sup>
FFO/FAD attributable to common stockholders excluding non-recurring items	48,573	47,646	50,764	48,697
Effect of dilutive securities:				
Participating securities	—	233	—	233
Diluted FFO/FAD	\$ 48,573	\$ 47,879	\$ 50,764	\$ 48,930
Shares for basic FFO/FAD per share	39,347	39,135	39,347	39,135
Effect of dilutive securities:				
Stock options	—	1	—	1
Performance based stock units	173	—	173	—
Participating securities	—	197	—	197
Shares for diluted FFO/FAD per share	39,520	39,333	39,520	39,333

- (1) Represents (2) below offset by the provision for credit losses related to the origination of two mortgage loans during 2022 (\$322).  
(2) Represents the lease termination fee received in connection with the sale of a 74-unit assisted living community (\$1,181).  
(3) Represents the GAAP and cash impact of the 50% reduction of 2021 rent escalation.  
(4) Represents (2) from above offset by the provision for credit losses related to the origination of two mortgage loans during 2Q22 and a \$25,000 mezzanine loan during the first quarter of 2022 (\$572) and a lease incentive balance write-off of \$173 related to a closed property and subsequent lease termination.  
(5) Represents the GAAP impact of the 50% reduction of 2021 rent and interest escalation.  
(6) Represents the cash impact of the 50% reduction of 2021 rent and interest escalation.



# ESG

PEOPLE. PLANET. INTEGRITY.

Implementing corporate stewardship  
through socially responsible and  
sustainable practices.

2021

Board established an ESG committee to oversee practices and performance

Created and published an Environmental Sustainability Commitment and Human Capital Management and Labor Rights Guidelines

Enhanced our disclosures to highlight ESG initiatives

2022

Aligning with the Sustainability Accounting Standards Board (SASB) reporting framework and adopting select United Nations Sustainable Development Goals (SDGs) in guiding us to provide shareholders with relevant information on our environmental impact

Visit our website to learn more about our ESG initiatives. [www.ltcreit.com/esg](http://www.ltcreit.com/esg)

## GLOSSARY

**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 ("EBITDAre"):** As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), EBITDAre 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 depreciated 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, with depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

**Independent Living Communities ("ILF"):** Seniors housing properties offering a sense of community with numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise 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, 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 housing and long-term care properties. Licensed beds and/or units may differ from the number 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 area 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 19.8M – 2.2M. MSAs 32 to 100 have a population of 2.2M – 0.6M. MSAs greater than 100 have a population of 0.6M – 59K. Cities in a Micro-MSA have a population of 223K – 12K. Cities not in a MSA have a population of less than 100K.

**Mezzanine:** In certain circumstances, the Company strategically allocates a portion of its deployment toward mezzanine loans to grow relationships with operating companies that have not utilized sale leaseback financing as a component of their capital structure. Mezzanine financing is a form of debt that sits between senior debt and common equity in the capital structure, and typically is used to fund development projects, value-add opportunities on existing operational properties, partnership buy-outs, recapitalization of equity. We seek market-based, risk-adjusted rates of return typically between 9% with the loan term typically between three to 10 years. Security for mezzanine loans can include a portion of the following credit enhancements; secured second mortgage, pledge of equity interest, personal/corporate guarantees. Mezzanine loans can be recorded for GAAP purposes as either a 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 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 allows 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, forced liquidation or distress sale).

**Real Estate Investments:** Represents our investments in real property and mortgage loan receivables.

**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 held-for-sale). Accordingly, a property must be occupied and stabilized for a minimum of 15 months included in our SPP. Each property currently, or formerly, operated by Senior Lifestyle and Senior Care has been excluded from SPP and will be added back to SPP 15 months after the date of the transition to the operator.

**Skilled Nursing Properties ("SNF"):** Seniors housing properties providing restorative, rehabilitative 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 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 acquisition/lease transition or, in the event of a de novo development, redevelopment, major renovation, or addition, 24 months from the date the property is first placed in or returned to service, or properties are in lease-up.

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