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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: April 27, 2023  
(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 April 27, 2023, LTC Properties, Inc. announced the operating results for the three months ended March 31, 2023. 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 April 27, 2023.](#)

[99.2](#) [LTC Properties, Inc. Supplemental Information Package for the period ending March 31, 2023.](#)

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: April 27, 2023

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 2023 FIRST QUARTER RESULTS  
AND DISCUSSES RECENT ACTIVITIES**

WESTLAKE VILLAGE, CALIFORNIA, April 27, 2023-- 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 first quarter ended March 31, 2023.

	Three Months Ended March 31,	
	2023	2022
	<i>(unaudited)</i>	
Net income available to common stockholders	\$ 32,929	\$ 14,275
Diluted earnings per common share	\$ 0.80	\$ 0.36
NAREIT funds from operations ("FFO") attributable to common stockholders	\$ 27,200	\$ 23,611
NAREIT diluted FFO per common share	\$ 0.66	\$ 0.60
FFO attributable to common stockholders, excluding non-recurring items	\$ 27,462	\$ 24,034
Funds available for distribution ("FAD")	\$ 30,085	\$ 25,118
FAD, excluding non-recurring items	\$ 28,515	\$ 25,118

First quarter 2023 financial results were impacted by:

- Higher rental income from transitioned portfolios, the acquisition of four skilled nursing centers during the 2022 second quarter, completed development projects and annual rent escalations. The increase in rental income was partially offset by 2023 first quarter sales, discussed below, and 2022 second quarter sale of three assisted living communities and a skilled nursing center.
- Higher interest income from financing receivables due to the acquisition of 11 assisted living and memory care communities during 2023 first quarter, and three skilled nursing centers during the 2022 third quarter. These acquisitions are being accounted for as financing receivables in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
- Higher interest income from mortgage loans resulting from mortgage loan originations in the 2023 first quarter and 2022 second quarter.
- Higher interest and other income due to the payoff of two mezzanine loans and the related exit IRR and prepayment fee during the 2023 first quarter, and a mezzanine loan origination during the 2022 first quarter.
- Higher interest expense due to a higher outstanding balance and higher interest rates on LTC's revolving line of credit, and the issuance of \$75.0 million senior unsecured notes during the 2022 second quarter, partially offset by scheduled principal paydowns on the Company's senior unsecured notes.



- Higher provision for credit losses resulting from more originations in the first quarter of 2023, than in the same quarter in 2022.
- Higher general and administrative expenses due to higher non-cash compensation and increases in overall costs due to inflationary pressures and the timing of certain expenditures.
- The recording of a \$434,000 impairment loss related to a 70-unit assisted living community. See subsequent events below for further discussion.

During the first quarter of 2023, LTC completed the following:

- As previously announced, invested \$128.3 million in 12 assisted living and memory care communities as follows:
  - o Entered into a \$121.3 million joint venture (“JV”) with an existing LTC operator, and contributed \$117.5 million into the JV that purchased 11 assisted living and memory care communities with a total of 523 units. The communities are located in North Carolina and are operated under a 10-year master lease, with two five-year renewal options. The initial annual rent is at a rate of 7.25%, increasing to 7.50% in year three, then escalating thereafter based on CPI, subject to a floor of 2% and ceiling of 4%. The master lease provides the operator with the option to buy up to 50% of the properties at the beginning of the third lease year, and the remaining properties at the beginning of the fourth lease year through the end of the sixth lease year, with an exit IRR of 9.00% on any portion of the properties being purchased. LTC consolidates the joint venture’s acquired properties and the acquisition is accounted for as a financing receivable due to the seller’s purchase option. LTC expects to record consolidated GAAP and cash rent interest income from financing receivable during 2023 of \$9.7 million and \$8.8 million, respectively, related to the joint venture investment;
  - o Originated a \$10.8 million mortgage loan secured by a 45-unit memory care community located in North Carolina. The loan carries a two-year term with an interest-only rate of 7.25% and an IRR of 9.00%;
- As previously announced, invested \$51.1 million in a 203-unit independent living, assisted living, and memory care community located in Georgia through participation in an existing senior mortgage loan by refinancing existing banks including LTC’s outstanding \$7.5 million mezzanine loan. The rate on the senior mortgage loan, which expires in October 2024, is 7.50%, with an IRR of 7.75%;
- As discussed above, a \$7.5 million mezzanine loan was prepaid in connection with LTC’s \$51.1 million investment in an existing mortgage loan. In connection with the mezzanine loan prepayment, LTC recorded \$1.4 million of interest income related to the exit IRR;
- As previously announced, received \$4.5 million from a mezzanine loan prepayment, which includes a prepayment fee and the exit IRR totaling \$190,000. The mezzanine loan was related to a 136-unit independent living community in Oregon;
- As previously announced, sold two skilled nursing centers with a total of 235 beds located in New Mexico for \$21.3 million, and recorded a gain on sale of \$15.3 million;

- Sold a 60-unit assisted living community in Kentucky for \$11.0 million;
- Provided \$645,000 of abated rent to the same operator for which LTC has been providing assistance;
- Paid \$7.0 million in regular scheduled principal payments under the Company's senior unsecured notes;
- Borrowed \$140.1 million under the Company's revolving line of credit primarily for investments in 2023; and
- Sold 48,500 shares of LTC's common stock for \$1.8 million in net proceeds under its equity distribution agreements.

Subsequent to March 31, 2023, LTC completed the following:

- Sold a 70-unit assisted living community located in Florida for \$4.9 million. In connection with the sale, LTC recorded a \$434,000 impairment loss during the first quarter of 2023, as discussed above;
- Repaid \$6.0 million under its unsecured revolving line of credit;
- Agreed to defer up to \$1.5 million in interest payments due on a mortgage loan secured by 15 skilled nursing centers located in Michigan which are operated by Prestige Healthcare. The deferral will be available from May through September 2023 capped at \$300,000 per month;
- Agreed to defer each of April and May 2023 rent of \$467,000 for an operator for whom LTC previously provided assistance. LTC is in the process of transitioning this portfolio of eight assisted living communities with a total of 500 units to another LTC operator, and expect to complete the transaction during the 2023 second quarter. After the portfolio is transitioned, cash rent will be based on mutually agreed fair market rent; and
- Provided \$215,000 of abated rent in April 2023 to the same operator for whom abated rent has been previously provided. LTC has agreed to provide rent abatements up to \$215,000 for each of May and June 2023.

### **Conference Call Information**

LTC will conduct a conference call on Friday, April 28, 2023, 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 March 31, 2023. 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	1-833-470-1428
Canada Toll-Free Number	1-833-950-0062
Conference Access Code	796837

Additionally, an audio replay of the call will be available one hour after the live call and through May 12, 2023 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	313430

### **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 212 properties in 29 states with 31 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 March 31,	
	2023	2022
<b>Revenues:</b>		
Rental income	\$ 31,735	\$ 30,324
Interest income from financing receivables <sup>(1)</sup>	3,751	—
Interest income from mortgage loans	11,244	9,636
Interest and other income	2,770	827
Total revenues	49,500	40,787
<b>Expenses:</b>		
Interest expense	10,609	7,143
Depreciation and amortization	9,210	9,438
Impairment loss	434	—
Provision for credit losses	1,731	354
Transaction costs	117	32
Property tax expense	3,293	3,982
General and administrative expenses	6,294	5,808
Total expenses	31,688	26,757
<b>Other operating income:</b>		
Gain on sale of real estate, net	15,373	102
<b>Operating income</b>	33,185	14,132
Income from unconsolidated joint ventures	376	375
Net income	33,561	14,507
Income allocated to non-controlling interests	(427)	(95)
Net income attributable to LTC Properties, Inc.	33,134	14,412
Income allocated to participating securities	(205)	(137)
Net income available to common stockholders	\$ 32,929	\$ 14,275
<b>Earnings per common share:</b>		
Basic	\$ 0.80	\$ 0.36
Diluted	\$ 0.80	\$ 0.36
<b>Weighted average shares used to calculate earnings per common share:</b>		
Basic	41,082	39,199
Diluted	41,189	39,349
Dividends declared and paid per common share	\$ 0.57	\$ 0.57

(1) Represents rental income from acquisitions through sale-leaseback transactions, subject to leases which contain purchase options. In accordance with GAAP, the properties are required to be presented as financing receivables on our *Consolidated Balance Sheets* and the rental income to be presented as *Interest income from financing receivables* on our *Consolidated Statements of Income*.

### **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 March 31,	
	2023	2022
GAAP net income available to common stockholders	\$ 32,929	\$ 14,275
Add: Impairment loss	434	—
Add: Depreciation and amortization	9,210	9,438
Less: Gain on sale of real estate, net	(15,373)	(102)
NAREIT FFO attributable to common stockholders	27,200	23,611
Add: Non-recurring items	262 <sup>(1)</sup>	423 <sup>(4)</sup>
FFO attributable to common stockholders, excluding non-recurring items	\$ 27,462	\$ 24,034
NAREIT FFO attributable to common stockholders	\$ 27,200	\$ 23,611
Non-cash income:		
Add: straight-line rental adjustment	465	234
Add: amortization of lease incentives	209	396 <sup>(5)</sup>
Less: Effective interest income	(1,608)	(1,402)
Net non-cash income	(934)	(772)
Non-cash expense:		
Add: Non-cash compensation charges	2,088	1,925
Add: Provision for credit losses	1,731 <sup>(2)</sup>	354 <sup>(6)</sup>
Net non-cash expense	3,819	2,279
Funds available for distribution (FAD)	\$ 30,085	\$ 25,118
Less: Non-recurring income	(1,570) <sup>(3)</sup>	—
Funds available for distribution (FAD), excluding non-recurring items	\$ 28,515	\$ 25,118

(1) Represents the net of (2) and (3) below.

(2) Includes \$1,832 of provision for credit losses related to the \$121,321 acquisition accounted for as a financing receivable and \$61,900 of mortgage loan originations.

(3) Represents the prepayment fee and exit IRR related to the payoff of two mezzanine loans.

(4) Represents the sum of (5) and (6) below.

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

(6) Includes \$250 of provision for credit losses related to the origination of a \$25,000 mezzanine loan during 2022 first quarter.

(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 March 31,	
	2023	2022
NAREIT Basic FFO attributable to common stockholders per share	\$ 0.66	\$ 0.60
NAREIT Diluted FFO attributable to common stockholders per share	\$ 0.66	\$ 0.60
NAREIT Diluted FFO attributable to common stockholders	\$ 27,200	\$ 23,611
Weighted average shares used to calculate NAREIT diluted FFO per share attributable to common stockholders	41,189	39,349
Diluted FFO attributable to common stockholders, excluding non-recurring items	\$ 27,462	\$ 24,171
Weighted average shares used to calculate diluted FFO, excluding non-recurring items, per share attributable to common stockholders	41,189	39,575
Diluted FAD	\$ 30,085	\$ 25,255
Weighted average shares used to calculate diluted FAD per share	41,189	39,575
Diluted FAD, excluding non-recurring items	\$ 28,515	\$ 25,255
Weighted average shares used to calculate diluted FAD, excluding non-recurring items, per share	41,189	39,575

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

	March 31, 2023 (unaudited)	December 31, 2022 (audited)
<b>ASSETS</b>		
Investments:		
Land	\$ 123,338	\$ 124,665
Buildings and improvements	1,258,721	1,273,025
Accumulated depreciation and amortization	(390,013)	(389,182)
Operating real estate property, net	992,046	1,008,508
Properties held-for-sale, net of accumulated depreciation: 2023—\$3,088; 2022—\$2,305	4,075	10,710
Real property investments, net	996,121	1,019,218
Financing receivables, <sup>(1)</sup> net of credit loss reserve: 2023—\$1,981; 2022—\$768	196,096	75,999
Mortgage loans receivable, net of credit loss reserve: 2023—\$4,569; 2022—\$3,930	452,955	389,728
Real estate investments, net	1,645,172	1,484,945
Notes receivable, net of credit loss reserve: 2023—\$469; 2022—\$589	46,467	58,383
Investments in unconsolidated joint ventures	19,340	19,340
Investments, net	1,710,979	1,562,668
Other assets:		
Cash and cash equivalents	5,538	10,379
Debt issue costs related to revolving line of credit	2,132	2,321
Interest receivable	48,079	46,000
Straight-line rent receivable	21,238	21,847
Lease incentives	1,571	1,789
Prepaid expenses and other assets	9,319	11,099
Total assets	<u>\$ 1,798,856</u>	<u>\$ 1,656,103</u>
<b>LIABILITIES</b>		
Revolving line of credit	\$ 270,100	\$ 130,000
Term loans, net of debt issue costs: 2023—\$455; 2022—\$489	99,545	99,511
Senior unsecured notes, net of debt issue costs: 2023—\$1,420; 2022—\$1,477	531,400	538,343
Accrued interest	4,122	5,234
Accrued expenses and other liabilities	29,074	32,708
Total liabilities	934,241	805,796
<b>EQUITY</b>		
Stockholders' equity:		
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2023—41,396; 2022—41,262	413	412
Capital in excess of par value	933,370	931,124
Cumulative net income	1,577,794	1,544,660
Accumulated other comprehensive income	7,357	8,719
Cumulative distributions	(1,680,111)	(1,656,548)
Total LTC Properties, Inc. stockholders' equity	838,823	828,367
Non-controlling interests	25,792	21,940
Total equity	864,615	850,307
Total liabilities and equity	<u>\$ 1,798,856</u>	<u>\$ 1,656,103</u>

(1) Represents acquisitions through sale-leaseback transactions, subject to leases which contain purchase options. In accordance with GAAP, the properties are required to be presented as financing receivables on our *Consolidated Balance Sheets*.



SUPPLEMENTAL  
OPERATING  
AND  
FINANCIAL DATA



FIRST QUARTER 2023



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).

## 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, 2022 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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## 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



**MANDI HOGAN**  
Senior Vice President  
of Marketing, Investor  
Relations and ESG



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



**MIKE BOWDEN**  
Vice President,  
Investments



**RACHEL SON**  
Vice President  
and Controller



**ERIC SMITH**  
Vice President  
of Facilities and  
Capital Projects

## 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

STEVEN VALIQUETTE	Barclays
JUAN SANABRIA	BMO Capital Markets Corp.
TAYO OKUSANYA	Credit Suisse Securities (USA) LLC
AARON HECHT	JMP Securities, LLC
AUSTIN WURSCHMIDT	KeyBanc Capital Markets, Inc.
MIKE CARROLL	RBC Capital Markets Corporation
RICHARD ANDERSON	SMBC Nikko Securities
STEVE MANAKER	Stifel, Nicolaus & Company, Inc.
CONNOR SIVERSKY	Wells Fargo Securities, LLC

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

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# REAL ESTATE ACTIVITIES – INVESTMENTS AND CAPITAL RECYCLING SINCE 2014

(FROM JANUARY 1, 2014 THROUGH APRIL 27, 2023)

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

**\$ 1.3**  
Billion

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

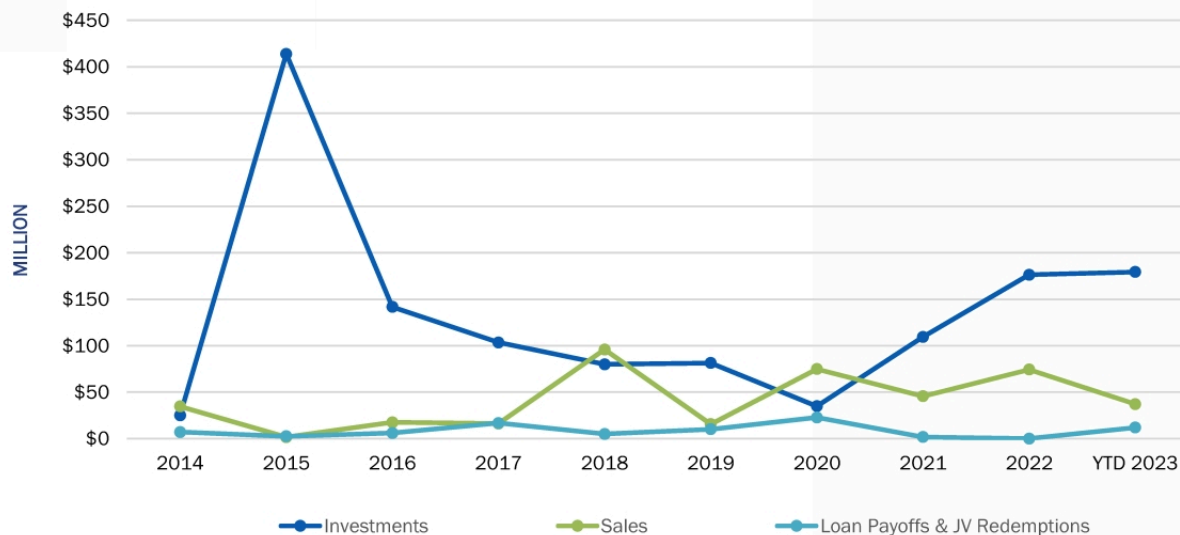
**\$ 413.1**  
Million

Total Gains

**\$ 190.5**  
Million

Total Loan Payoffs and  
JV Redemptions

**\$ 83.2**  
Million



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

# REAL ESTATE ACTIVITIES – ACQUISITIONS AND FINANCING RECEIVABLES - 2022-2023 YTD

(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

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. The contractual rent in 2023 is approximately \$4,300. 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 at 8.00% for the first year increasing to 8.25% for the second year then increasing annually with the lease rate. At March 31, 2023, the working capital loan had an outstanding balance of \$1,317.

## FINANCING RECEIVABLES<sup>(1)</sup>

DATE	# OF PROPERTIES	PROPERTY TYPE	# OF BEDS/UNITS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	CONTRACTUAL INITIAL CASH YIELD	PURCHASE PRICE
2022 9/8	3	SNF	299 beds	Various cities in FL	PruittHealth	2018-2021	7.25%	\$ 75,825 <sup>(2)</sup>
2023 1/5	11	ALF/MC	523 units	Various cities in NC	ALG Senior	1988-2018	7.25%	121,321 <sup>(3)</sup>

(1) Financing receivables represent acquisitions through sale-leaseback transactions, subject to lease agreements that contain purchase options. In accordance with GAAP, the purchased assets are required to be presented as a financing receivable on our *Consolidated Balance Sheets* and the rental income received is required to be presented as interest income from financing receivables on our *Consolidated Statements of Income*.

(2) We entered into a joint venture ("JV") with an affiliate of PruittHealth, Inc. ("PruittHealth") and contributed \$61,661 into the JV that purchased three skilled nursing centers. The JV leased the centers to PruittHealth under a 10-year master lease, with two five-year renewal options and provided PruittHealth with a purchase option, exercisable at the beginning of the fourth year through the end of the fifth year. LTC expects to record consolidated GAAP and cash interest income from financing receivables during 2023 of \$5,620 and \$5,615, respectively. See Consolidated Joint Ventures on page 7.

(3) We entered into a JV with an affiliate of ALG Senior and contributed \$117,490 into the JV that purchased 11 assisted living and memory care communities. The JV leased the communities to an affiliate of ALG Senior under a 10-year master lease, with two five-year renewal options. The initial annual rent is at a rate of 7.25%, increasing to 7.50% in year three, then escalating thereafter based on CPI, subject to a floor of 2% and ceiling of 4%. The master lease provides the operator with the option to buy up to 50% of the properties at the beginning of the third lease year, and the remaining properties at the beginning of the fourth lease year through the end of the sixth lease year, with an exit IRR of 9.00% on any portion of the properties being purchased. LTC expects to record consolidated GAAP and cash rent interest income from financing receivable during 2023 of \$9,706 and \$8,796, respectively. See Consolidated Joint Ventures on page 7.

# REAL ESTATE ACTIVITIES – MORTGAGE & MEZZANINE LOAN ORIGINATIONS - 2022-2023 YTD

(DOLLAR AMOUNTS IN THOUSANDS)

## MORTGAGE LOANS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/ UNITS	LOCATION	OPERATOR	MATURITY DATE	CONTRACTUAL		INITIAL INVESTMENT	INITIAL COMMITMENT
							INITIAL RATE	ORIGINATION		
2022 5/5	4	ALF	217 units	Various cities in NC	ALG Senior	Jun-2026	7.25%	\$ 35,074	\$ 33,842	\$ 1,232
5/5	— <sup>(2)</sup>	OTH	N/A	Mills River, NC	ALG Senior	Jun-2026	7.25%	826	826	—
	4		217 units					\$ 35,900	\$ 34,668	\$ 1,232
2023 1/5	1	MC	45 units	Canton, NC	ALG Senior	Jan-2025	7.25% <sup>(3)</sup>	\$ 10,750	\$ 10,750	\$ —
2/16	1	ILF/ALF/MC	203 units	Atlanta, GA	Galerie Management	Oct-2024	7.50% <sup>(4)</sup>	51,111	51,111	—
	2		248 units					\$ 61,861	\$ 61,861	\$ —

(1) The initial rate is 7.25% with an 8.00% IRR. The initial additional commitment is for working capital.

(2) 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.

(3) The initial rate is 7.25% with an 8.00% IRR.

(4) The initial rate is 7.25% with a 9.00% IRR.

(5) Invested in an existing mortgage loan refinancing certain existing banks and our outstanding \$7,461 mezzanine loan originated in 4Q18. The initial rate is 7.5% yield with a 7.75% IRR. We expect to record GAAP and cash interest income from this mortgage loan during 2023 of \$3,441.

## MEZZANINE LOANS

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

(1) 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 - CURRENT INVESTMENTS HELD

(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 80% at March 31, 2023. 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 14.00%. Our investment represents 11.00% 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, 202 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 3Q23.

## CONSOLIDATED JOINT VENTURES

INVESTMENT YEAR	PROPERTY TYPE	# OF UNITS/BEDS	LOCATION	OPERATOR	INVESTMENT PURPOSE	TOTAL JOINT VENTURES COMMITMENT	NON-CONTROLLING INTEREST CONTRIBUTION	LTC CONTRIBUTION
2017	ILF/ALF/MC	110 units	Cedarburg, WI	Tealwood Senior Living	Owned Real Estate	\$ 22,244	\$ 2,305	\$ 19,939
2017	ALF	87 units	Spartanburg, SC	ALG Senior	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 <sup>(1)</sup>	18,978	1,090	17,888
2018	ILF	89 units	Medford, OR	Fields Senior Living <sup>(1)</sup>	Owned Real Estate <sup>(1)</sup>	14,651	2,907	11,744
		167 units				33,629	3,997	29,632
2022	SNF	299 beds	Various cities in FL	PruittHealth <sup>(2)</sup>	Owned Real Estate <sup>(2)</sup>	75,986	14,325	61,661
2023	ALF/MC	523 units	Various cities in NC	ALG Senior <sup>(3)</sup>	Owned Real Estate <sup>(3)</sup>	121,321	3,831	117,490
		887 units/299 beds				\$ 264,840	\$ 25,699	\$ 239,141

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

(2) We entered into a JV with an affiliate of PruittHealth and the JV purchased three skilled nursing centers. In accordance with GAAP, the purchased assets are presented as a financing receivable on our Consolidated Balance Sheet. See further discussion of the PruittHealth financing receivable on page 5.

(3) We entered into a JV with an affiliate of ALG Senior to purchase 11 assisted living/memory care communities. In accordance with GAAP, the purchased assets are presented as a financing receivable on our Consolidated Balance Sheet. See further discussion of the ALG Senior financing receivable on page 5.

# REAL ESTATE ACTIVITIES – PURCHASE OPTIONS AND RENOVATIONS & EXPANSIONS

(DOLLAR AMOUNTS IN THOUSANDS)

## PURCHASE OPTIONS

STATE	# OF PROPERTIES	PROPERTY TYPE	GROSS INVESTMENTS	ANNUALIZED GAAP REVENUE	OPTION WINDOW
California	2	ALF/MC	\$ 38,895	\$ 2,876	2023-2029
Florida	1	MC	15,201	664	2029
Florida	3	SNF	76,756	5,620	2025-2027 <sup>(1)</sup>
Nebraska	3	ALF	7,633	660	TBD <sup>(2)</sup>
North Carolina	11	ALF/MC	121,321	9,706	2025-2028 <sup>(1)</sup>
Ohio	1	MC	16,160	—	2024-2025
South Carolina	1	ALF/MC	11,680	907	2029
Texas	4	SNF	51,837	4,337	2027-2029 <sup>(3)</sup>
Total	26		\$ 339,483	\$ 24,770	

- (1) See Financing Receivables on page 5 for further discussion.  
 (2) Subject to the properties achieving certain coverage ratios.  
 (3) The master lease allows the operator to elect either an earn payment or purchase option. If neither option is elected within the timeframe defined in the lease, both elections are terminated.

## RENOVATIONS & EXPANSIONS: MORTGAGE LOANS

ESTIMATED INTEREST INCEPTION DATE	COMMITMENT YEAR	# OF PROPERTIES	PROPERTY TYPE	PROJECT TYPE	LOCATION	OPERATOR	CONTRACTUAL INITIAL CASH YIELD	INVESTMENT COMMITMENT	1Q23 FUNDING	TOTAL FUNDED TO DATE	REMAINING COMMITMENT
— <sup>(1)</sup>	2018	1	SNF	Renovation	Grand Haven, MI	Prestige Healthcare	9.41%	\$ 3,000	\$ 31	\$ 1,807	\$
— <sup>(2)</sup>	2021	1	ALF/MC	Expansion	Ocala, FL	Pointe Group Care	7.75%	4,177	952	2,730	
— <sup>(3)</sup>	2021	13	ILF/ALF/MC	Renovation	Various cities in NC and SC	ALG Senior	7.25%	6,098	—	3,702	
		15						\$ 13,275	\$ 983	\$ 8,239	\$

- (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 \$16,707 loan commitment for the construction of a memory care addition to the property. Interest payment increases upon each funding.  
 (3) 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

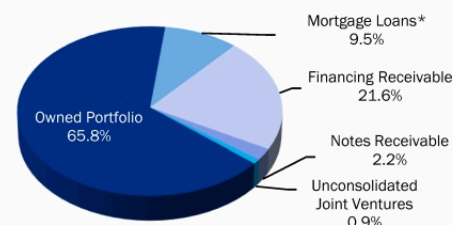
(DOLLAR AMOUNTS IN THOUSANDS)

BY INVESTMENT TYPE	# OF PROPERTIES	GROSS INVESTMENT	% OF INVESTMENT	TRAILING TWELVE MONTHS ENDED MARCH 31, 2023		
				REVENUES <sup>(1)</sup>	% OF REVENUES	INCOME STATEMENT LINE
Owned Portfolio <sup>(2)</sup>	149	\$ 1,389,222	65.8%	\$ 110,762	67.7%	Rental Income
Financing Receivables	14	198,077	9.5%	5,514	3.4%	Interest Income from Financing Receivables
Mortgage Loans	43	457,524	21.6%	42,207	25.8%	Interest Income from Mortgage Loans
Notes Receivable	5	46,936	2.2%	3,673	2.2%	Interest and Other Income
Unconsolidated Joint Ventures	1	19,340	0.9%	1,504	0.9%	Income from Unconsolidated Joint Ventures
Total	212	\$ 2,111,099	100.0%	\$ 163,660	100.0%	

BY PROPERTY TYPE	# OF PROPERTIES	GROSS INVESTMENT	% OF INVESTMENT
Assisted Living <sup>(2)</sup>	135	\$ 1,113,096	52.7%
Skilled Nursing	76	970,300	46.0%
Other <sup>(3)</sup>	1	14,703	0.7%
Under Development	—	13,000	0.6%
Total	212	\$ 2,111,099	100.0%

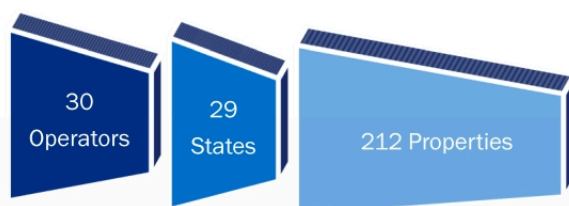
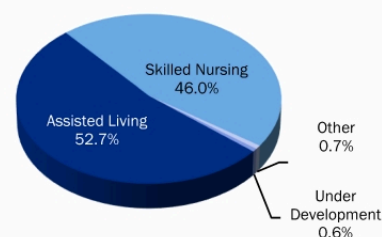
- (1) See Trailing Twelve Months Revenues definition in the Glossary.
- (2) Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.
- (3) Includes one behavioral health care 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 @ 3/31/23 – 12.8 years

GROSS INVESTMENT BY PROPERTY TYPE



# PORTFOLIO OVERVIEW – DETAIL

(DOLLAR AMOUNTS IN THOUSANDS)

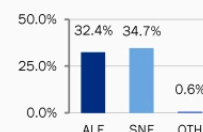
TRAILING TWELVE MONTHS ENDED  
MARCH 31, 2023

	# OF PROPERTIES	GROSS INVESTMENT	% OF GROSS INVESTMENT	RENTAL INCOME <sup>(1)</sup>	% OF TOTAL REVENUES
<b>OWNED PORTFOLIO</b>					
Assisted Living <sup>(2)</sup>	98	\$ 785,912	37.2%	\$ 53,035	32.4%
Skilled Nursing	50	591,305	28.0%	56,727	34.7%
Other	1	12,005	0.6%	1,000	0.6%
Total	149	\$ 1,389,222	65.8%	\$ 110,762	67.7%
<b>FINANCING RECEIVABLES</b>					
Assisted Living	11	\$ 121,321	5.8%	\$ 2,346	1.4%
Skilled Nursing	3	76,756	3.7%	3,168	2.0%
Total	14	\$ 198,077	9.5%	\$ 5,514	3.4%
<b>MORTGAGE LOANS</b>					
Assisted Living	20	\$ 167,573	7.9%	\$ 8,311	5.1%
Skilled Nursing	23	287,253	13.6%	33,700	20.6%
Other	—	2,698	0.1%	196	0.1%
Total	43	\$ 457,524	21.6%	\$ 42,207	25.8%
<b>REAL ESTATE INVESTMENTS</b>	206	\$ 2,044,823	96.9%	\$ 158,483	96.9%
<b>NOTES RECEIVABLE</b>					
Assisted Living	5	\$ 31,950	1.5%	\$ 2,947	1.8%
Skilled Nursing	—	14,986	0.7%	726	0.4%
Total	5	\$ 46,936	2.2%	\$ 3,673	2.2%
<b>UNCONSOLIDATED JOINT VENTURES</b>					
Assisted Living	1	\$ 6,340	0.3%	\$ 450	0.3%
Under Development	—	13,000	0.6%	1,054	0.6%
Total	1	\$ 19,340	0.9%	\$ 1,504	0.9%
<b>TOTAL INVESTMENTS</b>	212	\$ 2,111,099	100.0%	\$ 163,660	100.0%

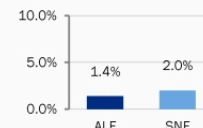
(1) See Trailing Twelve Months Revenues definition in the Glossary.

(2) Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.

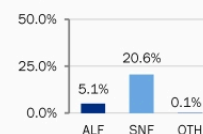
RENTAL INCOME  
(AS % OF TOTAL REVENUES)



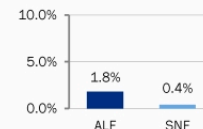
FINANCING RECEIVABLES  
(AS % OF TOTAL REVENUES)



MORTGAGE LOANS INTEREST INCOME  
(AS % OF TOTAL REVENUES)



INTEREST & OTHER INCOME  
(AS % OF TOTAL REVENUES)



UNCONSOLIDATED JV INCOME  
(AS % OF TOTAL REVENUES)



# PORTFOLIO DIVERSIFICATION – 30 OPERATORS

(AS OF MARCH 31, 2023, DOLLAR AMOUNTS IN THOUSANDS)

OPERATORS	# OF PROPS	ANNUALIZED		ANNUALIZED CONTRACTUAL		ANNUALIZED		GROSS INVESTMENT
		ACTUAL CASH <sup>(1)(2)</sup>	%	CASH <sup>(1)(2)(3)</sup>	%	GAAP <sup>(1)(3)</sup>	%	
Prestige Healthcare <sup>(6)</sup>	24	\$ 27,784	15.7%	\$ 27,784	15.5%	\$ 32,595	17.7%	\$ 271,904
ALG Senior <sup>(5)(6)</sup>	43	17,979	10.2%	17,979	10.0%	19,197	10.4%	326,288
Brookdale Senior Living <sup>(6)</sup>	35	15,398	8.7%	15,398	8.6%	15,393	8.4%	106,921
Anthem Memory Care <sup>(6)</sup>	12	10,800	6.1%	10,800	6.0%	10,800	5.9%	155,629
HMG Healthcare <sup>(4)</sup>	13	10,610	6.0%	10,610	5.9%	10,601	5.8%	176,285
Carespring Health Care Management	4	10,506	5.9%	10,506	5.8%	11,195	6.1%	102,940
Ark Post Acute Network	7	9,110	5.1%	9,110	5.1%	8,257	4.5%	71,742
Genesis Healthcare	6	8,761	4.9%	8,761	4.9%	8,761	4.8%	50,004
Fundamental	5	7,840	4.4%	7,840	4.4%	6,944	3.8%	65,798
Ignite Medical Resorts	6	7,716	4.4%	7,716	4.3%	7,716	4.2%	89,620
All Others <sup>(6)</sup>	57	50,554	28.6%	53,084	29.5%	52,239	28.4%	693,968
	<b>212</b>	<b>\$ 177,058</b>	<b>100.0%</b>	<b>\$ 179,588</b>	<b>100.0%</b>	<b>\$ 183,698</b>	<b>100.0%</b>	<b>\$ 2,111,099</b>

(1) See Glossary for definition of Annualized Actual Cash Income, Annualized Contractual Cash Income and Annualized GAAP Income.

(2) The difference between annualized actual cash and annualized contractual cash is due to deferred rent payments and abatements received in March 2023.

(3) The difference between annualized contractual cash and annualized GAAP is due to straight-line rent, lease incentives amortization and effective interest. See Non-Cash Revenue Components on page 20.

(4) Includes annual cash rent of \$8,000 and annual GAAP rent of \$7,991 from the HMG 11 skilled nursing centers portfolio master lease in 2023.

(5) Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.

(6) See operator update on page 12.

PRESTIGE	Privately Held	SNF/ILF/ALF Other Rehab	79 Properties	5 States
ALG	Privately Held	ILF/ALF/MC	149 Properties	7 States
BROOKDALE	NYSE: BKD	ILF/ALF/MC Continuing Care	673 Properties	41 States
ANTHEM	Privately Held	Exclusively MC	20 Properties	8 States
HMG	Privately Held	SNF/ILF/ALF	37 Properties	2 States

CARESPRING	Privately Held	SNF/ILF/ALF Transitional Care	17 Properties	2 States
ARK	Privately Held	SNF/ILF/ALF	13 Properties	4 States
GENESIS	OTC PINK: GENN	SNF/ Senior Living	More than 250 Properties	22 States
FUNDAMENTAL	Privately Held	SNF/MC Hospitals & Other Rehab	76 Properties	7 States
IGNITE	Privately Held	SNF/ALF	18 Properties	6 States

# PORTFOLIO DIVERSIFICATION – OPERATOR UPDATE

(DOLLAR AMOUNTS IN THOUSANDS)

## REVENUE UPDATES

During 1Q23, we collected 98.4%, or \$39,014, of contractual rent and mortgage interest income and provided 1.6%, or \$645, of abated rent to an existing operator. We provided \$215 of abated rent in April 2023 and agreed to provide rent abatements up to \$215 for each of May and June of 2023 pursuant to a master lease covering two assisted living communities. We are evaluating options for these communities.

In regard to our transitioned ALF portfolios with quarterly market-based rent resets, we expect to receive \$630 in rent during 2023. For our transitioned SNF portfolio to HMG with quarterly market-based resets, we expect to receive \$8,000 in rent during 2023.

Anthem paid us the agreed upon annual cash rent of \$10,800 in each of 2022 and 2021 and we expect to receive \$10,800 of annual cash rent from Anthem during 2023. During 1Q23, we transitioned a 60-unit memory care community located in Ohio to Anthem. Under a new two-year lease, no rent will be paid through May 2023, after which cash rent will be based on mutually agreed upon fair market rent. This property was part of a two-property portfolio which lease was due to mature this year. The other property, which was located in Kentucky, was sold in 1Q23. Anthem is current on agreed upon rent payments through April 2023. We receive regular financial performance updates from Anthem and continue to monitor their performance obligations under the master lease agreement.

Subsequent to March 31, 2023, we agreed to defer each of April and May 2023 rent of \$467 for an operator for whom LTC previously provided assistance. We are in the process of transitioning this portfolio of eight assisted living communities with a total of 500 units to another LTC operator, and expect to complete the transaction during 2Q23. These communities are located in Ohio, Michigan and Illinois. After the portfolio is transitioned, cash rent will be based on mutually agreed upon fair market rent.

Subsequent to March 31, 2023, we have agreed to defer \$1,500 in interest payment due on a mortgage loan secured by 15 skilled nursing centers located in Michigan which are operated by Prestige Healthcare. The deferral will be available from May through September 2023 capped at \$300 per month.

## LEASE RENEWALS

Brookdale elected not to exercise its renewal option under a master lease that matures on December 31, 2023. Brookdale is obligated to pay rent on the portfolio of 31 assisted living communities through maturity. We plan to sell approximately half of the properties in the Brookdale portfolio, while re-leasing the other half. Brookdale is current on rent payments through April 2023.

During 1Q23, a master lease covering two skilled nursing centers that was scheduled to mature in 2023 was renewed at the contractual rate for another five years extending the maturity to November 2028. The centers have a total 216 beds and are located in Florida.

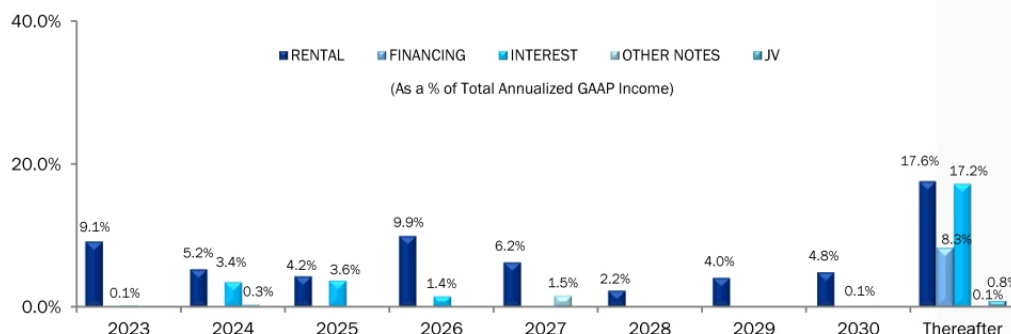
## REAL ESTATE SALES

Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.

# PORTFOLIO DIVERSIFICATION - MATURITY

(AS OF MARCH 31, 2023, DOLLAR AMOUNTS IN THOUSANDS)

YEAR	RENTAL INCOME <sup>(1)(2)(4)</sup>	% OF TOTAL	FINANCING 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)(3)</sup>	% OF TOTAL	ANNUALIZED GAAP INCOME <sup>(1)</sup>	% OF TOTAL
2023	\$ 16,673 <sup>(4)</sup>	14.4%	\$ —	—	\$ 143	0.3%	\$ 19	0.5%	\$ —	—	\$ 16,835	9.2
2024	9,618 <sup>(2)</sup>	8.3%	—	—	6,198	13.2%	559	15.6%	—	—	16,375	8.9
2025	7,620	6.5%	—	—	6,592	14.0%	—	—	—	—	14,212	7.8
2026	18,110	15.6%	—	—	2,709	5.7%	—	—	—	—	20,819	11.3
2027	11,341	9.8%	—	—	—	—	2,774	77.3%	—	—	14,115	7.7
2028	4,095	3.5%	—	—	—	—	—	—	—	—	4,095	2.2
2029	7,352	6.3%	—	—	—	—	—	—	—	—	7,352	4.0
2030	8,926	7.7%	—	—	—	—	127	3.5%	—	—	9,053	4.9
Thereafter	32,401	27.9%	15,326	100.0%	31,502	66.8%	109	3.1%	1,504	100.0%	80,842	44.0
Total	\$ 116,136	100.0%	\$ 15,326	100.0%	\$ 47,144	100.0%	\$ 3,588	100.0%	\$ 1,504	100.0%	\$ 183,698	100.0



## Near Term Maturities:

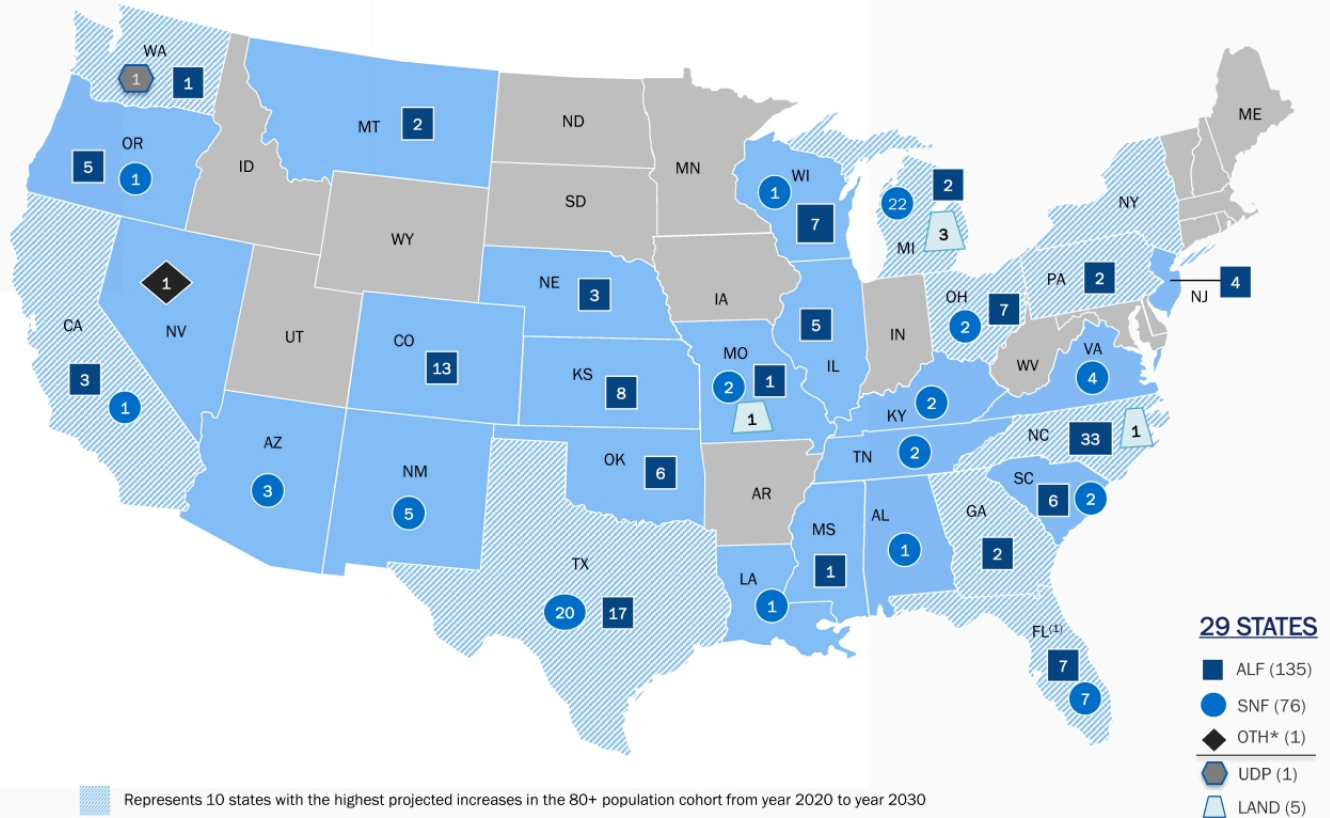
- Four leases and two loans in 2023 with an annualized GAAP income totaling \$16.8 million<sup>(4)</sup>
- Four leases and four loans in 2024 with an annualized GAAP income totaling \$16.4 million
- Two leases and four loans in 2025 with an annualized GAAP income totaling \$14.2 million
- As of March 31, 2023, approximately 93% of owned properties are covered under master leases and approximately 92% of rental revenues come from master leases or cross-default leases.

- (1) See Annualized GAAP income definition in the Glossary and (3) below.
- (2) Includes annual GAAP rent of \$7,991 from HMG 11 skilled nursing centers portfolio master lease in 2023. Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.
- (3) 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.
- (4) One of the four lease maturities is Brookdale which represents 91% of the annualized GAAP income maturing in 2023. Brookdale elected not to exercise its renewal option under a master lease that matures on December 31, 2023. See page 12 for further discussion.

# PORTFOLIO DIVERSIFICATION - GEOGRAPHY

(AS OF MARCH 31, 2023, DOLLAR AMOUNTS IN THOUSANDS)

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

(1) Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.

\* Behavioral health care hospital



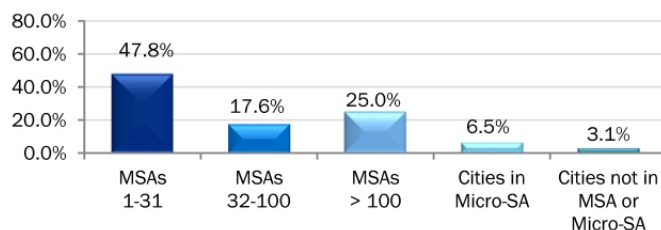
# PORTFOLIO DIVERSIFICATION – GEOGRAPHY (29 STATES)

(AS OF MARCH 31, 2023, DOLLAR AMOUNTS IN THOUSANDS)

STATE <sup>(1)</sup>	# OF PROPS	GROSS INVESTMENT		%	GROSS INVESTMENT							
					ALF	%	SNF	%	UDP	%	OTH <sup>(2)</sup>	%
Texas	37	\$ 328,442	15.7%		\$ 73,061	6.6%	\$ 255,381	26.7%	\$ —	—	\$ —	—
Michigan	24	280,294	13.4%		21,444	2.0%	257,907	27.0%	—	—	943	6.4%
North Carolina	33	232,841	11.2%		232,029	21.0%	—	—	—	—	812	5.5%
Florida <sup>(3)</sup>	14	159,461	7.6%		49,840	4.5%	109,621	11.5%	—	—	—	—
Wisconsin	8	114,838	5.5%		100,892	9.1%	13,946	1.5%	—	—	—	—
Colorado	13	105,106	5.0%		105,106	9.5%	—	—	—	—	—	—
Illinois	5	88,504	4.3%		88,504	8.0%	—	—	—	—	—	—
Ohio	9	87,693	4.2%		33,469	3.0%	54,224	5.7%	—	—	—	—
California	4	69,685	3.3%		52,053	4.7%	17,632	1.8%	—	—	—	—
Georgia	2	65,621	3.1%		65,621	5.9%	—	—	—	—	—	—
All Others	63	556,678	26.7%		284,127	25.7%	246,603	25.8%	13,000	100.0%	12,948	88.1%
Total	212	\$ 2,089,163	100.0%		\$ 1,106,146	100.0%	\$ 955,314	100.0%	\$ 13,000	100.0%	\$ 14,703	100.0%

- (1) Due to master leases with properties in various states, revenue by state is not available. Also, working capital notes are provided to certain operators under their master leases covering properties in various states. Therefore, the working capital notes outstanding balance totaling \$21.936 is also not available by state.
- (2) 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.
- (3) Subsequent to March 31, 2023, we sold a 70-unit assisted living community located in Florida for \$4,850. In connection with the sale, we recorded a \$434 impairment loss during 1Q23.

## 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 65% of our properties are in the top 100 MSAs. Includes only our real estate investments.

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

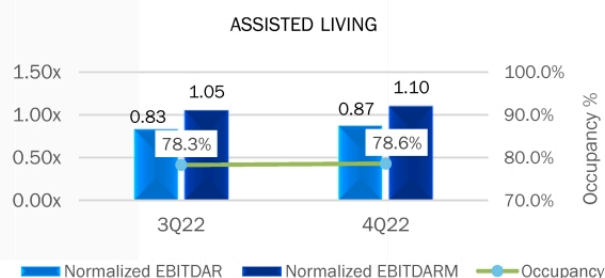


- (1) As calculated from construction date or major renovation/expansion. Includes only our real estate investments.

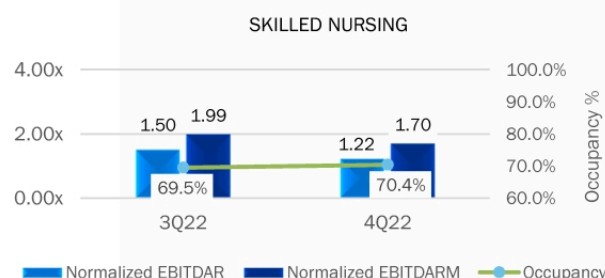
# REAL ESTATE INVESTMENTS METRICS

(TRAILING TWELVE MONTHS THROUGH DECEMBER 31, 2022 AND SEPTEMBER 30, 2022)

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



ALF metrics include Coronavirus Stimulus Funds ("CSF") as allocated/reported by operators. Excluding CSF, the 4Q22 normalized EBITDAR and EBITDARM coverages were 0.70x and 0.92x, respectively, and 0.72x and 0.94x, respectively, for 3Q22. See definition of Coronavirus Stimulus Funds on Page 28. Occupancy represents the average TTM occupancy. For the 66% of the reported SPP ALF, spot occupancy was 80% at March 31, 2023, 79% at January 31, 2023 and 81% at September 30, 2022.



SNF metrics include CSF, as allocated/reported by operators. Excluding CSF, the 4Q22 normalized EBITDAR and EBITDARM coverages were 1.03x and 1.51x, respectively, and 1.05x and 1.53x, respectively, for 3Q22. Occupancy represents the average TTM occupancy. For the 93% of the reported SPP SNF, average monthly occupancy was 73% in March 2023, 71% in January 2023 and 71% in September 2022.

- (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.



# ENTERPRISE VALUE

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



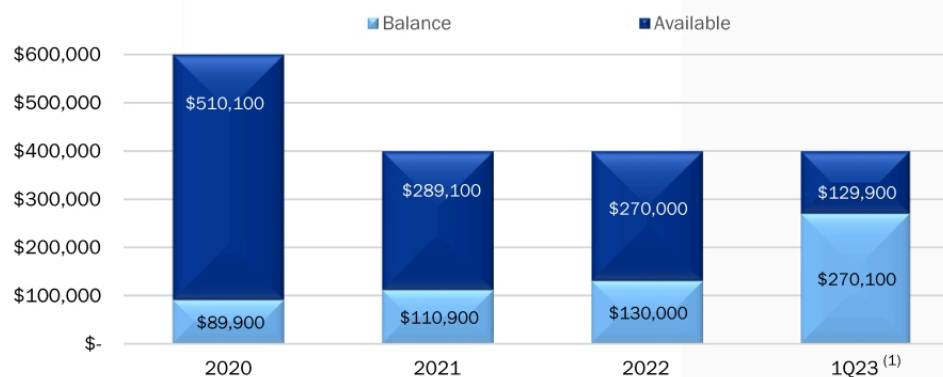
		MARCH 31, 2023	CAPITALIZATION
<b>DEBT</b>			
Revolving line of credit - WA rate 5.9% <sup>(1)</sup>		\$ 270,100	
Term loans, net of debt issue costs - WA rate 2.7% <sup>(2)</sup>		99,545	
Senior unsecured notes, net of debt issue costs - WA rate 4.2% <sup>(3)</sup>		531,400	
Total debt - WA rate 4.6%		901,045	38.3%
<b>EQUITY</b>			
	3/31/2023		
	No. of shares	Closing Price	
Common stock	41,396,216	\$ 35.13 <sup>(4)</sup>	1,454,249 61.7%
Total Market Value			1,454,249
<b>TOTAL VALUE</b>		<b>\$ 2,355,294</b>	<b>100.0%</b>
Add: Non-controlling interest		25,792	
Less: Cash and cash equivalents		(5,538)	
<b>ENTERPRISE VALUE</b>		<b>\$ 2,375,548</b>	
Debt to Enterprise Value		37.9%	
Debt to Annualized Adjusted EBITDA <sup>(5)</sup>		5.8x	

- (1) Subsequent to March 31, 2023, we repaid \$6,000 under our unsecured revolving line of credit. Accordingly, we have \$264,100 outstanding with \$135,900 available for borrowing under our revolving line of credit.
- (2) Represents outstanding balance of \$100,000, net of debt issue costs of \$455.
- (3) Represents outstanding balance of \$532,820, net of debt issue costs of \$1,420.
- (4) Closing price of our common stock as reported by the NYSE on March 31, 2023.
- (5) See page 21 for reconciliation of annualized adjusted EBITDA.

## DEBT METRICS

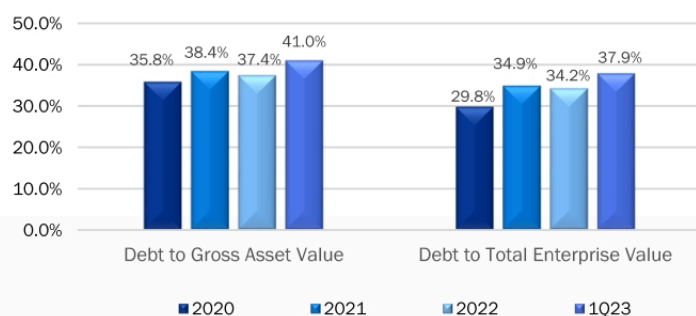
(DOLLAR AMOUNTS IN THOUSANDS)

### LINE OF CREDIT LIQUIDITY

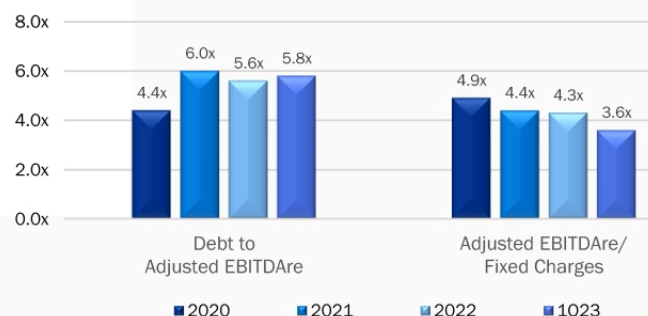


(1) Subsequent to March 31, 2023, we repaid \$6,000 under our unsecured revolving line of credit. Accordingly, we have \$264,100 outstanding with \$135,900 available for borrowing under our revolving line of credit.

### LEVERAGE RATIOS



### COVERAGE RATIOS

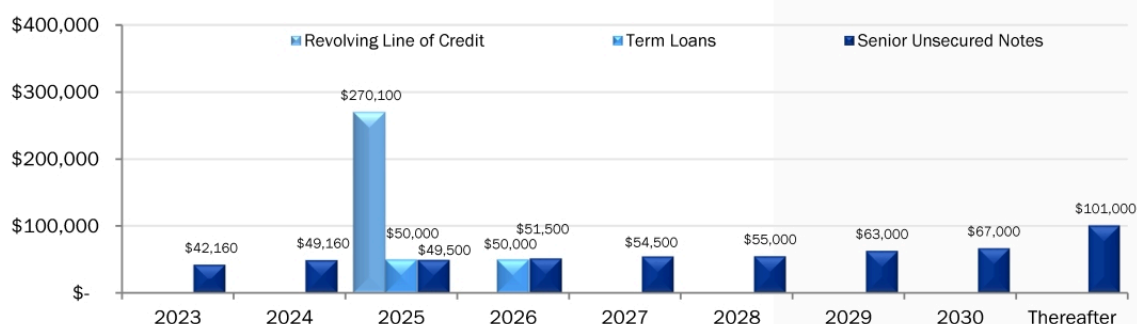
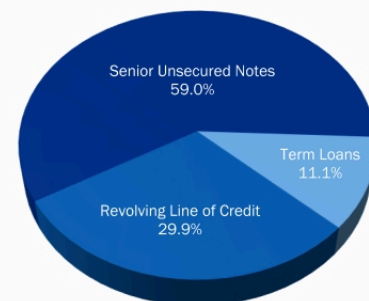


# DEBT MATURITY

(AS OF MARCH 31, 2023, DOLLAR AMOUNTS IN THOUSANDS)

YEAR	REVOLVING LINE OF CREDIT	TERM LOANS <sup>(1)(2)</sup>	SENIOR UNSECURED NOTES <sup>(1)(2)</sup>	TOTAL	% OF TOTAL
2023	\$ —	\$ —	\$ 42,160	\$ 42,160	4.7%
2024	—	—	49,160	49,160	5.5%
2025	270,100 <sup>(3)</sup>	50,000	49,500	369,600	40.9%
2026	—	50,000	51,500	101,500	11.2%
2027	—	—	54,500	54,500	6.0%
2028	—	—	55,000	55,000	6.1%
2029	—	—	63,000	63,000	7.0%
2030	—	—	67,000	67,000	7.4%
Thereafter	—	—	101,000	101,000	11.2%
Total	<u>\$ 270,100</u>	<u>\$ 100,000</u>	<u>\$ 532,820</u>	<u>\$ 902,920</u>	<u>100.0%</u>

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



(1) Reflects scheduled principal payments.

(2) 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.

(3) Subsequent to March 31, 2023, we repaid \$6,000 under our unsecured revolving line of credit. Accordingly, we have \$264,100 outstanding with \$135,900 available for borrowing under our revolving line of credit.

# FINANCIAL DATA SUMMARY

(DOLLAR AMOUNTS IN THOUSANDS)

	12/31/20	12/31/21	12/31/22	3/31/23
Gross investments	\$ 1,737,795	\$ 1,804,435	\$ 1,959,442	\$ 2,111,099
Net investments	\$ 1,385,414	\$ 1,426,070	\$ 1,562,668	\$ 1,710,979
Gross asset value	\$ 1,811,867	\$ 1,883,190	\$ 2,052,687	\$ 2,198,976
Total debt <sup>(1)</sup>	\$ 649,382	\$ 722,719	\$ 767,854	\$ 901,045
Total liabilities <sup>(1)</sup>	\$ 683,680	\$ 759,698	\$ 805,796	\$ 934,241
Total equity	\$ 775,806	\$ 745,127	\$ 850,307	\$ 864,615

(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

	1Q23	2Q23 <sup>(1)</sup>	3Q23 <sup>(1)</sup>	4Q23 <sup>(1)</sup>	1Q24 <sup>(1)</sup>
Straight-line rent adjustment	\$ (465)	\$ (411)	\$ (454)	\$ (543)	\$ (595)
Amortization of lease incentives	(209)	(202)	(164)	(146)	(143)
Effective interest - Financing receivable	233	240	240	191	191
Effective interest - Mortgage loans receivable	1,352	1,968 <sup>(2)</sup>	2,265 <sup>(2)</sup>	1,285	1,232
Effective interest - Notes receivable	23 <sup>(3)</sup>	176	176	176	176
Total non-cash revenue components	\$ 934	\$ 1,771	\$ 2,063	\$ 963	\$ 861

(1) For leases and loans in place at March 31, 2023, assuming no renewal modifications or replacements and no new investments are added to our portfolio.

(2) Includes deferred interest related to Prestige Healthcare. See page 12 for further discussion.

(3) Includes cash flow participation payment on a mezzanine loan.

## COMPONENTS OF RENTAL INCOME

	THREE MONTHS ENDED MARCH 31,		
	2023	2022	Variance
Cash rent	\$29,125	\$26,972	\$ 2,153 <sup>(1)</sup>
Operator reimbursed real estate tax revenue	3,284	3,982	(698) <sup>(2)</sup>
Straight-line rent (adjustment) income	(465)	(234)	(231) <sup>(3)</sup>
Amortization of lease incentives	(209)	(396)	187
Total rental income	\$31,735	\$30,324	\$ 1,411

(1) Increase primarily due to rent received from transitioned portfolios and rental income from acquisitions, completed development projects and annual rent escalations offset by property sales.

(2) Decrease primarily due to property tax reassessment and properties sold partially offset by 2Q22 acquisition.

(3) Decrease primarily due to normal amortization.

# FINANCIAL DATA SUMMARY

(DOLLAR AMOUNTS IN THOUSANDS)

## RECONCILIATION OF ANNUALIZED ADJUSTED EBITDAre AND FIXED CHARGES

	FOR THE YEAR ENDED			THREE MONTHS ENDED
	12/31/20	12/31/21	12/31/22	3/31/23
Net income	\$ 95,677	\$ 56,224	\$ 100,584	\$ 33,561
Less: Gain on sale of real estate, net	(44,117)	(7,462)	(37,830)	(15,373)
Less: Gain on insurance proceeds	(373) <sup>(1)</sup>	—	—	—
Add: Loss on unconsolidated joint ventures	758 <sup>(2)</sup>	—	—	—
Add: Impairment loss	3,977 <sup>(3)</sup>	—	3,422 <sup>(7)</sup>	434 <sup>(9)</sup>
Add: Interest expense	29,705	27,375	31,437	10,609
Add: Depreciation and amortization	39,071	38,296	37,496	9,210
EBITDAre	124,698	114,433	135,109	38,441
Add: Non-recurring items	22,841 <sup>(4)</sup>	5,947 <sup>(5)</sup>	824 <sup>(8)</sup>	262 <sup>(10)</sup>
<b>Adjusted EBITDAre</b>	<b>\$ 147,539</b>	<b>\$ 120,380</b>	<b>\$ 135,933</b>	<b>\$ 38,703</b>
Interest expense	\$ 29,705	\$ 27,375	\$ 31,437	\$ 10,609
Add: Capitalized interest	354	—	—	—
<b>Fixed charges</b>	<b>\$ 30,059</b>	<b>\$ 27,375</b>	<b>\$ 31,437</b>	<b>\$ 10,609</b>
Annualized Adjusted EBITDAre				\$ 154,812
Annualized Fixed Charges				\$ 42,436
Debt (net of debt issue costs)	\$ 649,382	\$ 722,719	\$ 767,854	\$ 901,045
Debt to Adjusted EBITDAre	4.4x	6.0x <sup>(6)</sup>	5.6x	5.8x <sup>(6)</sup>
Adjusted EBITDAre to Fixed Charges <sup>(11)</sup>	4.9x	4.4x	4.3x	3.6x

- (1) Represents the gain from insurance proceeds related to previously sold properties.
- (2) Represents a loss of \$758 from the sale of properties comprising an unconsolidated joint venture.
- (3) 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.
- (4) 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).
- (5) 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).
- (6) Increase due to additional borrowings for investments.
- (7) Represents an impairment loss relating to a 60-unit memory care community in Kentucky, a 70-unit assisted living community in Florida which was sold in 1Q23, and a 48-unit memory care in Colorado.
- (8) Represents a lease incentive balance write-off of \$173 related to a closed property, a \$1,332 provision for credit losses reserve related to the \$75,825 acquisition accounted for as a financing receivable, two mortgage loans and a mezzanine loan, and a lease termination fee of \$500 paid to a former operator of 12 assisted living communities in exchange for cooperation and assistance in facilitating an orderly transition of the communities to another operator partially offset by lease termination fee income of \$1,181 received in connection with the sale of an assisted living community.
- (9) Represents an impairment loss related to a 70-unit assisted living community in Florida which was sold in 1Q23.
- (10) Represents \$1,832 of provision for credit losses related to the \$121,321 acquisition accounted for as a financing receivable and \$61,900 of mortgage loan originations offset by the prepayment fee and exit IRR related to the payoff of two mezzanine loans (\$1,570).
- (11) Given we do not have preferred stock, our fixed charge coverage ratio and interest coverage ratio are the same.

# CONSOLIDATED STATEMENTS OF INCOME

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED	
	MARCH 31,	
	2023	2022
<b>Revenues</b>	<i>(unaudited)</i>	
Rental income	\$ 31,735	\$ 30,324
Interest income from financing receivables <sup>(1)</sup>	3,751	—
Interest income from mortgage loans	11,244	9,636
Interest and other income	2,770	827
Total revenues	49,500	40,787
<b>Expenses</b>		
Interest expense	10,609	7,143
Depreciation and amortization	9,210	9,438
Impairment loss	434	—
Provision for credit losses	1,731	354
Transaction costs	117	32
Property tax expense	3,293	3,982
General and administrative expenses	6,294	5,808
Total expenses	31,688	26,757
Other Operating Income		
Gain on sale of real estate, net	15,373	102
Operating Income	33,185	14,132
Income from unconsolidated joint ventures	376	375
<b>Net Income</b>	33,561	14,507
Income allocated to non-controlling interests	(427)	(95)
Net income attributable to LTC Properties, Inc.	33,134	14,412
Income allocated to participating securities	(205)	(137)
Net income available to common stockholders	\$ 32,929	\$ 14,275
Earnings per common share:		
Basic	\$0.80	\$0.36
Diluted	\$0.80	\$0.36
Weighted average shares used to calculate earnings per common share:		
Basic	41,082	39,199
Diluted	41,189	39,349
Dividends declared and paid per common share	\$0.57	\$0.57

- (1) Represents rental income from acquisitions through sale-leaseback transactions, subject to leases which contain purchase options. In accordance with GAAP, the properties are required to be presented as financing receivables on our *Consolidated Balance Sheets* and the rental income to be presented as Interest income from financing receivables on our *Consolidated Statements of Income*.

# CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MARCH 31, 2023	DECEMBER 31, 2022
	(unaudited)	(audited)
<b>ASSETS</b>		
Investments:		
Land	\$ 123,338	\$ 124,665
Buildings and improvements	1,258,721	1,273,025
Accumulated depreciation and amortization	(390,013)	(389,182)
Operating real estate property, net	992,046	1,008,508
Properties held-for-sale, net of accumulated depreciation: 2023—\$3,088; 2022—\$2,305	4,075	10,710
Real property investments, net	996,121	1,019,218
Financing receivables, <sup>(1)</sup> net of credit loss reserve: 2023—\$1,981; 2022—\$768	196,096	75,999
Mortgage loans receivable, net of credit loss reserve: 2023—\$4,569; 2022—\$3,930	452,955	389,728
Real estate investments, net	1,645,172	1,484,945
Notes receivable, net of credit loss reserve: 2023—\$469; 2022—\$589	46,467	58,383
Investments in unconsolidated joint ventures	19,340	19,340
Investments, net	1,710,979	1,562,668
Other assets:		
Cash and cash equivalents	5,538	10,379
Debt issue costs related to revolving line of credit	2,132	2,321
Interest receivable	48,079	46,000
Straight-line rent receivable	21,238	21,847
Lease incentives	1,571	1,789
Prepaid expenses and other assets	9,319	11,099
Total assets	\$ 1,798,856	\$ 1,656,103
<b>LIABILITIES</b>		
Revolving line of credit	\$ 270,100	\$ 130,000
Term loans, net of debt issue costs: 2023—\$455; 2022—\$489	99,545	99,511
Senior unsecured notes, net of debt issue costs: 2023—\$1,420; 2022—\$1,477	531,400	538,343
Accrued interest	4,122	5,234
Accrued expenses and other liabilities	29,074	32,708
Total liabilities	934,241	805,796
<b>EQUITY</b>		
Stockholders' equity:		
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2023—41,396; 2022—41,262	413	412
Capital in excess of par value	933,370	931,124
Cumulative net income	1,577,794	1,544,660
Accumulated other comprehensive income	7,357	8,719
Cumulative distributions	(1,680,111)	(1,656,548)
Total LTC Properties, Inc. stockholders' equity	838,823	828,367
Non-controlling interests	25,792	21,940
Total equity	864,615	850,307
Total liabilities and equity	\$ 1,798,856	\$ 1,656,103

(1) Represents acquisitions through sale-leaseback transactions, subject to leases which contain purchase options. In accordance with GAAP, the properties are required to be presented as financing receivables on our *Consolidated Balance Sheets*.

# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO AND FAD

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

	THREE MONTHS ENDED	
	MARCH 31,	
	2023	2022
GAAP net income available to common stockholders	\$ 32,929	\$ 14,275
Add: Impairment loss	434	—
Add: Depreciation and amortization	9,210	9,438
Less: Gain on sale of real estate, net	(15,373)	(102)
NAREIT FFO attributable to common stockholders	\$ 27,200	\$ 23,611
NAREIT Diluted FFO attributable to common stockholders per share	\$0.66	\$0.60
NAREIT FFO attributable to common stockholders	\$ 27,200	\$ 23,611
Add: Non-recurring items	262 <sup>(1)</sup>	423 <sup>(4)</sup>
FFO attributable to common stockholders, excluding non-recurring items	\$ 27,462	\$ 24,034
NAREIT FFO attributable to common stockholders	\$ 27,200	\$ 23,611
Non-cash income:		
Add: Straight-line rental adjustment	465	234
Add: Amortization of lease incentives	209	396 <sup>(5)</sup>
Less: Effective interest income	(1,608)	(1,402)
Net non-cash income	(934)	(772)
Non-cash expense:		
Add: Non-cash compensation charges	2,088	1,925
Add: Provision for credit losses	1,731 <sup>(2)</sup>	354 <sup>(6)</sup>
Net non-cash expense	3,819	2,279
Funds available for distribution (FAD)	30,085	25,118
Less: Non-recurring income	(1,570) <sup>(3)</sup>	—
Funds available for distribution (FAD), excluding non-recurring items	\$ 28,515	\$ 25,118

- (1) Represents the net of (2) and (3) below.
- (2) Includes \$1,832 of provision for credit losses related to the \$121,321 acquisition accounted for as a financing receivable and \$61,900 of mortgage loan originations.
- (3) Represents the prepayment fee and exit IRR related to the payoff of two mezzanine loans.
- (4) Represents the sum of (5) and (6) below.
- (5) Includes a lease incentive balance write-off of \$173 related to a closed property subsequent lease termination.
- (6) Includes \$250 of provision for credit losses related to the origination of a \$25,000 mezzanine loan during 1Q22.



# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO PER SHARE

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

FOR THE THREE MONTHS ENDED MARCH 31,	FFO		FAD	
	2023	2022	2023	2022
FFO/FAD attributable to common stockholders	\$ 27,200	\$ 23,611	\$ 30,085	\$ 25,118
Non-recurring one-time items	262 <sup>(1)</sup>	423 <sup>(2)</sup>	(1,570) <sup>(3)</sup>	—
FFO/FAD attributable to common stockholders excluding non-recurring items	27,462	24,034	28,515	25,118
Effect of dilutive securities:				
Participating securities	—	137	—	137
Diluted FFO/FAD excluding non-recurring items	\$ 27,462	\$ 24,171	\$ 28,515	\$ 25,255
Shares for basic FFO/FAD per share	41,082	39,199	41,082	39,199
Effect of dilutive securities:				
Performance-based stock units	107	150	107	150
Participating securities	—	226	—	226
Shares for diluted FFO/FAD per share	41,189	39,575	41,189	39,575

(1) Represents \$1,832 of provision for credit losses related to \$121,321 acquisition accounted for as a financing receivable, \$61,900 of mortgage loan originations offset by (3) below.

(2) Represents a lease incentive balance write-off of \$173 related to closed property and subsequent lease termination and a provision for credit losses related to the origination of a \$21 mezzanine loan during 2022 first quarter.

(3) Represents the prepayment fee and exit IRR related to the payoff of two mezzanine loans.



2022 Environmental, Social and Governance Report



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

2020

The Board committed to an ESG Initiative  
Appointed Cornelia Cheng as new Board member

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

2022

Enhanced our disclosures to highlight ESG initiatives  
Began aligning with the Sustainability Accounting Standards Board (SASB) reporting framework and adopted select United Nations Sustainable Development Goals (SDGs) in guiding us to provide shareholders with relevant information on our environmental impact

2023

Published Inaugural ESG Report

## 2023 ESG Agenda



### ENVIRONMENT

- Measure and report on energy and water usage, and waste management at LTC across select operator portfolios
- Continue to build out our use of ClimateCheck®, which provides detailed climate risk data for individual properties and portfolios, assessing exposure to extreme weather events
- Enhance SASB reporting and initiate Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Collect, analyze, and report environmental data for select properties in our portfolio



### SOCIAL

- Continue to conduct annual employee survey
- Enhance employee engagement programs



### GOVERNANCE

- Update disclosures annually
- Enhance stakeholder communication via proxy, website, and investor presentation

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**Welcome to our inaugural ESG report.** We believe that our responsibilities as a corporate citizen are firmly aligned with our core business philosophy and recognize the importance of sharing more information about our activities and future goals to generate a deeper understanding of our business and our impact on society.

— WENDY SIMPSON, CHAIRMAN & CEO

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## GLOSSARY

**Annualized Actual Cash Income:** Represents annualized cash rental income includes cash rent and excludes real estate tax reimbursement, interest income from financing receivables, mortgage loans, mezzanine loans and working capital notes, and income from unconsolidated joint ventures received for the month of March 2023 for investments as of March 31, 2023.

**Annualized Contractual Cash Income:** Represents annualized contractual cash rental income prior to abatements & deferred rent repayment and excludes real estate tax reimbursement, interest income from financing receivables, mortgage loans, mezzanine loans and working capital notes, and income from unconsolidated joint ventures for the month of March 2023 for investments as of March 31, 2023.

**Annualized GAAP Income:** Represents annualized GAAP rent which includes contractual cash rent, straight-line rent and amortization of lease incentives and excludes real estate tax reimbursement, GAAP interest income from financing receivables, mortgage loans, mezzanine loans and working capital notes, and income from unconsolidated joint ventures for the month of March 2023 for investments as of March 31, 2023.

**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.

**Financing Receivable:** Properties acquired through a sale-leaseback transaction with an operating entity being the same before and after the sale-leaseback, subject to a lease contract that contains a purchase option. In accordance with GAAP, the purchased assets are required to be presented as *Financing Receivable* on our *Consolidated Balance Sheets* and the rental income to be presented as *Interest income from financing receivable* on our *Consolidated Statements of Income*.

**Funds Available for Distribution ("FAD"):** FFO excluding the effects of straight-line rent, amortization of lease costs, 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 the term. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

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

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

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

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

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

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

**Metropolitan Statistical Areas ("MSA"):** Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population. MSAs 1 to 31 have a population of 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-SA have a population of 223K - 12K. Cities not in a MSA has a population less than 100K.



**Mezzanine:** In certain circumstances, the Company strategically allocates a portion of its capital deployment toward mezzanine loans to grow relationships with operating companies that have not typically utilized sale-leaseback financing as a component of their capital structure. Mezzanine financing sits between senior debt and common equity in the capital structure, and typically is used to finance development projects, value-add opportunities on existing operational properties, partnership buy-outs and recapitalization of equity. We seek market-based, risk-adjusted rates of return typically between 9% to 14% with the loan term typically between three to 10 years. Security for mezzanine loans can include all or a portion of the following credit enhancements; secured second mortgage, pledge of equity interests and personal/corporate guarantees. Mezzanine loans can be recorded for GAAP purposes as either a loan or joint venture depending upon specifics of the loan terms and related credit enhancements.

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

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

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

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

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

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

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

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

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

**Payor Source:** LTC revenue by operator underlying payor source for the period presented. LTC is not a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue per Underlying payor source revenue percentage is calculated from property level operator financial statements w 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 participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

**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 portfolio comprised of stabilized properties occupied and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a property must be occupied and stabilized for a minimum of 15 months to be included in our SPP. Each property transitioned to a new operator has been excluded from SPP and will be added back to SPP for the SPP reporting period ending 15 months after the date of the transition.

**Skilled Nursing Properties ("SNF"):** Seniors housing properties providing restorative, rehabilitative and nursing services to 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 which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare/Medicaid programs.

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

**Trailing Twelve Months Revenues:** For the owned portfolio, rental income includes cash rent, straight-line rental income and excludes real estate tax reimbursement and rental income from properties sold during the trailing twelve months. Financing receivables revenues include cash interest income and effective interest income from mortgage loans and construction loans during the trailing twelve months. Notes receivable revenues include cash interest income and effective interest from mezzanine loans and working capital notes and exclude payoffs during the trailing twelve months.

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