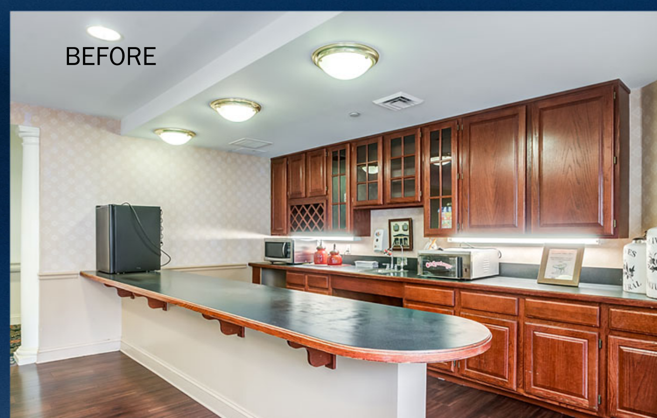
RENEWAL AND TRANSITION









Juniper Village at Chatham
Chatham, NJ

LTC REIT

# SUPPLEMENTAL OPERATING and FINANCIAL DATA

## SECOND QUARTER 2021

## FORWARD-LOOKING STATEMENTS

This supplemental information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as ''believes,'' ''expects,'' ''may,'' ''will,'' ''should,'' ''seeks,'' ''approximately,'' ''intends,'' ''plans,'' ''estimates'' or ''anticipates,'' or the negative of those words or similar words. Forward- looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under ''Risk Factors'' and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

## NON-GAAP INFORMATION

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

# TABLE OF CONTENTS


### COMPANY

Company Information & Leadership 3

### INVESTMENTS

Real Estate Activities
- Investments and Capital Recycling 4
- Acquisitions and Loan Originations 5
- Mezzanine Loans and Joint Ventures 6
- Lease-Up and Renovations 7
- 5-Year Lease-Up History 8

### PORTFOLIO

Overview 9
Metrics 10
Diversification
- Geography, MSA, Age of Portfolio 11-12
- Operators 13-14

Update 15
Maturity 16

### FINANCIAL

Enterprise Value 17
Debt Metrics 18
Debt Maturity 19
Financial Data Summary 20-21
Income Statement Data 22
Consolidated Balance Sheets 23
Funds from Operations 24-25

### ESG and GLOSSARY

ESG (Environmental, Social & Governance) 26
Glossary 27-28

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

LTC LISTED NYSE

## BOARD OF DIRECTORS

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

## LEADERSHIP

**WENDY SIMPSON**
Chairman and
Chief Executive Officer

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

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

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

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

**GIBSON SATTERWHITE**
Senior Vice President,
Asset Management

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

**MANDI HOGAN**
Vice President,
Marketing &
Investor Relations

**MIKE BOWDEN**
Vice President,
Investments

**RACHEL SON**
Vice President
and Controller

## ANALYSTS

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

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

**LTC PROPERTIES, INC.**
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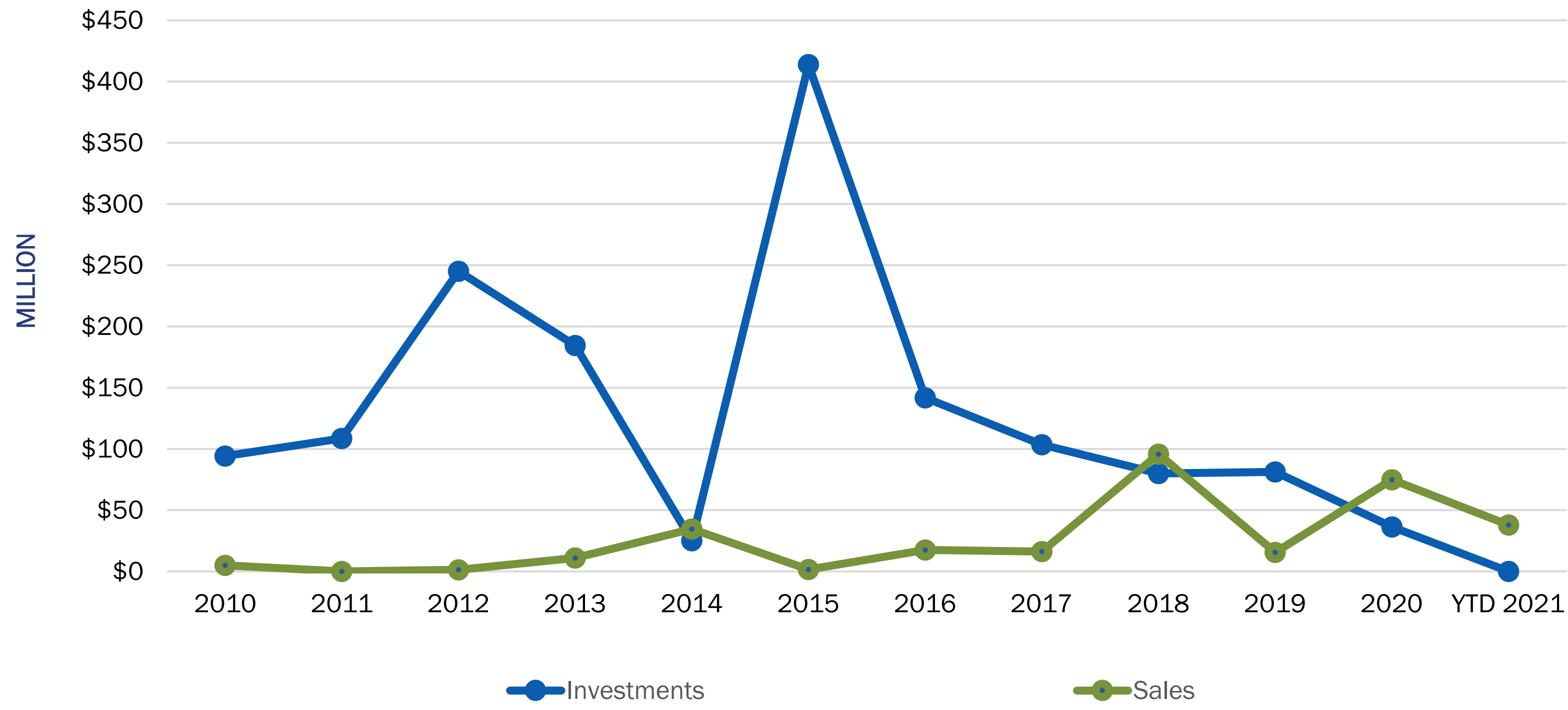
Westlake Village, CA 91361
805-981-8655
www.LTCreit.com

**TRANSFER AGENT**
Broadridge Shareholder Services
c/o Broadridge Corporate Issuer Solutions
1155 Long Island Avenue
Edgewood, NY 11717-8309
ATTN: IWS
866-708-5586

| Total Investments | Total Sales (1)(2) | Total Gains (2) |
|---|---|---|
| $ 1.5 Billion | $ 311.1 Million | $ 136.5 Million |




(1) Reflects total sales price.
(2) Subsequent to June 30, 2021, we sold a 123-bed skilled nursing center in WA for $7,700 and expect to record a gain of approximately $2,600.

(DOLLAR AMOUNTS IN THOUSANDS)

## ACQUISITIONS

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

## LOAN ORIGINATIONS

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

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

(DOLLAR AMOUNTS IN THOUSANDS)

## MEZZANINE LOANS

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

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

## UNCONSOLIDATED JOINT VENTURES

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

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

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

## CONSOLIDATED JOINT VENTURES

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

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

# REAL ESTATE ACTIVITIES – LEASE-UP AND RENOVATIONS

(DOLLAR AMOUNTS IN THOUSANDS)

## LEASE-UP

| DATE ACQUIRED | DATE OPENED | OCCUPANCY AT 6/30/2021 | DEVELOPMENT COMMITMENT YEAR | PROJECT TYPE | LOCATION | OPERATOR | # OF PROJECTS | PROPERTY TYPE | # BEDS/ UNITS | CONTRACTUAL INITIAL CASH YIELD | TOTAL INVESTMENT[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| May-2018 | Sep-2020 [2] | 36% | 2018 | Development | Medford, OR | Fields Senior Living | 1 | ALF/MC | 78 units | 7.65% | $ 17,885 |

(1) Total Investment includes land acquisition, closing costs and total development funding and excludes capitalized interest.
(2) Certificate of occupancy was received in March 2020 and license was received in May 2020. Due to COVID-19 pandemic, opening was delayed until September 2020.

## RENOVATIONS: MORTGAGE LOANS

| ESTIMATED INTEREST DATE | COMMITMENT YEAR | PROJECT TYPE | LOCATION | OPERATOR | # OF PROJECTS | PROPERTY TYPE | CONTRACTUAL INITIAL CASH YIELD | INVESTMENT COMMITMENT | 2Q21 FUNDING | TOTAL FUNDED TO DATE | REMAINING COMMITMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|
| — [1] | 2018 | Renovation | Grand Haven, MI | Prestige Healthcare | 1 | SNF | 9.41% | $ 3,000 | $ 268 | $ 1,681 | $ 1,319 |

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

| PROPERTY | LOCATION | OPERATOR | PROPERTY TYPE | PROJECT TYPE | # BEDS/ UNITS | DATE ACQUIRED | DATE OPENED [1] | DATE STABILIZED | # OF MONTHS TO STABILIZATION |
|---|---|---|---|---|---|---|---|---|---|
| Greenridge Place | Westminster, CO | Anthem | MC | Development | 60 units | Dec-2013 | Feb-2015 | Feb-2017 | 24 [2] |
| Harvester Place | Burr Ridge, IL | Anthem | MC | Development | 66 units | Oct-2014 | Feb-2016 | Feb-2018 | 24 [2] |
| Vineyard Place | Murrieta, CA | Anthem | MC | Development | 66 units | Sep-2015 | Aug-2016 | Aug-2018 | 24 [2] |
| Porter Place | Tinley Park, IL | Anthem | MC | Development | 66 units | May-2015 | Jul-2016 | Jul-2018 | 24 [2] |
| Emerald Place | Glenview, IL | Anthem | MC | Development | 66 units | Oct-2015 | Dec-2017 | Dec-2019 | 24 [2] |
| Grace Point Place | Oak Lawn, IL | Anthem | MC | Development | 66 units | Oct-2016 | Jun-2018 | Jun-2020 | 24 [2] |
| | | | | | | | | | |
| Boonespring Healthcare Center | Union, KY | Carespring | SNF | Development | 143 beds | Sep-2016 | Feb-2019 | Dec-2019 | 10 |
| | | | | | | | | | |
| Pavilion at Creekwood | Mansfield, TX | Fundamental | SNF | Acquisition | 126 beds | Feb-2016 | Jul-2015 | Feb-2017 | 12 |
| | | | | | | | | | |
| Carmel Village Memory Care | Clovis, CA | Generations | MC/ILF | Acquisition | 73 units | Jun-2017 | Sep-2016 | Jun-2018 | 12 |
| Carmel Village at Clovis | Clovis, CA | Generations | ALF | Acquisition | 107 units | Jun-2017 | Nov-2014 | Jun-2018 | 12 |
| | | | | | | | | | |
| Ignite Medical Resort Blue Springs[3] | Independence, MO | Ignite Medical Resorts | SNF | Development | 90 beds | Aug-2019 | Sep-2020 | Jun-2021 | 9 |
| | | | | | | | | | |
| Oxford Villa | Wichita, KS | Oxford Senior Living | ILF | Development | 108 units | May-2015 | Nov-2016 | Nov-2018 | 24 [2] |
| Oxford Kansas City | Kansas City, MO | Oxford Senior Living | ALF/MC | Acquisition | 73 units | Oct-2017 | Aug-2017 | Jun-2019 | 22 |
| | | | | | | | | | |
| Hamilton House | Cedarburg, WI | Tealwood | ALF/MC/ILF | Development | 110 units | Dec-2017 | Feb-2019 | Feb-2021 | 24 [2] |

(1) Represents date of Certificate of Occupancy.
(2) Although this property met our definition of stabilization on page 28 based on the time criteria, it did not meet the occupancy threshold.
(3) Property meets the definition of stabilized by achieving the occupancy threshold requirement of 80% for SNF. The occupancy at June 30, 2021 was 83%.

# PORTFOLIO OVERVIEW

(DOLLAR AMOUNTS IN THOUSANDS)

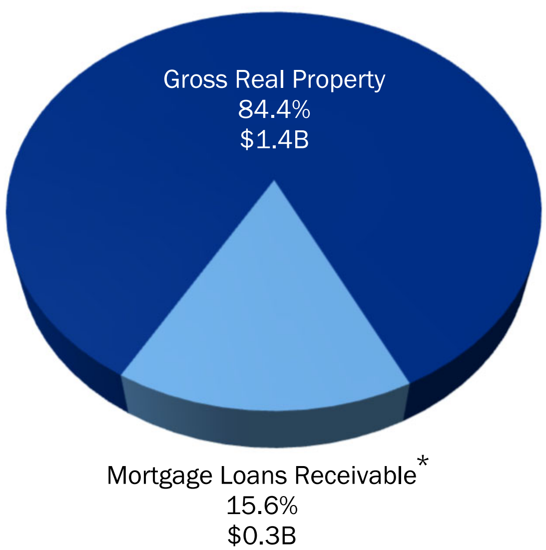
| | | | | TWELVE MONTHS ENDED JUNE 30, 2021 | | |
|---|---|---|---|---|---|---|
| PROPERTY TYPE | # OF PROPERTIES | GROSS INVESTMENT | % OF INVESTMENT | RENTAL INCOME (1) | INTEREST INCOME (2) | % OF REVENUES |
| Assisted Living | 102 | $ 840,502 | 50.2% | $ 61,216 | $ — | 39.9% |
| Skilled Nursing(3) | 73 | 820,108 | 49.1% | 59,818 | 31,653 | 59.5% |
| Other(4) | 1 | 11,360 | 0.7% | 968 | — | 0.6% |
| Total | 176 | $ 1,671,970 | 100.0% | $ 122,002 | $ 31,653 | 100.0% |

(1) Includes cash rent, straight-line rent and amortization of lease incentives and excludes real estate taxes reimbursement, straight-line rent write-off and rental income from properties sold during the twelve months ended June 30, 2021. See page 20 for Components of Rental Income.

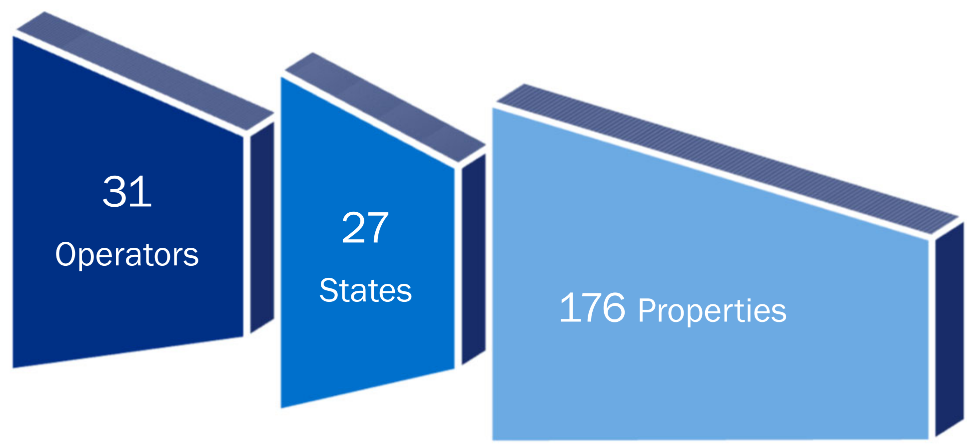
(2) Includes interest income from mortgage loans.

(3) Subsequent to June 30, 2021, we sold a 123-bed skilled nursing center in WA for $7,700 and expect to record a gain of approximately $2,600.

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

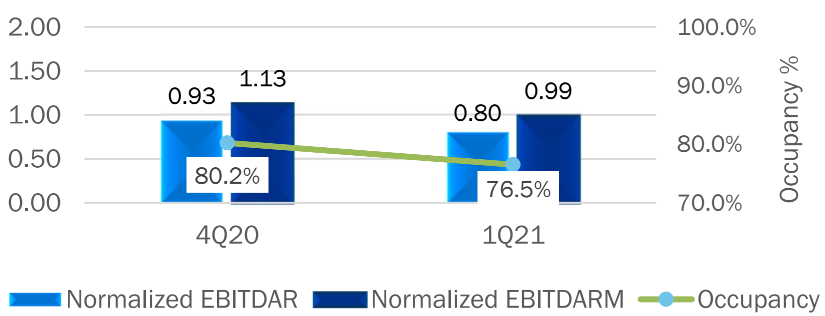



*Weighted average maturity – 22.8 years



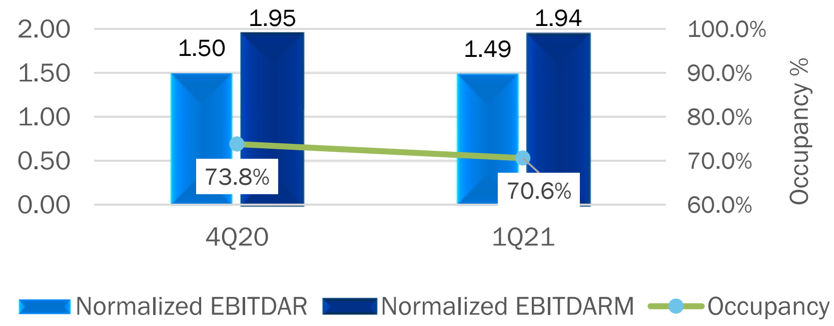
## SAME PROPERTY PORTFOLIO COVERAGE STATISTICS (1)(2)

ASSISTED LIVING




ALF metrics include Coronavirus Stimulus Funds ("CSF") as allocated/reported by operators. Excluding CSF, the 1Q21 normalized EBITDAR and EBITDARM coverages were 0.67 and 0.85, respectively, and 0.81 and 1.01, respectively, for 4Q20. See definition of Coronavirus Stimulus Funds on Page 27.

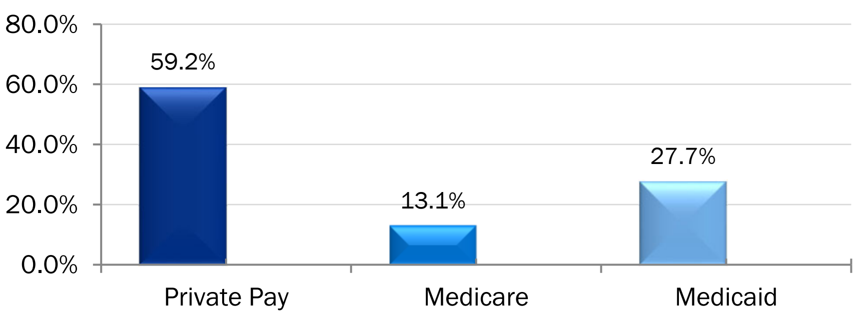
SKILLED NURSING



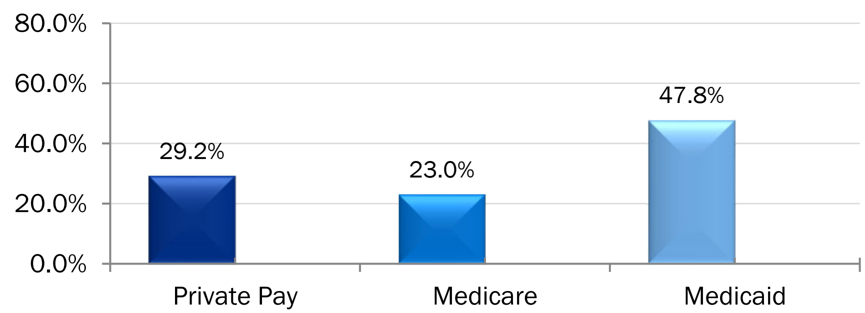

SNF metrics include CSF, as allocated/reported by operators. Excluding CSF, the 1Q21 normalized EBITDAR and EBITDARM coverages were 1.02 and 1.44, respectively, and 1.12 and 1.56, respectively, for 4Q20.

## STABILIZED PROPERTY PORTFOLIO (1)(3)

TOTAL PORTFOLIO PAYOR SOURCE

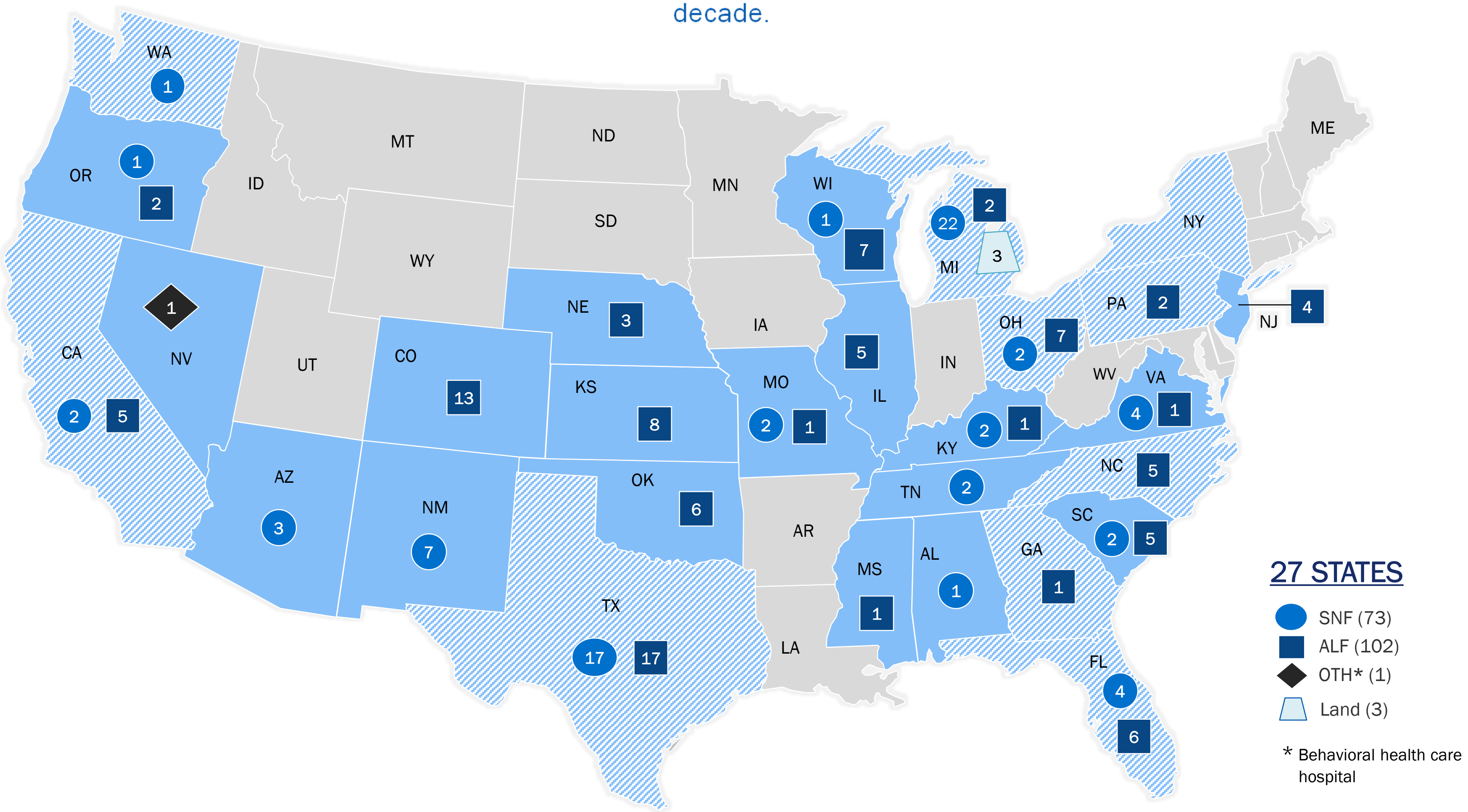



SNF PORTFOLIO PAYOR SOURCE




(1) Information is from property level operator financial statements which are unaudited and have not been independently verified by LTC.
(2) The coverage and occupancy levels at our properties will be adversely affected if COVID-19 or another pandemic results in infections on a large scale at our properties, early resident move-outs, our operators delay accepting new residents due to quarantines, and/or potential occupants postpone moving to a senior housing facility.
(3) Excludes Coronavirus Stimulus Funds. See definition on page 27.

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

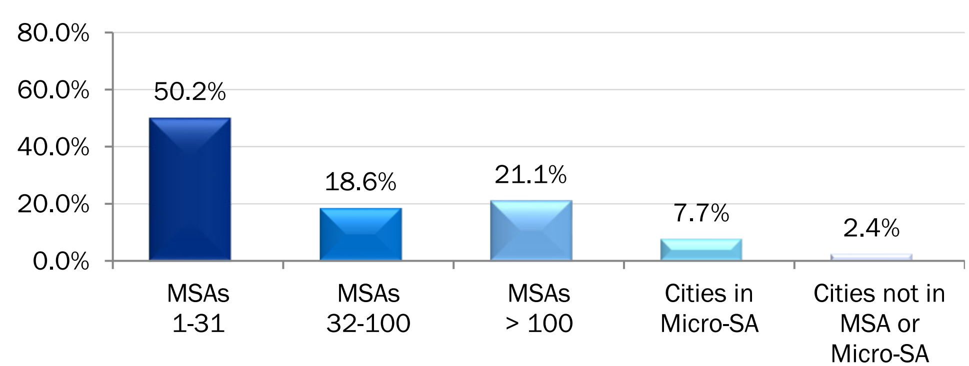
# PORTFOLIO DIVERSIFICATION - GEOGRAPHY

(AS OF JUNE 30, 2021, DOLLAR AMOUNTS IN THOUSANDS)

| STATE[1] | # OF PROPS | GROSS INVESTMENT | % | SNF | % | ALF | % | OTH[2] | % |
|---|---|---|---|---|---|---|---|---|---|
| Michigan | 24 | $ 281,762 | 16.9% | $259,641 | 31.7% | $ 21,178 | 2.5% | $ 943 | 8.3% |
| Texas | 34 | 273,588 | 16.4% | 202,604 | 24.7% | 70,984 | 8.5% | — | — |
| Wisconsin | 8 | 114,250 | 6.8% | 13,946 | 1.7% | 100,304 | 11.9% | — | — |
| California | 7 | 105,892 | 6.3% | 22,262 | 2.7% | 83,630 | 10.0% | — | — |
| Colorado | 13 | 104,347 | 6.2% | — | — | 104,347 | 12.4% | — | — |
| Illinois | 5 | 87,670 | 5.2% | — | — | 87,670 | 10.4% | — | — |
| Ohio | 9 | 86,678 | 5.2% | 54,000 | 6.6% | 32,678 | 3.9% | — | — |
| Florida | 10 | 68,524 | 4.1% | 32,865 | 4.0% | 35,659 | 4.2% | — | — |
| Kentucky | 3 | 62,809 | 3.8% | 48,520 | 5.9% | 14,289 | 1.7% | — | — |
| New Jersey | 4 | 62,229 | 3.7% | — | — | 62,229 | 7.4% | — | — |
| All Others[3] | 59 | 424,221 | 25.4% | 186,270 | 22.7% | 227,534 | 27.1% | 10,417 | 91.7% |
| Total | 176 | $ 1,671,970 | 100.0% | $820,108 | 100.0% | $840,502 | 100.0% | $ 11,360 | 100.0% |

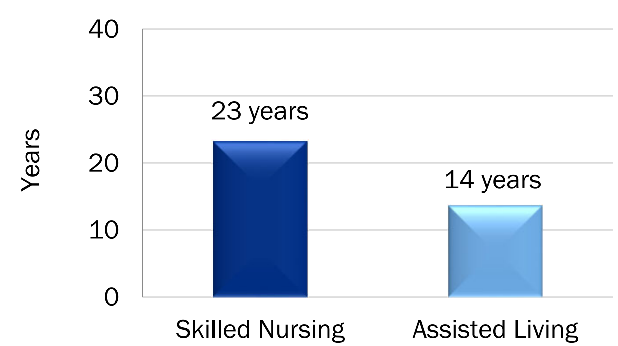
(1) Due to master leases with properties in 27 states, revenue by state is not available.
(2) Includes one behavioral health care hospital and three parcels of land.
(3) Subsequent to June 30, 2021, we sold a 123-bed skilled nursing center in WA for $7,700 and expect to record a gain of approximately $2,600.

## GROSS PORTFOLIO BY MSA [1]




(1) The MSA rank by population as of July 1, 2019, as estimated by the United States Census Bureau. Approximately 69% of our properties are in the top 100 MSAs.

## AVERAGE PORTFOLIO AGE [1]




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

# PORTFOLIO DIVERSIFICATION – 31 OPERATORS

(AS OF JUNE 30, 2021, DOLLAR AMOUNTS IN THOUSANDS)

| OPERATORS | # OF PROPS | ANNUALIZED GAAP[1] | % | ANNUALIZED CONTRACTUAL CASH[2] | % | ANNUALIZED ACTUAL CASH[3] | % | GROSS INVESTMENT | % |
|---|---|---|---|---|---|---|---|---|---|
| Prestige Healthcare | 24 | $ 32,682 | 20.6% | $ 26,748 | 17.4% | $ 26,748 | 20.7% | $ 272,773 | 16.3% |
| Senior Care/Abri Health[4] | 11 | 14,968 | 9.4% | 14,968 [4] | 9.8% | — [4] | — | 138,109 | 8.3% |
| Brookdale Senior Living[5] | 35 | 14,420 | 9.1% | 14,425 | 9.4% | 14,425 | 11.2% | 101,240 | 6.0% |
| Anthem Memory Care[5] | 11 | 10,800 | 6.8% | 10,800 | 7.0% | 10,800 | 8.4% | 136,483 | 8.2% |
| Senior Lifestyle Corporation[6] | 7 | N/A [6] | — | N/A [6] | — | — | — | 42,888 | 2.6% |
| Carespring Health Care Management | 4 | 11,185 | 7.1% | 9,992 | 6.5% | 9,992 | 7.8% | 102,520 | 6.1% |
| Fundamental | 7 | 8,392 | 5.3% | 8,892 | 5.8% | 8,892 | 6.9% | 75,795 | 4.5% |
| Traditions Senior Management | 7 | 8,257 | 5.2% | 8,722 | 5.7% | 8,722 | 6.8% | 71,742 | 4.3% |
| Genesis Healthcare[5] | 6 | 8,539 | 5.4% | 8,539 | 5.6% | 8,539 | 6.6% | 50,004 | 3.0% |
| Juniper Communities[5] | 5 | 6,652 | 4.2% | 6,775 | 4.4% | 6,775 | 5.2% | 81,988 | 4.9% |
| All Others[5] | 59 | 42,752 | 26.9% | 43,618 | 28.4% | 33,980 | 26.4% | 598,428 | 35.8% |
| | 176 | $ 158,647 | 100.0% | $ 153,479 | 100.0% | $ 128,873 | 100.0% | $ 1,671,970 | 100.0% |

(1) Represents annualized GAAP rent and interest income prior to abatements for the month of June 2021, except for Anthem and Senior Lifestyle (see operator update on page 14).
(2) Represents annualized contractual cash rent and interest income prior to abatements for the month of June 2021, except for Anthem and Senior Lifestyle.
(3) Represents annualized cash rent and interest income received for the month of June 2021.
(4) Senior Care and Abri Health did not pay rent from March to July 2021. See operator update on page 14.
(5) See operator update on page 14.
(6) Senior Lifestyle did not pay rent during 2021. See operator update on page 14.

| | | | | |
|---|---|---|---|---|
| PRESTIGE | Privately Held | SNF/ALF/ILF Other Rehab | 78 Properties | 5 States |
| SENIOR CARE/ ABRI HEALTH | Privately Held | SNF/ALF | 22 Properties | 1 State |
| BROOKDALE | NYSE: BKD | ILF/ALF/MC Continuing Care | 685 Properties | 41 States |
| ANTHEM | Privately Held | Exclusively MC | 11 Properties | 4 States |
| CARESPRING | Privately Held | SNF/ALF/ILF Transitional Care | 13 Properties | 2 States |

| | | | | |
|---|---|---|---|---|
| FUNDAMENTAL | Privately Held | SNF/MC Hospitals & Other Rehab | 80 Properties | 8 States |
| TRADITIONS MGMT | Privately Held | SNF/ALF/ILF | 22 Properties | 5 States |
| GENESIS | NYSE: GEN | SNF/ALF Senior Living | More than 325 Properties | 24 States |
| JUNIPER | Privately Held | ALF/ILF/MC/SNF | 25 Properties | 4 States |

In March 2021, Senior Care Centers, LLC ("Senior Care") and Abri Health Services, LLC ("Abri Health") (collectively, "Lessee") failed to pay rent and additional obligations owed under the master lease. Accordingly, we sent a notice of default and applied proceeds from letters of credit to certain obligations owed under the master lease. Furthermore, we sent the Lessee a notice of termination of the master lease to be effective April 17, 2021. On April 16, 2021, the Lessee filed for Chapter 11 bankruptcy, which bankruptcy proceeding(s) remain pending.

Brookdale's master lease was scheduled for expiration on December 31, 2021. During 1Q21, we extended their term by one year through an amended master lease, with a new maturity date of December 31, 2022. Also, the renewal options under the amended master lease will remain the same which provides three renewal options consisting of a four-year renewal option, a five-year renewal option and a 10-year renewal option. The notice period for the first renewal option is January 1, 2022 to April 30, 2022. During 2020, we extended a $4,000 capital commitment to Brookdale, which is available through December 31, 2021 at a 7% yield. As of June 30, 2021, we have funded $2,319 under this agreement and our remaining commitment is $1,681. Brookdale is current on rent payments through July 2021.

Rental revenue from Anthem is currently being accounted for on a cash basis due to Anthem's 2017 default under its master lease. Anthem paid us annual cash rent of $9,900 in 2020, and we anticipate they will pay their annualized cash rent of $10,800 through 2021. Anthem is current on agreed upon rent payments through July 2021.

During 2020, an affiliate of Senior Lifestyle ("Senior Lifestyle") paid us $13,800 of their $18,400 contractual rent and we applied their letter of credit and deposits totaling $3,725 to past due rent of $3,600 and to their outstanding notes receivable of $125. Accordingly, we recognized $17,400 of rental revenue from Senior Lifestyle in 2020. To date in 2021, Senior Lifestyle has not paid rent or its other obligations under the master lease. During 1Q21, we transitioned 11 assisted living communities previously leased to Senior Lifestyle to two operators. These communities are located in Illinois, Ohio and Wisconsin. Total cash rent expected under these two master lease agreements is $5,250 for the first lease year, $7,078 for the second lease year, and $7,303 for the third lease year, escalating 2% annually thereafter. During 2Q21, we transitioned a Colorado memory care community previously leased to Senior Lifestyle, to an operator new to us. The new master lease has a five-year term with $150 of cash rent starting in the second lease year, increasing to $300 in the third lease year and escalating 2% annually thereafter. Additionally, the new master lease provides a purchase option for $5,500 which is exercisable after the first year of the lease. During 4Q20, we recorded an impairment charge of $3,036 on this community to reduce the carrying value down to its estimated fair market value. Also, during 2Q21, we sold three Wisconsin communities and a closed community in Nebraska previously leased to Senior Lifestyle for a combined total of $35,900. We received total proceeds of $34,764 and recorded a net gain on sale of $5,390. Subsequent to June 30, 2021, we transitioned a Wisconsin assisted living community to a regionally based operator new to LTC. The new lease has a 10-year term with three five-year renewal terms. Cash rent under the new lease is $920 in the first lease year, $1,200 in the second lease year, $1,300 in the third lease year, escalating 2% annually thereafter. Additionally, subsequent to June 30, 2021, we entered into the following two lease agreements covering a total of six communities in the Senior Lifestyle portfolio: (1) two communities in Pennsylvania and one in New Jersey to an existing operator under a two-year term with zero cash rent for the first three months then cash rent will be based on mutually agreed fair market rent; (2) three Nebraska assisted living communities to an existing operator under a two-year term with zero cash rent for the first three months then cash rent based will be based on mutually agreed fair market rent.

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

Other Operators

During 2020, we consolidated our two master leases with an operator into one combined master lease and agreed to abate $650 of rent and allow the operator to defer rent as needed through March 31, 2021. During 2021, the combined master lease was amended to extend the rent deferral period through June 30, 2021 then further amended to September 30, 2021. The operator deferred rent of $1,135 for 2Q21 and $366 for July 2021. The deferred balance due from this operator is $2,857 as of July 2021. The operator can defer rent up to $441 for each of August and September 2021.

**86%[1] of 2Q21 contractual cash rent and mortgage interest collected**

## ABATED RENT

- $1,069 abated rent during 2Q21
- 2021 rent and mortgage interest escalations were reduced by 50% in the form of a rent and interest credit to provide financial support to our eligible operating partners. During 2Q21, we recognized a decrease of $170 in GAAP revenue and a $133 decrease in funds available for distribution.

## DELINQUENT RENT

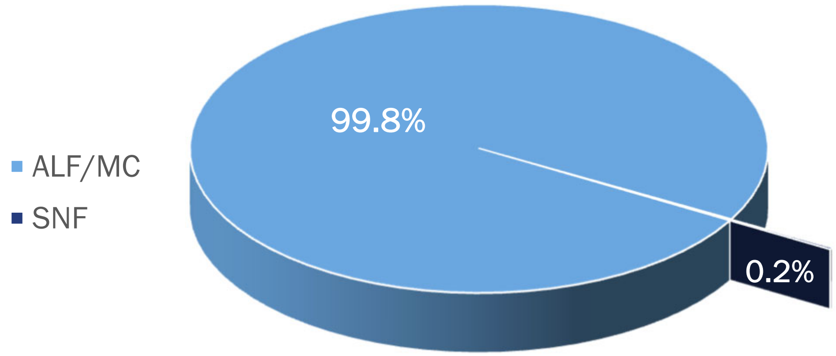
- As of June 30, 2021, Senior Lifestyle's unaccrued outstanding rent balance was $7,661. See page 14 for more detail.
- As of June 30, 2021, Senior Care's and Abri Health's unaccrued outstanding rent balance was $3,118. During 2Q21, we applied the remaining $889 of the $2,136 letter of credit to satisfy certain obligations owed under the master lease. See page 14 for more detail.

## CONTRACTUAL RENT AND MORTGAGE INTEREST 2Q21[1]

- Collected, 86.1%[1] - $32,870
- Abated, 2.8%[1] - $1,069
- Net Deferred, 2.9% - $1,121
- Delinquent, 8.2%[1] - $3,118

(1) Excludes contractual rent from Senior Lifestyle and application of the 50% escalation reduction. Contractual rent and mortgage interest collected, excluding Senior Lifestyle and Senior Care/Abri Health, was 93.6%.

## DEFERRED RENT OUTSTANDING BY PROPERTY TYPE




## DEFERRED RENT

- Deferred rent of $1,121, net of repayments, during 2Q21.
- As of June 30, 2021, $3,121 of deferred rent was outstanding.
- Our rent deferral agreements generally require the deferred rent to be paid within 6 to 36 months.
- LTC evaluated deferral requests with close attention to ongoing operations, rent coverage, corporate financial health and liquidity of the operator.

## SUBSEQUENT TO JUNE 30, 2021

- Provided $366 of deferred rent and $323 of rent abatement in July 2021.
- Agreed to provide rent deferrals up to $493 and abatements up to $319 for each of August and September 2021.

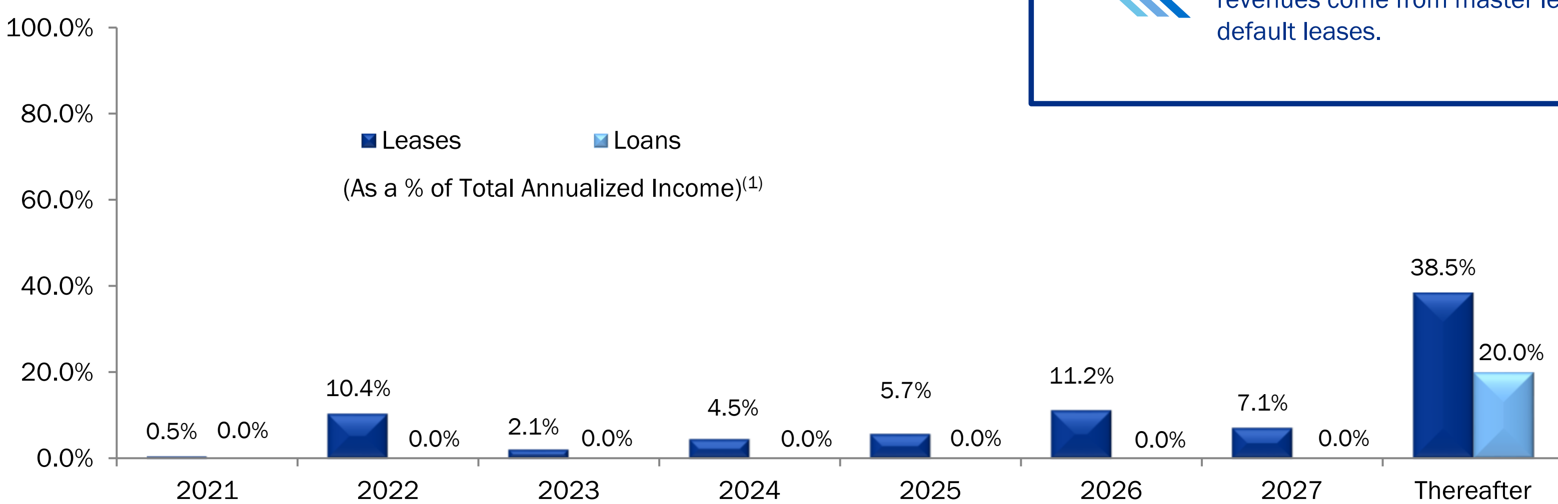
(AS OF JUNE 30, 2021, DOLLAR AMOUNTS IN THOUSANDS)

| YEAR | RENTAL INCOME(1) | % OF TOTAL | INTEREST INCOME(1) | % OF TOTAL | ANNUALIZED INCOME(1) | % OF TOTAL |
|---|---|---|---|---|---|---|
| 2021 | $ 865 (2) | 0.7% | $ — | — | $ 865 | 0.5% |
| 2022 | 16,426 (3) | 12.9% | — | — | 16,426 | 10.4% |
| 2023 | 3,318 | 2.6% | — | — | 3,318 | 2.1% |
| 2024 | 7,094 | 5.6% | — | — | 7,094 | 4.5% |
| 2025 | 9,068 | 7.1% | — | — | 9,068 | 5.7% |
| 2026 | 17,748 | 14.0% | — | — | 17,748 | 11.2% |
| 2027 | 11,250 | 8.9% | — | — | 11,250 | 7.1% |
| Thereafter | 61,185 | 48.2% | 31,693 | 100.0% | 92,878 | 58.5% |
| Total | $ 126,954 | 100.0% | $ 31,693 | 100.0% | $ 158,647 | 100.0% |

Near Term Lease Maturities:

- One in 2021 with an annualized GAAP rent totaling $1.0 million (2)
- Three in 2022 with an annualized GAAP rent totaling $16.4 million (3)
- Three in 2023 with an annualized GAAP rent totaling $3.3 million

As of June 30, 2021, approximately 92% of owned properties are covered under master leases and approximately 91% of rental revenues come from master leases or cross-default leases.




(1) Represents annualized GAAP rent and interest income prior to abatements for the month of June 2021, except for Anthem and Senior Lifestyle (see operator update on page 14). Annualized GAAP rent includes Senior Care's and Abri Health's contractual rent (see operator update on page 14).
(2) The lease is related to a 123-bed skilled nursing center in WA. Subsequent to June 30, 2021, the property was sold for $7,700 and we expect to report a gain of approximately $2,600.
(3) One of the three lease maturities is Brookdale which represents 88% of the annualized GAAP rent, maturing in 2022, as of June 30, 2021. See page 14 for Brookdale disclosure.

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

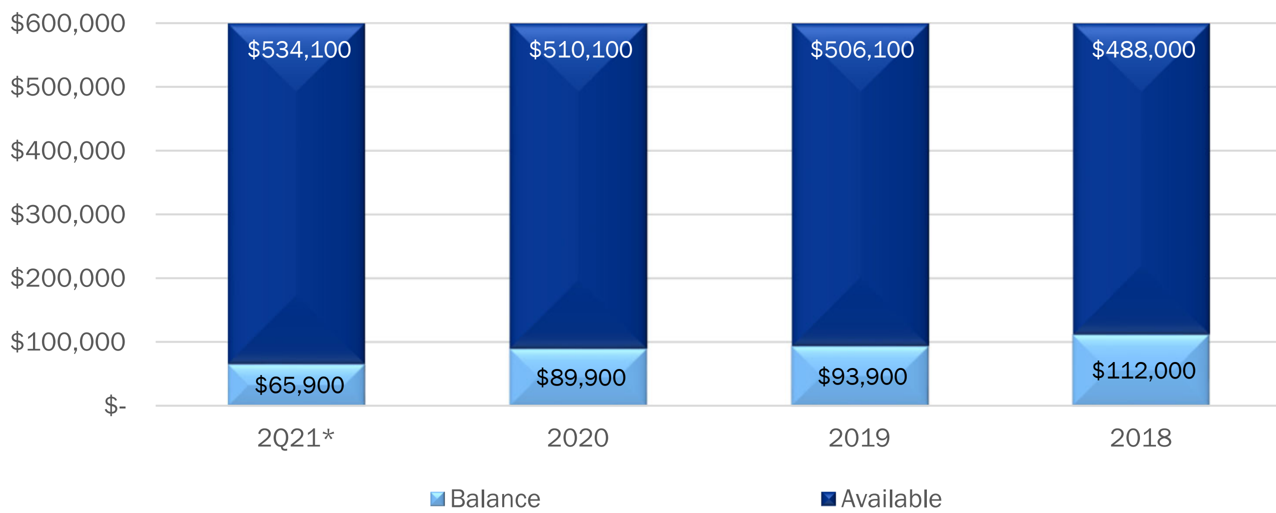
| | | | JUNE 30, 2021 | CAPITALIZATION |
|---|---|---|---|---|
| **DEBT** | | | | |
| Bank borrowings - weighted average rate 1.2% [1] | | | $ 65,900 | |
| Senior unsecured notes, net of debt issue costs - weighted average rate 4.4% [2] | | | 552,559 | |
| Total debt - weighted average rate 4.0% | | | 618,459 | 29.0% |
| | | | | |
| **EQUITY** | | 6/30/2021 | | |
| | No. of shares | Closing Price | | |
| Common stock | 39,374,044 | $ 38.39 [3] | 1,511,570 | 71.0% |
| Total Market Value | | | 1,511,570 | |
| | | | | |
| **TOTAL VALUE** | | | $ 2,130,029 | 100.0% |
| | | | | |
| Add: Non-controlling interest | | | 8,404 | |
| Less: Cash and cash equivalents | | | (5,714) | |
| | | | | |
| **ENTERPRISE VALUE** | | | $ 2,132,719 | |
| | | | | |
| Debt to Enterprise Value | | | 29.0% | |
| | | | | |
| Debt to Annualized Adjusted EBITDAre [4] | | | 5.3x | |

(1) Subsequent to June 30, 2021, we paid $7,000 and borrowed $26,000 under our unsecured revolving line of credit. Accordingly, we have $84,900 outstanding with $515,100 available for borrowing.
(2) Represents outstanding balance of $553,140, net of debt issue costs of $581. Subsequent to June 30, 2021, we paid $25,160 under our senior unsecured notes. Accordingly, we have $527,399, net of debt issue costs, under our senior unsecured notes.
(3) Closing price of our common stock as reported by the NYSE on June 30, 2021.
(4) See page 21 for reconciliation of annualized adjusted EBITDAre.

# DEBT METRICS

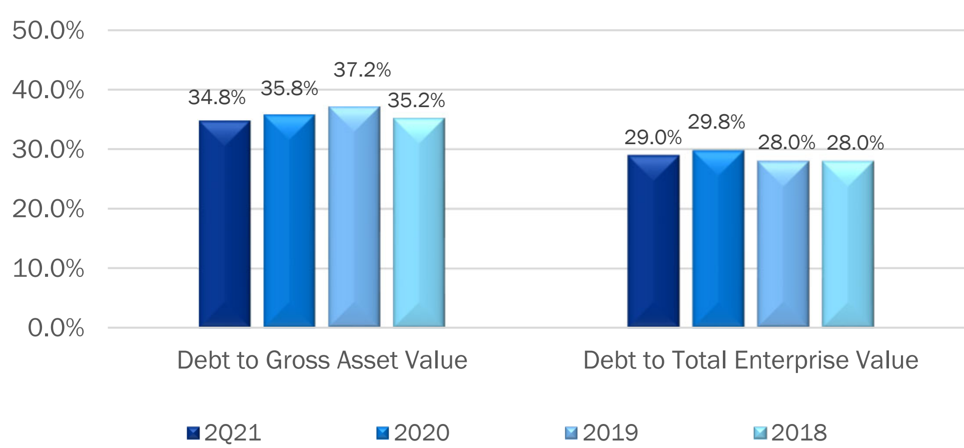
(DOLLAR AMOUNTS IN THOUSANDS)

## LINE OF CREDIT LIQUIDITY

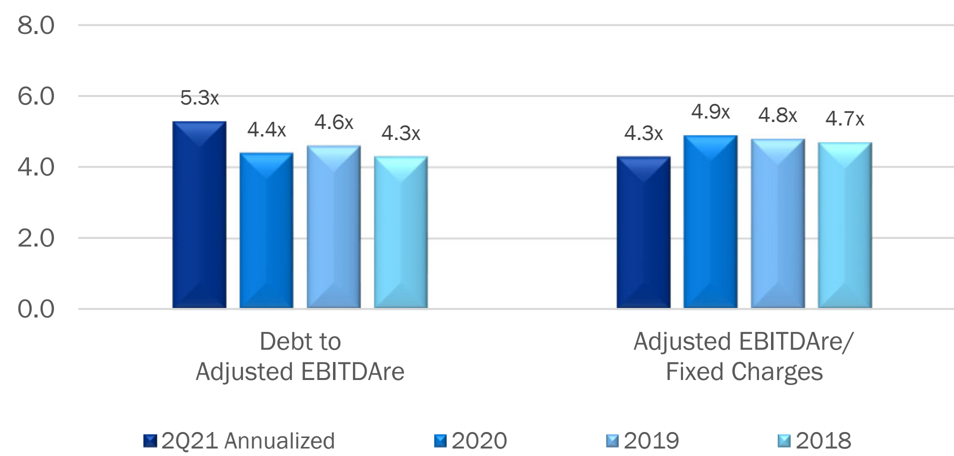



* Subsequent to June 30, 2021, we paid $7,000 and borrowed $26,000 under our unsecured revolving line of credit. Accordingly, we have $84,900 outstanding with $515,100 available for borrowing.

## LEVERAGE RATIOS



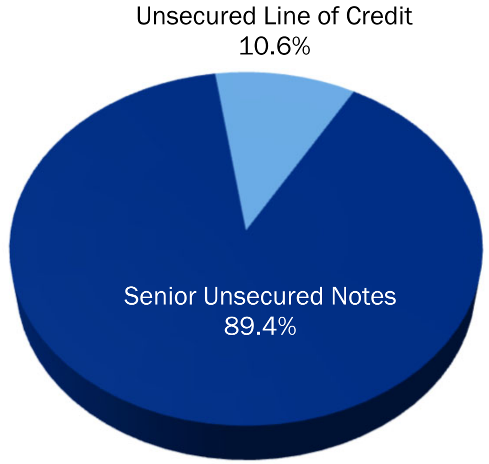

## COVERAGE RATIOS

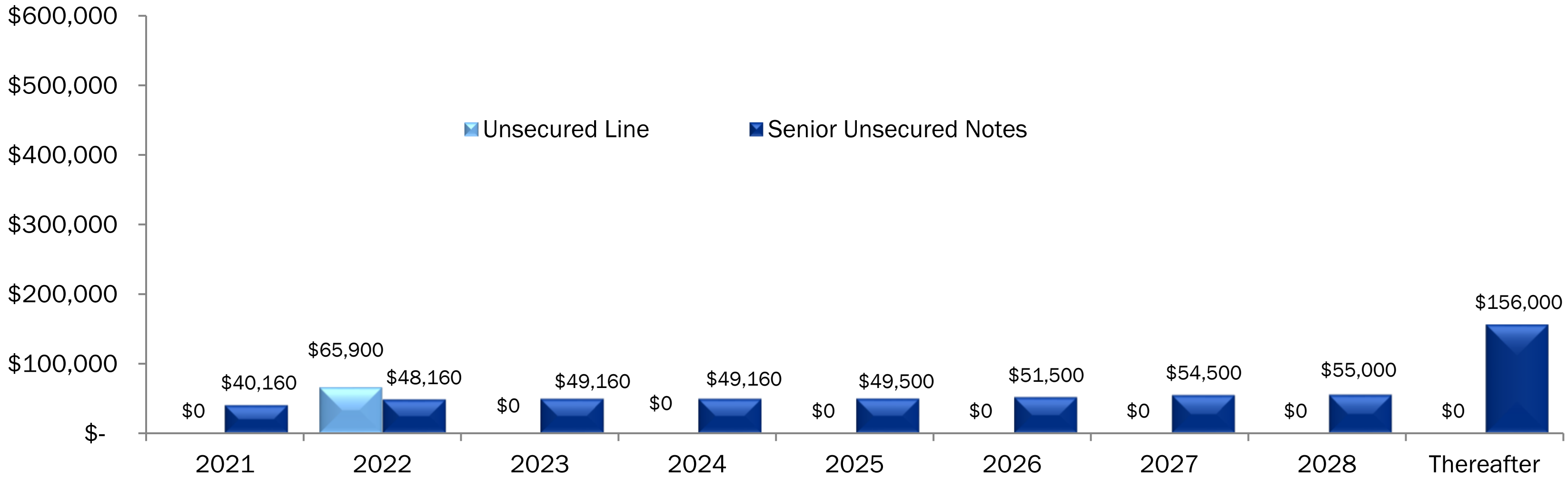


(AS OF JUNE 30, 2021, DOLLAR AMOUNTS IN THOUSANDS)

| YEAR | UNSECURED LINE OF CREDIT [1] | SENIOR UNSECURED NOTES [2] | TOTAL | % OF TOTAL |
|---|---|---|---|---|
| 2021 | $ — | $ 40,160 | $ 40,160 | 6.5% |
| 2022 | 65,900 | 48,160 | 114,060 | 18.4% |
| 2023 | — | 49,160 | 49,160 | 7.9% |
| 2024 | — | 49,160 | 49,160 | 7.9% |
| 2025 | — | 49,500 | 49,500 | 8.0% |
| 2026 | — | 51,500 | 51,500 | 8.3% |
| 2027 | — | 54,500 | 54,500 | 8.8% |
| 2028 | — | 55,000 | 55,000 | 8.9% |
| Thereafter | — | 156,000 | 156,000 | 25.3% |
| Total | $ 65,900 | $ 553,140 [3] | $ 619,040 [3] | 100.0% |

## DEBT STRUCTURE




(1) Subsequent to June 30, 2021, we paid $7,000 and borrowed $26,000 under our unsecured revolving line of credit. Accordingly, we have $84,900 outstanding with $515,100 available for borrowing.
(2) Reflects scheduled principal payments. Subsequent to June 30, 2021, we paid $25,160 under our senior unsecured notes. Accordingly, we have $527,399, net of debt issue costs, under our senior unsecured notes.
(3) Excludes debt issue costs which are netted against the principal outstanding in the senior unsecured notes balance on our Consolidated Balance Sheets shown on page 23.

# FINANCIAL DATA SUMMARY

(DOLLAR AMOUNTS IN THOUSANDS)

| | 6/30/21 | 12/31/20 | 12/31/19 | 12/31/18 |
|---|---|---|---|---|
| Gross real estate assets | $ 1,671,970 | $ 1,711,844 | $ 1,741,230 | $ 1,666,842 |
| Net real estate investments | $ 1,310,123 | $ 1,359,609 | $ 1,390,915 | $ 1,349,520 |
| Gross asset value | $ 1,778,458 | $ 1,811,867 | $ 1,864,705 | $ 1,831,070 |
| Total debt [(1)] | $ 618,459 | $ 649,382 | $ 693,388 | $ 645,029 |
| Total liabilities [(1)] | $ 654,092 | $ 683,680 | $ 728,783 | $ 680,649 |
| Total equity | $ 762,380 | $ 775,806 | $ 785,426 | $ 832,971 |

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

## NON-CASH REVENUE COMPONENTS

| | 2Q21 | 3Q21[(1)] | 4Q21[(1)] | 1Q22[(1)] | 2Q22[(1)] |
|---|---|---|---|---|---|
| Straight-line rent | $ (19) | $ (60) | $ (131) | $ (222) | $ (761) [(2)] |
| Amortization of lease incentives | (116) | (119) | (119) | (119) | (119) |
| Effective interest | 1,483 | 1,473 | 1,398 | 1,348 | 1,341 |
| Net | $ 1,348 | $ 1,294 | $ 1,148 | $ 1,007 | $ 461 |

(1) For leases and loans in place at June 30, 2021, assuming no renewals, modifications or replacements and no new investments are added to our portfolio.

(2) Decrease due to repayment of deferred rent not related to Covid-19.

## COMPONENTS OF RENTAL INCOME

| | THREE MONTHS ENDED JUNE 30, | | | SIX MONTHS ENDED JUNE 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Cash rent | $26,410 | $33,380 | $(6,970) [(1)] | $55,033 | $66,455 | $(11,422) [(1)] |
| Operator reimbursed real estate tax revenue | 3,529 | 4,111 | (582) [(2)] | 7,067 | 8,333 | (1,266) [(2)] |
| Straight-line rent | (19) | 634 | (653) [(3)] | 663 | 1,473 | (810) [(3)] |
| Straight-line rent write-off | — | (17,557) [(5)] | 17,557 | (758) [(4)] | (17,557) [(5)] | 16,799 |
| Amortization of lease incentives | (116) | (293) | 177 [(6)] | (228) | (394) | 166 [(6)] |
| Total rental income | $29,804 | $20,275 | $ 9,529 | $61,777 | $58,310 | $ 3,467 |

(1) Decreased primarily due to Senior Lifestyle's non-payment, net of re-leasing properties in the portfolio, Senior Care's and Abri Health's unpaid lease obligations, abated and deferred rent, and 50% escalation reduction partially offset by increased rent from completed development projects and contractual rent increases.

(2) Decreased due to Senior Care/Abri Health and Senior Lifestyle partially offset by increases from re-leasing properties in the Senior Lifestyle portfolio to other operators.

(3) Decrease primarily due to more leases accounted for on a cash basis as compared to the prior period and normal amortization.

(4) Represents the write-off of an operator's straight-line rent receivable during 1Q21.

(5) Represents a write-off of straight-line rent receivable relating to Senior Lifestyle.

(6) Decreased primarily due to a write-off of lease incentives relating to Senior Lifestyle in 2Q20.

(DOLLAR AMOUNTS IN THOUSANDS)

## RECONCILIATION OF ANNUALIZED ADJUSTED EBITDA*re* AND FIXED CHARGES

| | THREE MONTHS ENDED | FOR THE YEAR ENDED | | |
|---|---|---|---|---|
| | 6/30/21 | 12/31/2020 | 12/31/2019 | 12/31/2018 |
| Net income | $ 18,330 | $ 95,677 | $ 80,872 | $ 155,076 |
| Less: Gain on sale of real estate, net | (5,463) | (44,117) | (2,106) | (70,682) |
| Less: Gain on insurance proceeds | — | (373) (1) | (2,111) (2) | — |
| Add: Loss on unconsolidated joint ventures | — | 758 (3) | — | — |
| Add: Impairment loss from investments | — | 3,977 (4) | 5,500 (3) | — |
| Add: Interest expense | 6,860 | 29,705 | 30,582 | 30,196 |
| Add: Depreciation and amortization | 9,508 | 39,071 | 39,216 | 37,555 |
| EBITDA*re* | 29,235 | 124,698 | 151,953 | 152,145 |
| Add/(less): Non-recurring one-time items | — | 22,841 (5) | (1,535) (6) | (3,074) (7) |
| **Adjusted EBITDA*re*** | **$ 29,235** | **$ 147,539** | **$ 150,418** | **$ 149,071** |
| Interest expense | $ 6,860 | $ 29,705 | $ 30,582 | $ 30,196 |
| Add: Capitalized interest | — | 354 | 608 | 1,248 |
| **Fixed charges (8)** | **$ 6,860** | **$ 30,059** | **$ 31,190** | **$ 31,444** |
| Annualized Adjusted EBITDA*re* | $ 116,940 | | | |
| Annualized Fixed Charges | $ 27,440 | | | |
| Debt (net of debt issue costs) | $ 618,459 | $ 649,382 | $ 693,388 | $ 645,029 |
| Debt to Adjusted EBITDA*re* | 5.3x * | 4.4x | 4.6x | 4.3x |
| Adjusted EBITDA*re* to Fixed Charges | 4.3x * | 4.9x | 4.8x | 4.7x |

** Represents annualized 2Q21 results except for gain on sale of real estate.*

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

# INCOME STATEMENT DATA

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

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Revenues** | | | | |
| Rental income | $ 29,804 | $ 20,275 | $ 61,777 | $ 58,310 |
| Interest income from mortgage loans | 7,933 | 7,820 | 15,855 | 15,597 |
| Interest and other income | 392 | 386 | 777 | 984 |
| Total revenues | 38,129 | 28,481 | 78,409 | 74,891 |
| **Expenses** | | | | |
| Interest expense | 6,860 | 7,546 | 13,832 | 15,256 |
| Depreciation and amortization | 9,508 | 9,797 | 19,385 | 19,466 |
| (Recovery) provision for credit losses | — | — | (9) | 1 |
| Transaction costs | 133 | 64 | 225 | 134 |
| Property tax expense | 3,800 | 4,111 | 7,781 | 8,334 |
| General and administrative expenses | 5,337 | 4,580 | 10,370 | 9,680 |
| Total expenses | 25,638 | 26,098 | 51,584 | 52,871 |
| Other Operating Income | | | | |
| Gain on sale of real estate, net | 5,463 | 189 | 4,690 | 44,043 |
| Operating Income | 17,954 | 2,572 | 31,515 | 66,063 |
| Loss on unconsolidated joint ventures | — | (620) | — | (620) |
| Income from unconsolidated joint ventures | 376 | — | 665 | 231 |
| **Net Income** | 18,330 | 1,952 | 32,180 | 65,674 |
| Income allocated to non-controlling interests | (91) | (82) | (179) | (171) |
| Net income attributable to LTC Properties, Inc. | 18,239 | 1,870 | 32,001 | 65,503 |
| Income allocated to participating securities | (113) | (97) | (233) | (278) |
| Net income available to common stockholders | $ 18,126 | $ 1,773 | $ 31,768 | $ 65,225 |
| *Earnings per common share:* | | | | |
| Basic | $0.46 | $0.05 | $0.81 | $1.66 |
| Diluted | $0.46 | $0.05 | $0.81 | $1.66 |
| *Weighted average shares used to calculate earnings per common share:* | | | | |
| Basic | 39,169 | 39,055 | 39,135 | 39,298 |
| Diluted | 39,170 | 39,137 | 39,136 | 39,380 |
| Dividends declared and paid per common share | $0.57 | $0.57 | $1.14 | $1.14 |

# CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| | JUNE 30, 2021 | DECEMBER 31, 2020 |
|---|---|---|
| ASSETS | *(unaudited)* | *(audited)* |
| Investments: | | |
| Land | $ 123,239 | $ 127,774 |
| Buildings and improvements | 1,281,066 | 1,324,227 |
| Accumulated depreciation and amortization | (355,745) | (349,643) |
| Operating real estate property, net | 1,048,560 | 1,102,358 |
| Properties held-for-sale, net of accumulated depreciation: 2021—$3,512; 2020—$0 | 4,512 | — |
| Real property investments, net | 1,053,072 | 1,102,358 |
| | | |
| Mortgage loans receivable, net of loan loss reserve: 2021—$2,590; 2020—$2,592 | 257,051 | 257,251 |
| Real estate investments, net | 1,310,123 | 1,359,609 |
| Notes receivable, net of loan loss reserve: 2021—$139; 2020—$146 | 13,730 | 14,465 |
| Investments in unconsolidated joint ventures | 19,340 | 11,340 |
| Investments, net | 1,343,193 | 1,385,414 |
| | | |
| Other assets: | | |
| Cash and cash equivalents | 5,714 | 7,772 |
| Debt issue costs related to bank borrowings | 918 | 1,324 |
| Interest receivable | 35,977 | 32,746 |
| Straight-line rent receivable | 24,357 | 24,452 |
| Lease incentives | 2,414 | 2,462 |
| Prepaid expenses and other assets | 3,899 | 5,316 |
| Total assets | $ 1,416,472 | $ 1,459,486 |
| LIABILITIES | | |
| Bank borrowings | $ 65,900 | $ 89,900 |
| Senior unsecured notes, net of debt issue costs: 2021—$581; 2020—$658 | 552,559 | 559,482 |
| Accrued interest | 4,093 | 4,216 |
| Accrued expenses and other liabilities | 31,540 | 30,082 |
| Total liabilities | 654,092 | 683,680 |
| EQUITY | | |
| Stockholders' equity: | | |
| Common stock: $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2021—39,374; 2020—39,242 | 394 | 392 |
| Capital in excess of par value | 852,959 | 852,780 |
| Cumulative net income | 1,420,776 | 1,388,775 |
| Cumulative distributions | (1,520,153) | (1,474,545) |
| Total LTC Properties, Inc. stockholders' equity | 753,976 | 767,402 |
| Non-controlling interests | 8,404 | 8,404 |
| Total equity | 762,380 | 775,806 |
| Total liabilities and equity | $ 1,416,472 | $ 1,459,486 |

# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO AND FAD

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

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| GAAP net income available to common stockholders | $ 18,126 | $ 1,773 | $ 31,768 | $ 65,225 |
| Add: Depreciation and amortization | 9,508 | 9,797 | 19,385 | 19,466 |
| Add: Loss on unconsolidated joint ventures | — | 620 | — | 620 |
| (Less)/add: (Gain) loss on sale of real estate, net | (5,463) | (189) | (4,690) | (44,043) |
| NAREIT FFO attributable to common stockholders | $ 22,171 | $ 12,001 | $ 46,463 | $ 41,268 |
| | | | | |
| NAREIT Diluted FFO attributable to common stockholders per share | $0.57 | $0.31 | $1.19 | $1.05 |
| | | | | |
| NAREIT FFO attributable to common stockholders | $ 22,171 | $ 12,001 | $ 46,463 | $ 41,268 |
| Add: Non-recurring items | — | 17,742 [1] | 758 [2] | 17,742 |
| FFO attributable to common stockholders, excluding non-recurring items | $ 22,171 | $ 29,743 | $ 47,221 | $ 59,010 |
| | | | | |
| NAREIT FFO attributable to common stockholders | $ 22,171 | $ 12,001 | $ 46,463 | $ 41,268 |
| Non-cash income: | | | | |
| Less: Straight-line rental income | 19 | (634) | (663) | (1,473) |
| Add: Amortization of lease incentives | 116 | 293 | 228 | 394 |
| Add: Other non-cash expense | — | 17,557 | 758 | 17,557 |
| Less: Effective interest income from mortgage loans | (1,483) | (1,555) | (3,227) | (3,078) |
| Net non-cash income | (1,348) | 15,661 | (2,904) | 13,400 |
| | | | | |
| Non-cash expense: | | | | |
| Add: Non-cash compensation charges | 1,958 | 1,762 | 3,810 | 3,539 |
| Less: Capitalized interest | — | (86) | — | (277) |
| Net non-cash expense | 1,958 | 1,676 | 3,810 | 3,262 |
| | | | | |
| Funds available for distribution (FAD) | $ 22,781 | $ 29,338 | $ 47,369 | $ 57,930 |

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

# FUNDS FROM OPERATIONS – RECONCILIATION OF FFO PER SHARE

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

| | FFO | | FAD | |
|---|---|---|---|---|
| FOR THE THREE MONTHS ENDED JUNE 30, | 2021 | 2020 | 2021 | 2020 |
| FFO/FAD attributable to common stockholders | $ 22,171 | $ 12,001 | $ 22,781 | $ 29,338 |
| Non-recurring one-time items | — | 17,742 (1) | — | — |
| FFO/FAD attributable to common stockholders excluding non-recurring items | 22,171 | 29,743 | 22,781 | 29,338 |
| | | | | |
| Effect of dilutive securities: | | | | |
| Participating securities | — | 97 | 113 | 97 |
| Diluted FFO/FAD excluding non-recurring items | $ 22,171 | $ 29,840 | $ 22,894 | $ 29,435 |
| | | | | |
| Shares for basic FFO/FAD per share | 39,169 | 39,055 | 39,169 | 39,055 |
| Effect of dilutive securities: | | | | |
| Stock options | 1 | — | 1 | — |
| Performance-based stock units | — | 82 | — | 82 |
| Participating securities | — | 172 | 199 | 172 |
| Shares for diluted FFO/FAD per share | 39,170 | 39,309 | 39,369 | 39,309 |

| | FFO | | FAD | |
|---|---|---|---|---|
| FOR THE SIX MONTHS ENDED JUNE 30, | 2021 | 2020 | 2021 | 2020 |
| FFO/FAD attributable to common stockholders | $ 46,463 | $ 41,268 | $ 47,369 | $ 57,930 |
| Non-recurring one-time items | 758 (2) | 17,742 (1) | — | — |
| FFO/FAD attributable to common stockholders excluding non-recurring items | 47,221 | 59,010 | 47,369 | 57,930 |
| | | | | |
| Effect of dilutive securities: | | | | |
| Participating securities | 233 | — | 233 | — |
| Diluted FFO/FAD | $ 47,454 | $ 59,010 | $ 47,602 | $ 57,930 |
| | | | | |
| Shares for basic FFO/FAD per share | 39,135 | 39,298 | 39,135 | 39,298 |
| Effect of dilutive securities: | | | | |
| Stock options | 1 | — | 1 | — |
| Performance based stock units | — | 82 | - | 82 |
| Participating securities | 197 | — | 197 | — |
| Shares for diluted FFO/FAD per share | 39,333 | 39,380 | 39,333 | 39,380 |

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

# Driving Stakeholder Value Through Social Responsibility


At LTC, we recognize the importance of being good corporate stewards through socially responsible and sustainable practices within the confines of a REIT structure holding predominantly triple-net leases. We believe that integrating Environmental, Social and Governance ("ESG") initiatives into our strategic objectives will contribute to our long-term success.

In support of these initiatives, an internal working group in 2020 commenced a review of our ESG profile with the goal of enhancing our company's corporate responsibility and sustainability practices. Our Board has formed a new committee to address diversity and ESG initiatives. We intend to provide more reporting about our ESG initiatives throughout 2021 and going forward.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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