



EPR Properties™
Return on Insight

Supplemental Operating and Financial Data

Second Quarter and Six Months Ended June 30, 2019

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

With the exception of historical information, certain statements contained or incorporated by reference herein may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as those pertaining to our acquisition or disposition of properties, our capital resources, future expenditures for development projects, and our results of operations and financial condition. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as "will be," "intend," "continue," "believe," "may," "expect," "hope," "anticipate," "goal," "forecast," "pipeline," "estimates," "offers," "plans," "would," or other similar expressions or other comparable terms or discussions of strategy, plans or intentions contained or incorporated by reference herein. In addition, references to our budgeted amounts and guidance are forward-looking statements. Forward-looking statements necessarily are dependent on assumptions, data or methods that may be incorrect or imprecise. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For further discussion of these factors see "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K and, to the extent applicable, our Quarterly Reports on Form 10-Q.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date hereof or the date of any document incorporated by reference herein. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except as required by law, we do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date hereof.

NON-GAAP INFORMATION

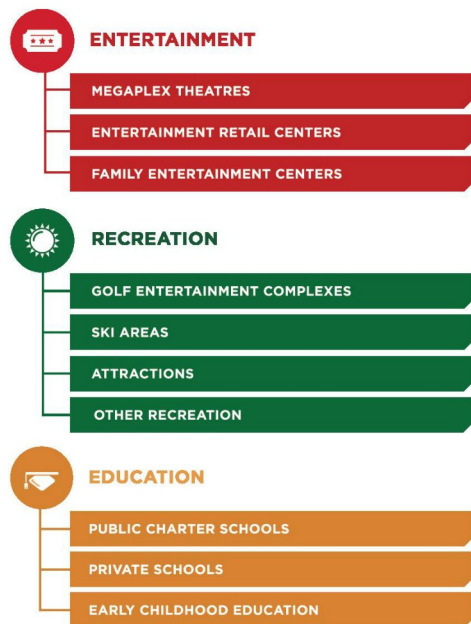
This document contains certain non-GAAP measures. These non-GAAP measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP measures are not measurements of financial performance or liquidity under GAAP and should not be considered alternatives to the Company's other financial information determined under GAAP. See pages 31 through 33 for definitions of certain non-GAAP financial measures used in this document and the reconciliations of certain non-GAAP measures in the Appendix on pages 34 through 40.

COMPANY PROFILE

THE COMPANY

EPR Properties (“EPR” or the “Company”) is a self-administered and self-managed real estate investment trust. EPR was formed in August 1997 as a Maryland real estate investment trust (“REIT”), and an initial public offering was completed on November 18, 1997.

Since that time, the Company has grown into a leading specialty real estate investment trust with an **investment portfolio that includes Entertainment, Recreation, Education and Other specialty investments.**



COMPANY STRATEGY

Our vision is to become the leading specialty REIT by focusing our unique knowledge and resources on select underserved real estate segments which provide the potential for outsized returns.

EPR’s primary business objective is to enhance shareholder value by achieving predictable growth in Funds from Operations (“FFO”) and dividends per share. Central to our growth is remaining focused on acquiring or developing properties in our primary investment segments: Entertainment, Recreation and Education. We may also pursue opportunities to provide mortgage financing for these investment segments in certain situations where this structure is more advantageous than owning the underlying real estate.

Our segment focus is consistent with our strategic organizational design which is structured around building centers of knowledge and strong operating competencies in each of our primary segments. Retention and building of this knowledge depth creates a competitive advantage allowing us to more quickly identify key market trends.

To this end we will deliberately apply information and our ingenuity to identify properties which represent potential logical extensions within each of our segments, or potential future investment segments. As part of our strategic planning and portfolio management process we assess new opportunities against the **following five key underwriting principles:**

INFLECTION OPPORTUNITY - Renewal or restructuring in an industry’s properties

ENDURING VALUE - Real estate devoted to and improving long-lived activities

EXCELLENT EXECUTION - Market-dominant performance that creates value beyond tenant credit

ATTRACTIVE ECONOMICS - Accretive initial returns along with growth in yield

ADVANTAGEOUS POSITION - Sustainable competitive advantages

INVESTOR INFORMATION

SENIOR MANAGEMENT

Greg Silvers
President and Chief Executive Officer

Craig Evans
Senior Vice President, General Counsel and Secretary

Tonya Mater
Vice President and Chief Accounting Officer

Mark Peterson
Executive Vice President and Chief Financial Officer

Greg Zimmerman
Executive Vice President and Chief Investment Officer

Mike Hirons
Senior Vice President - Strategy and Asset Management

COMPANY INFORMATION

CORPORATE HEADQUARTERS

909 Walnut Street, Suite 200
Kansas City, MO 64106
888-EPR-REIT
www.eprkc.com

STOCK EXCHANGE LISTING

New York Stock Exchange

TRADING SYMBOLS

Common Stock:

EPR

Preferred Stock:

EPR-PrC

EPR-PrE

EPR-PrG

EQUITY RESEARCH COVERAGE

Bank of America Merrill Lynch

Citi Global Markets

Janney Montgomery Scott

J.P. Morgan

Kansas City Capital Associates

Keybanc Capital Markets

Ladenburg Thalmann

Raymond James & Associates

RBC Capital Markets

Stifel

SunTrust Robinson Humphrey

Jeffrey Spector/Joshua Dennerlein

Michael Bilerman/Nick Joseph

Rob Stevenson

Anthony Paolone/Nikita Bely

Jonathan Braatz

Jordan Sadler/Craig Mailman

John Massocca

Collin Mings

Michael Carroll

Simon Yarmak

Ki Bin Kim

646-855-1363

212-816-4471

646-840-3217

212-622-6682

816-932-8019

917-368-2280

212-409-2056

727-567-2585

440-715-2649

443-224-1345

212-303-4124

EPR Properties is followed by the analysts identified above. Please note that any opinions, estimates, forecasts or recommendations regarding EPR Properties' performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or recommendations of EPR Properties or its management. EPR Properties does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.

SELECTED FINANCIAL INFORMATION

(UNAUDITED, DOLLARS AND SHARES IN THOUSANDS)

| Operating Information: | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---|-----------------------------|------------|---------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue | \$ 175,698 | \$ 202,867 | \$ 340,240 | \$ 357,835 |
| Net income available to common shareholders of EPR Properties | 60,560 | 85,545 | 119,875 | 109,047 |
| EBITDAre (1) | 133,683 | 180,062 | 265,179 | 314,533 |
| Adjusted EBITDA (1) | 140,606 | 135,264 | 276,325 | 270,344 |
| Interest expense, net | 36,278 | 34,079 | 70,104 | 68,416 |
| Capitalized interest | 1,530 | 2,294 | 4,667 | 4,538 |
| Straight-lined rental revenue | 3,223 | 2,060 | 5,637 | 3,934 |
| Dividends declared on preferred shares | 6,034 | 6,036 | 12,068 | 12,072 |
| Dividends declared on common shares | 86,097 | 80,277 | 170,440 | 160,539 |
| General and administrative expense | 12,230 | 12,976 | 24,360 | 25,300 |

| Balance Sheet Information: | JUNE 30, | |
|---|--------------|--------------|
| | 2019 | 2018 |
| Total assets | \$ 6,746,655 | \$ 6,104,224 |
| Accumulated depreciation | 954,806 | 810,604 |
| Total assets before accumulated depreciation (gross assets) | 7,701,461 | 6,914,828 |
| Cash and cash equivalents | 6,927 | 3,017 |
| Debt | 3,216,623 | 2,983,975 |
| Deferred financing costs, net | 31,957 | 36,020 |
| Net debt (1) | 3,241,653 | 3,016,978 |
| Equity | 3,044,898 | 2,885,968 |
| Common shares outstanding | 77,556 | 74,348 |
| Total market capitalization (using EOP closing price) | 9,397,591 | 8,205,138 |
| Net debt/total market capitalization | 34% | 37% |
| Net debt/gross assets | 42% | 44% |
| Net debt/Adjusted EBITDA (2) | 5.8 | 5.6 |
| Adjusted net debt/Annualized adjusted EBITDA (1)(3)(4) | 5.5 | 5.5 |

(1) See pages 31 through 33 for definitions.

(2) Adjusted EBITDA is for the quarter multiplied times four. See pages 31 through 33 for definitions. See calculation on page 40.

(3) Adjusted net debt is net debt less 40% times property under development. See pages 31 through 33 for definitions.

(4) Annualized adjusted EBITDA is adjusted EBITDA for the quarter further adjusted for in-service projects, percentage rent and participating interest and other non-recurring items which is then multiplied times four. These calculations can be found on page 40 under the reconciliation of Adjusted EBITDA and Annualized Adjusted EBITDA. See pages 31 through 33 for definitions.

SELECTED BALANCE SHEET INFORMATION

(UNAUDITED, DOLLARS IN THOUSANDS)

| ASSETS | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Real estate investments: | | | | | | |
| Entertainment | \$ 3,307,670 | \$ 3,018,987 | \$ 2,909,024 | \$ 2,875,959 | \$ 2,854,274 | \$ 2,812,120 |
| Recreation | 1,921,868 | 1,610,071 | 1,614,100 | 1,502,639 | 1,476,759 | 1,452,087 |
| Education | 1,147,220 | 1,188,959 | 1,209,393 | 1,204,851 | 1,175,973 | 1,170,548 |
| Other | 176,294 | 174,690 | 174,714 | 156,786 | 156,786 | 156,786 |
| Less: accumulated depreciation | (954,806) | (920,409) | (883,174) | (848,280) | (810,604) | (776,404) |
| Land held for development | 28,080 | 28,080 | 34,177 | 31,076 | 31,076 | 33,693 |
| Property under development | 80,695 | 315,237 | 287,546 | 289,228 | 268,090 | 249,931 |
| Operating lease right-of-use assets | 220,758 | 211,299 | — | — | — | — |
| Mortgage notes receivable: (1) | | | | | | |
| Entertainment | 14,670 | — | — | 23,327 | 23,321 | 31,061 |
| Recreation | 378,292 | 375,094 | 368,655 | 365,100 | 439,759 | 614,405 |
| Education | 157,169 | 152,533 | 148,812 | 184,273 | 178,348 | 174,371 |
| Investment in direct financing leases, net | 20,675 | 20,616 | 20,558 | 20,495 | 58,305 | 58,101 |
| Investment in joint ventures | 35,658 | 35,188 | 34,486 | 5,018 | 4,999 | 5,538 |
| Cash and cash equivalents | 6,927 | 11,116 | 5,872 | 74,153 | 3,017 | 24,514 |
| Restricted cash | 5,010 | 11,166 | 12,635 | 22,031 | 11,283 | 15,640 |
| Accounts receivable | 108,433 | 111,146 | 98,369 | 104,757 | 97,804 | 88,750 |
| Other assets | 92,042 | 87,458 | 96,223 | 102,657 | 135,034 | 127,725 |
| Total assets | <u>\$ 6,746,655</u> | <u>\$ 6,431,231</u> | <u>\$ 6,131,390</u> | <u>\$ 6,114,070</u> | <u>\$ 6,104,224</u> | <u>\$ 6,238,866</u> |
| LIABILITIES AND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 126,015 | \$ 117,746 | \$ 168,463 | \$ 138,829 | \$ 122,359 | \$ 117,583 |
| Operating lease liabilities | 245,372 | 235,612 | — | — | — | — |
| Common dividends payable | 29,084 | 28,306 | 26,765 | 26,761 | 26,765 | 26,755 |
| Preferred dividends payable | 6,034 | 6,034 | 6,034 | 6,036 | 6,036 | 6,036 |
| Unearned rents and interest | 78,629 | 85,012 | 79,051 | 90,287 | 79,121 | 81,461 |
| Line of credit | 240,000 | 70,000 | 30,000 | — | 30,000 | 570,000 |
| Deferred financing costs, net | (31,957) | (32,838) | (33,941) | (35,033) | (36,020) | (28,558) |
| Other debt | 3,008,580 | 3,008,580 | 2,989,995 | 2,989,995 | 2,989,995 | 2,589,995 |
| Total liabilities | <u>3,701,757</u> | <u>3,518,452</u> | <u>3,266,367</u> | <u>3,216,875</u> | <u>3,218,256</u> | <u>3,363,272</u> |
| Equity: | | | | | | |
| Common stock and additional paid-in- capital | 3,759,032 | 3,597,916 | 3,505,266 | 3,497,055 | 3,492,333 | 3,487,902 |
| Preferred stock at par value | 148 | 148 | 148 | 148 | 148 | 148 |
| Treasury stock | (147,143) | (146,906) | (130,728) | (129,801) | (129,048) | (128,707) |
| Accumulated other comprehensive income | 5,174 | 8,397 | 12,085 | 19,246 | 17,497 | 16,481 |
| Distributions in excess of net income | (572,313) | (546,776) | (521,748) | (489,453) | (494,962) | (500,230) |
| Total equity | <u>3,044,898</u> | <u>2,912,779</u> | <u>2,865,023</u> | <u>2,897,195</u> | <u>2,885,968</u> | <u>2,875,594</u> |
| Total liabilities and equity | <u>\$ 6,746,655</u> | <u>\$ 6,431,231</u> | <u>\$ 6,131,390</u> | <u>\$ 6,114,070</u> | <u>\$ 6,104,224</u> | <u>\$ 6,238,866</u> |

(1) Includes related accrued interest receivable.

SELECTED OPERATING DATA

(UNAUDITED, DOLLARS IN THOUSANDS)

| | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rental revenue: | | | | | | |
| Entertainment | \$ 83,718 | \$ 80,513 | \$ 76,742 | \$ 75,552 | \$ 74,640 | \$ 74,848 |
| Recreation | 42,886 | 40,529 | 38,732 | 36,215 | 34,443 | 33,432 |
| Education | 28,059 | 26,707 | 27,757 | 26,851 | 25,649 | 22,385 |
| Other | 2,667 | 2,974 | 2,284 | 2,287 | 2,287 | 2,259 |
| Mortgage and other financing income: | | | | | | |
| Entertainment | 107 | 56 | 4,457 | 612 | 2,100 | 802 |
| Recreation | 8,654 | 9,312 | 8,277 | 29,678 | 57,540 | 13,705 |
| Education | 3,881 | 4,107 | 7,803 | 4,849 | 5,562 | 6,907 |
| Other income | 5,726 | 344 | 435 | 365 | 646 | 630 |
| Total revenue | \$ 175,698 | \$ 164,542 | \$ 166,487 | \$ 176,409 | \$ 202,867 | \$ 154,968 |
| Property operating expense | 14,771 | 15,793 | 8,890 | 6,968 | 7,334 | 7,564 |
| Other expense | 8,091 | — | 325 | 118 | — | — |
| General and administrative expense | 12,230 | 12,130 | 12,165 | 11,424 | 12,976 | 12,324 |
| Severance expense | — | — | 5,938 | — | — | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Costs associated with loan refinancing or payoff | — | — | — | — | 15 | 31,943 |
| Interest expense, net | 36,278 | 33,826 | 33,515 | 33,576 | 34,079 | 34,337 |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Impairment charges | — | — | 10,735 | — | 16,548 | — |
| Depreciation and amortization | 42,355 | 39,743 | 39,541 | 38,623 | 37,582 | 37,684 |
| Income before equity in income (loss) in joint ventures and other items | 55,050 | 57,927 | 53,795 | 84,599 | 91,838 | 30,507 |
| Equity in income (loss) from joint ventures | 470 | 489 | (5) | 20 | (88) | 51 |
| Gain on sale of real estate | 9,774 | 6,328 | 349 | 2,215 | 473 | — |
| Gain on sale of investment in direct financing leases | — | — | — | 5,514 | — | — |
| Income tax benefit (expense) | 1,300 | 605 | (108) | (515) | (642) | (1,020) |
| Net income | 66,594 | 65,349 | 54,031 | 91,833 | 91,581 | 29,538 |
| Preferred dividend requirements | (6,034) | (6,034) | (6,034) | (6,036) | (6,036) | (6,036) |
| Net income available to common shareholders of EPR Properties | \$ 60,560 | \$ 59,315 | \$ 47,997 | \$ 85,797 | \$ 85,545 | \$ 23,502 |

FUNDS FROM OPERATIONS AND FUNDS FROM OPERATIONS AS ADJUSTED

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT PER SHARE INFORMATION)

| | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| FUNDS FROM OPERATIONS ("FFO") (1): | | | | | | |
| Net income available to common shareholders of EPR Properties | \$ 60,560 | \$ 59,315 | \$ 47,997 | \$ 85,797 | \$ 85,545 | \$ 23,502 |
| Gain on sale of real estate | (9,774) | (6,328) | (349) | (2,215) | (473) | — |
| Gain on sale of investment in direct financing leases | — | — | — | (5,514) | — | — |
| Impairment charges | — | — | 10,735 | — | 16,548 | — |
| Real estate depreciation and amortization | 42,098 | 39,514 | 39,297 | 38,388 | 37,359 | 37,464 |
| Allocated share of joint venture depreciation | 554 | 555 | 56 | 54 | 58 | 58 |
| FFO available to common shareholders of EPR Properties | <u>\$ 93,438</u> | <u>\$ 93,056</u> | <u>\$ 97,736</u> | <u>\$ 116,510</u> | <u>\$ 139,037</u> | <u>\$ 61,024</u> |
| FFO available to common shareholders of EPR Properties | \$ 93,438 | \$ 93,056 | \$ 97,736 | \$ 116,510 | \$ 139,037 | \$ 61,024 |
| Add: Preferred dividends for Series C preferred shares | 1,939 | 1,939 | 1,939 | 1,940 | 1,940 | — |
| Add: Preferred dividends for Series E preferred shares | 1,939 | 1,939 | 1,939 | 1,939 | — | — |
| Diluted FFO available to common shareholders of EPR Properties | <u>\$ 97,316</u> | <u>\$ 96,934</u> | <u>\$ 101,614</u> | <u>\$ 120,389</u> | <u>\$ 140,977</u> | <u>\$ 61,024</u> |
| FUNDS FROM OPERATIONS AS ADJUSTED (1): | | | | | | |
| FFO available to common shareholders of EPR Properties | \$ 93,438 | \$ 93,056 | \$ 97,736 | \$ 116,510 | \$ 139,037 | \$ 61,024 |
| Costs associated with loan refinancing or payoff | — | — | — | — | 15 | 31,943 |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Severance expense | — | — | 5,938 | — | — | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Termination fee included in gain on sale | 6,533 | 5,001 | — | 1,864 | — | — |
| Deferred income tax (benefit) expense | (1,675) | (609) | (182) | 92 | 235 | 428 |
| FFO as adjusted available to common shareholders of EPR Properties | <u>\$ 105,219</u> | <u>\$ 102,571</u> | <u>\$ 105,075</u> | <u>\$ 119,567</u> | <u>\$ 141,782</u> | <u>\$ 94,004</u> |
| FFO as adjusted available to common shareholders of EPR Properties | \$ 105,219 | \$ 102,571 | \$ 105,075 | \$ 119,567 | \$ 141,782 | \$ 94,004 |
| Add: Preferred dividends for Series C preferred shares | 1,939 | 1,939 | 1,939 | 1,940 | 1,940 | 1,940 |
| Add: Preferred dividends for Series E preferred shares | 1,939 | 1,939 | 1,939 | 1,939 | 1,939 | 1,939 |
| Diluted FFO as adjusted available to common shareholders of EPR Properties | <u>\$ 109,097</u> | <u>\$ 106,449</u> | <u>\$ 108,953</u> | <u>\$ 123,446</u> | <u>\$ 145,661</u> | <u>\$ 97,883</u> |
| FFO per common share: | | | | | | |
| Basic | \$ 1.23 | \$ 1.25 | \$ 1.31 | \$ 1.57 | \$ 1.87 | \$ 0.82 |
| Diluted | 1.22 | 1.23 | 1.30 | 1.54 | 1.84 | 0.82 |
| FFO as adjusted per common share: | | | | | | |
| Basic | \$ 1.38 | \$ 1.37 | \$ 1.41 | \$ 1.61 | \$ 1.91 | \$ 1.27 |
| Diluted | 1.36 | 1.36 | 1.39 | 1.58 | 1.87 | 1.26 |
| Shares used for computation (in thousands): | | | | | | |
| Basic | 76,164 | 74,679 | 74,343 | 74,345 | 74,329 | 74,146 |
| Diluted | 76,199 | 74,725 | 74,402 | 74,404 | 74,365 | 74,180 |
| Effect of dilutive Series C preferred shares | 2,158 | 2,145 | 2,133 | 2,122 | 2,110 | 2,098 |
| Adjusted weighted-average shares outstanding-diluted Series C | <u>78,357</u> | <u>76,870</u> | <u>76,535</u> | <u>76,526</u> | <u>76,475</u> | <u>76,278</u> |
| Effect of dilutive Series E preferred shares | 1,628 | 1,622 | 1,615 | 1,610 | 1,604 | 1,598 |
| Adjusted weighted-average shares outstanding-diluted Series C and Series E | <u>79,985</u> | <u>78,492</u> | <u>78,150</u> | <u>78,136</u> | <u>78,079</u> | <u>77,876</u> |

(1) See pages 31 through 33 for definitions.

ADJUSTED FUNDS FROM OPERATIONS

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT PER SHARE INFORMATION)

| ADJUSTED FUNDS FROM OPERATIONS ("AFFO") (1): | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| FFO available to common shareholders of EPR Properties | \$ 93,438 | \$ 93,056 | \$ 97,736 | \$ 116,510 | \$ 139,037 | \$ 61,024 |
| Adjustments: | | | | | | |
| Costs associated with loan refinancing or payoff | — | — | — | — | 15 | 31,943 |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Severance expense | — | — | 5,938 | — | — | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Termination fees included in gain on sale | 6,533 | 5,001 | — | 1,864 | — | — |
| Deferred income tax (benefit) expense | (1,675) | (609) | (182) | 92 | 235 | 428 |
| Non-real estate depreciation and amortization | 257 | 229 | 244 | 235 | 223 | 220 |
| Deferred financing fees amortization | 1,517 | 1,502 | 1,490 | 1,470 | 1,439 | 1,398 |
| Share-based compensation expense to management and trustees | 3,283 | 3,280 | 3,816 | 3,687 | 3,817 | 3,791 |
| Amortization of above/below market leases, net and tenant allowances | (58) | (59) | (54) | (55) | (55) | (417) |
| Maintenance capital expenditures (2) | (510) | (297) | (336) | (540) | (527) | (698) |
| Straight-lined rental revenue | (3,223) | (2,414) | (3,216) | (3,079) | (2,060) | (1,874) |
| Non-cash portion of mortgage and other financing income | (1,069) | (1,014) | (784) | (819) | (784) | (656) |
| AFFO available to common shareholders of EPR Properties | <u>\$ 105,416</u> | <u>\$ 103,798</u> | <u>\$ 106,235</u> | <u>\$ 120,466</u> | <u>\$ 143,835</u> | <u>\$ 95,768</u> |
| AFFO available to common shareholders of EPR Properties | \$ 105,416 | \$ 103,798 | \$ 106,235 | \$ 120,466 | \$ 143,835 | \$ 95,768 |
| Add: Preferred dividends for Series C preferred shares | 1,939 | 1,939 | 1,939 | 1,940 | 1,940 | 1,940 |
| Add: Preferred dividends for Series E preferred shares | 1,939 | 1,939 | 1,939 | 1,939 | 1,939 | 1,939 |
| Diluted AFFO available to common shareholders of EPR Properties | <u>\$ 109,294</u> | <u>\$ 107,676</u> | <u>\$ 110,113</u> | <u>\$ 124,345</u> | <u>\$ 147,714</u> | <u>\$ 99,647</u> |
| Weighted average diluted shares outstanding (in thousands) | 76,199 | 74,725 | 74,402 | 74,404 | 74,365 | 74,180 |
| Effect of dilutive Series C preferred shares | 2,158 | 2,145 | 2,133 | 2,122 | 2,110 | 2,098 |
| Effect of dilutive Series E preferred shares | 1,628 | 1,622 | 1,615 | 1,610 | 1,604 | 1,598 |
| Adjusted weighted-average shares outstanding-diluted | <u>79,985</u> | <u>78,492</u> | <u>78,150</u> | <u>78,136</u> | <u>78,079</u> | <u>77,876</u> |
| AFFO per diluted common share | \$ 1.37 | \$ 1.37 | \$ 1.41 | \$ 1.59 | \$ 1.89 | \$ 1.28 |
| Dividends declared per common share | \$ 1.125 | \$ 1.125 | \$ 1.080 | \$ 1.080 | \$ 1.080 | \$ 1.080 |
| AFFO payout ratio (3) | 82% | 82% | 77% | 68% | 57% | 84% |

(1) See pages 31 through 33 for definitions.

(2) Includes maintenance capital expenditures and certain second generation tenant improvements and leasing commissions.

(3) AFFO payout ratio is calculated by dividing dividends declared per common share by AFFO per diluted common share.

CAPITAL STRUCTURE AS OF JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS)

CONSOLIDATED DEBT

PRINCIPAL PAYMENTS DUE ON DEBT:

| YEAR | BONDS/TERM LOAN/OTHER (1) | UNSECURED CREDIT FACILITY (2) | UNSECURED SENIOR NOTES | TOTAL | WEIGHTED AVG INTEREST RATE |
|-------------------------------------|------------------------------|----------------------------------|---------------------------|---------------------|-------------------------------|
| 2019 | \$ — | \$ — | \$ — | \$ — | —% |
| 2020 | — | — | — | — | —% |
| 2021 | — | — | — | — | —% |
| 2022 | — | 240,000 | 350,000 | 590,000 | 4.80% |
| 2023 | 400,000 | — | 275,000 | 675,000 | 4.02% |
| 2024 | — | — | 148,000 | 148,000 | 4.35% |
| 2025 | — | — | 300,000 | 300,000 | 4.50% |
| 2026 | — | — | 642,000 | 642,000 | 4.69% |
| 2027 | — | — | 450,000 | 450,000 | 4.50% |
| 2028 | — | — | 400,000 | 400,000 | 4.95% |
| 2029 | — | — | — | — | —% |
| Thereafter | 43,580 | — | — | 43,580 | 3.07% |
| Less: deferred financing costs, net | — | — | — | (31,957) | —% |
| | <u>\$ 443,580</u> | <u>\$ 240,000</u> | <u>\$ 2,565,000</u> | <u>\$ 3,216,623</u> | <u>4.52%</u> |

| | BALANCE | WEIGHTED AVG INTEREST RATE | WEIGHTED AVG MATURITY |
|-------------------------------------|---------------------|-------------------------------|--------------------------|
| Fixed rate secured debt | \$ — | —% | — |
| Fixed rate unsecured debt (1) | 2,965,000 | 4.63% | 6.06 |
| Variable rate secured debt | 43,580 | 3.07% | 28.25 |
| Variable rate unsecured debt | 240,000 | 3.41% | 2.66 |
| Less: deferred financing costs, net | (31,957) | —% | — |
| Total | <u>\$ 3,216,623</u> | <u>4.52%</u> | <u>6.11</u> |

(1) Includes \$400 million of term loan that has been fixed through interest rate swaps through February 7, 2022.

(2) Unsecured Revolving Credit Facility Summary:

| COMMITMENT | BALANCE AT 6/30/2019 | MATURITY | RATE AT 6/30/2019 |
|-------------|-------------------------|-------------------|----------------------|
| \$1,000,000 | \$ 240,000 | February 27, 2022 | 3.41% |

Note: This facility has a seven-month extension available at the Company's option (solely with respect to the unsecured revolving credit portion of the facility) and includes an accordion feature pursuant to which the maximum borrowing amount under the combined unsecured revolving credit and term loan facility can be increased from \$1.4 billion to \$2.4 billion, in each case, subject to certain terms and conditions.

CAPITAL STRUCTURE AS OF JUNE 30, 2019 AND DECEMBER 31, 2018

(UNAUDITED, DOLLARS IN THOUSANDS)

CONSOLIDATED DEBT (continued)

SUMMARY OF DEBT:

| | June 30, 2019 | December 31, 2018 |
|--|---------------------|---------------------|
| Unsecured revolving variable rate credit facility, LIBOR + 1.00%, due February 27, 2022 | \$ 240,000 | \$ 30,000 |
| Senior unsecured notes payable, 5.75%, due August 15, 2022 | 350,000 | 350,000 |
| Unsecured term loan payable, LIBOR + 1.10%, \$350,000 fixed at 3.15% and \$50,000 fixed at 3.35% through February 7, 2022, due February 27, 2023 | 400,000 | 400,000 |
| Senior unsecured notes payable, 5.25%, due July 15, 2023 | 275,000 | 275,000 |
| Senior unsecured notes payable, 4.35%, due August 22, 2024 | 148,000 | 148,000 |
| Senior unsecured notes payable, 4.50%, due April 1, 2025 | 300,000 | 300,000 |
| Senior unsecured notes payable, 4.56%, due August 22, 2026 | 192,000 | 192,000 |
| Senior unsecured notes payable, 4.75%, due December 15, 2026 | 450,000 | 450,000 |
| Senior unsecured notes payable, 4.50%, due June 1, 2027 | 450,000 | 450,000 |
| Senior unsecured notes payable, 4.95%, due April 15, 2028 | 400,000 | 400,000 |
| Bonds payable, variable rate, due August 1, 2047 | 24,995 | 24,995 |
| Bond payable, variable rate, due December 22, 2047 | 18,585 | — |
| Less: deferred financing costs, net | (31,957) | (33,941) |
| Total debt | <u>\$ 3,216,623</u> | <u>\$ 2,986,054</u> |

CAPITAL STRUCTURE

SENIOR NOTES

SENIOR DEBT RATINGS AS OF JUNE 30, 2019

| | |
|---------------------|---------------|
| Moody's | Baa2 (stable) |
| Fitch | BBB- (stable) |
| Standard and Poor's | BBB- (stable) |

SUMMARY OF COVENANTS

The Company has outstanding public senior unsecured notes with fixed interest rates of 4.50%, 4.75%, 4.95%, 5.25% and 5.75%. Interest on these notes is paid semiannually. These public senior unsecured notes contain various covenants, including: (i) a limitation on incurrence of any debt that would cause the Company's debt to adjusted total assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause the Company's secured debt to adjusted total assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause the Company's debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of the Company's outstanding unsecured debt.

The following is a summary of the key financial covenants for the Company's 4.50%, 4.75%, 4.95%, 5.25% and 5.75% public senior unsecured notes, as defined and calculated per the terms of the notes. These calculations, which are not based on U.S. generally accepted accounting principles, or GAAP, measurements, are presented to investors to show the Company's ability to incur additional debt under the terms of the senior unsecured notes only and are not measures of the Company's liquidity or performance. The actual amounts as of June 30, 2019 and March 31, 2019 are:

| NOTE COVENANTS | Required | Actual 2nd Quarter 2019 (1) | Actual 1st Quarter 2019 (1) |
|---|--------------------------|--|--|
| Limitation on incurrence of total debt (Total Debt/Total Assets) | ≤ 60% | 42% | 42% |
| Limitation on incurrence of secured debt (Secured Debt/Total Assets) | ≤ 40% | 1% | —% |
| Debt service coverage (Consolidated Income Available for Debt Service/Annual Debt Service) - trailing twelve months | ≥ 1.5 x | 4.0x | 4.4x |
| Maintenance of total unencumbered assets (Unencumbered Assets/Unsecured Debt) | ≥ 150% of unsecured debt | 222% | 224% |

(1) See page 14 for detailed calculations.

CAPITAL STRUCTURE

SENIOR NOTES

(UNAUDITED, DOLLARS IN THOUSANDS)

COVENANT CALCULATIONS

| TOTAL ASSETS: | June 30, 2019 |
|--------------------------------|----------------------|
| Total Assets per balance sheet | \$ 6,746,655 |
| Add: accumulated depreciation | 954,806 |
| Less: intangible assets, net | (42,000) |
| Total Assets | \$ 7,659,461 |

| TOTAL UNENCUMBERED ASSETS: | June 30, 2019 |
|--|----------------------|
| Unencumbered real estate assets, gross | \$ 7,007,131 |
| Cash and cash equivalents | 6,927 |
| Land held for development | 28,080 |
| Property under development | 80,695 |
| Total Unencumbered Assets | \$ 7,122,833 |

| CONSOLIDATED INCOME AVAILABLE FOR DEBT SERVICE: | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | TRAILING TWELVE MONTHS |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
| Adjusted EBITDA per bond documents | \$ 140,606 | \$ 136,619 (1) | \$ 145,107 (1) | \$ 157,899 (1) | \$ 580,231 |
| Less: straight-line rental revenue | (3,223) | (2,414) | (3,216) | (3,079) | (11,932) |
| CONSOLIDATED INCOME AVAILABLE FOR DEBT SERVICE | \$ 137,383 | \$ 134,205 | \$ 141,891 | \$ 154,820 | \$ 568,299 |

| ANNUAL DEBT SERVICE: | | | | | |
|--|------------------|------------------|------------------|------------------|-------------------|
| Interest expense, gross | \$ 37,999 | \$ 37,138 | \$ 36,304 | \$ 36,360 | \$ 147,801 |
| Less: deferred financing fees amortization | (1,517) | (1,502) | (1,490) | (1,470) | (5,979) |
| ANNUAL DEBT SERVICE | \$ 36,482 | \$ 35,636 | \$ 34,814 | \$ 34,890 | \$ 141,822 |
| DEBT SERVICE COVERAGE | 3.8 | 3.8 | 4.1 | 4.4 | 4.0 |

(1) Includes prepayment fees.

| TOTAL DEBT: | June 30, 2019 |
|---|----------------------|
| Secured debt obligations | \$ 43,580 |
| Unsecured debt obligations: | |
| Unsecured debt | 3,205,000 |
| Outstanding letters of credit | — |
| Guarantees | — |
| Derivatives at fair market value, net, if liability | 4,072 |
| Total unsecured debt obligations: | 3,209,072 |
| Total Debt | \$ 3,252,652 |

CAPITAL STRUCTURE AS OF JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT SHARE INFORMATION)

EQUITY

| SECURITY | SHARES OUTSTANDING | PRICE PER SHARE AT JUNE 30, 2019 | LIQUIDATION PREFERENCE | DIVIDEND RATE | CONVERTIBLE | CONVERSION RATIO AT JUNE 30, 2019 | CONVERSION PRICE AT JUNE 30, 2019 |
|---------------|--------------------|----------------------------------|------------------------|---------------|-------------|-----------------------------------|-----------------------------------|
| Common shares | 77,556,003 | \$74.59 | N/A | (1) | N/A | N/A | N/A |
| Series C | 5,394,050 | \$32.06 | \$134,851 | 5.750% | Y | 0.4000 | \$62.50 |
| Series E | 3,447,381 | \$37.95 | \$86,185 | 9.000% | Y | 0.4721 | \$52.95 |
| Series G | 6,000,000 | \$24.99 | \$150,000 | 5.750% | N | N/A | N/A |

CALCULATION OF TOTAL MARKET CAPITALIZATION:

| | |
|---|---------------------|
| Common shares outstanding at June 30, 2019 multiplied by closing price at June 30, 2019 | \$ 5,784,902 |
| Aggregate liquidation value of Series C preferred shares (2) | 134,851 |
| Aggregate liquidation value of Series E preferred shares (2) | 86,185 |
| Aggregate liquidation value of Series G preferred shares (2) | 150,000 |
| Net debt at June 30, 2019 (3) | 3,241,653 |
| Total consolidated market capitalization | <u>\$ 9,397,591</u> |

(1) Total monthly dividends declared in the second quarter of 2019 were \$1.125 per share.

(2) Excludes accrued unpaid dividends at June 30, 2019.

(3) See pages 31 through 33 for definitions.

SUMMARY OF RATIOS

(UNAUDITED)

| | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net debt to total market capitalization | 34% | 33% | 37% | 35% | 37% | 41% |
| Net debt to gross assets | 42% | 42% | 43% | 42% | 44% | 45% |
| Net debt/Adjusted EBITDA (1)(2) | 5.8 | 5.7 | 5.5 | 5.3 | 5.6 | 5.8 |
| Adjusted net debt/Annualized adjusted EBITDA (3)(4) | 5.5 | 5.4 | 5.4 | 5.3 | 5.5 | 5.6 |
| Interest coverage ratio (5) | 3.7 | 3.7 | 3.8 | 3.8 | 3.7 | 3.7 |
| Fixed charge coverage ratio (5) | 3.2 | 3.2 | 3.3 | 3.3 | 3.2 | 3.2 |
| Debt service coverage ratio (5) | 3.7 | 3.7 | 3.8 | 3.8 | 3.7 | 3.7 |
| FFO payout ratio (6) | 92% | 91% | 83% | 70% | 59% | 132% |
| FFO as adjusted payout ratio (7) | 83% | 83% | 78% | 68% | 58% | 86% |
| AFFO payout ratio (8) | 82% | 82% | 77% | 68% | 57% | 84% |

(1) See pages 31 through 33 for definitions.

(2) Adjusted EBITDA is for the quarter multiplied times four. See calculation on page 40.

(3) Adjusted net debt is net debt less 40% times property under development. See pages 31 through 33 for definitions.

(4) Annualized adjusted EBITDA is Adjusted EBITDA for the quarter further adjusted for in-service projects, percentage rent and participating interest and other non-recurring items which is then multiplied times four. These calculations can be found on page 40 under the reconciliation of Adjusted EBITDA and Annualized Adjusted EBITDA. See pages 31 through 33 for definitions.

(5) See page 17 for detailed calculation.

(6) FFO payout ratio is calculated by dividing dividends declared per common share by FFO per diluted common share.

(7) FFO as adjusted payout ratio is calculated by dividing dividends declared per common share by FFO as adjusted per diluted common share.

(8) AFFO payout ratio is calculated by dividing dividends declared per common share by AFFO per diluted common share.

CALCULATION OF INTEREST, FIXED CHARGE AND DEBT SERVICE COVERAGE RATIOS

(UNAUDITED, DOLLARS IN THOUSANDS)

| INTEREST COVERAGE RATIO (1): | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net income | \$ 66,594 | \$ 65,349 | \$ 54,031 | \$ 91,833 | \$ 91,581 | \$ 29,538 |
| Impairment charges | — | — | 10,735 | — | 16,548 | — |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Interest expense, gross | 37,999 | 37,138 | 36,304 | 36,360 | 36,468 | 36,646 |
| Severance expense | — | — | 5,938 | — | — | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Depreciation and amortization | 42,355 | 39,743 | 39,541 | 38,623 | 37,582 | 37,684 |
| Share-based compensation expense | | | | | | |
| to management and trustees | 3,283 | 3,280 | 3,816 | 3,687 | 3,817 | 3,791 |
| Costs associated with loan refinancing or payoff | — | — | — | — | 15 | 31,943 |
| Interest cost capitalized | (1,530) | (3,137) | (2,669) | (2,697) | (2,294) | (2,244) |
| Straight-line rental revenue | (3,223) | (2,414) | (3,216) | (3,079) | (2,060) | (1,874) |
| Gain on sale of real estate | (9,774) | (6,328) | (349) | (2,215) | (473) | — |
| Gain on sale of investment in direct financing leases | — | — | — | (5,514) | — | — |
| Prepayment fees | — | (900) | (7,391) | (20,026) | (47,293) | — |
| Deferred income tax (benefit) expense | (1,675) | (609) | (182) | 92 | 235 | 428 |
| Interest coverage amount | \$ 140,952 | \$ 137,245 | \$ 138,141 | \$ 138,165 | \$ 136,621 | \$ 136,521 |
| Interest expense, net | \$ 36,278 | \$ 33,826 | \$ 33,515 | \$ 33,576 | \$ 34,079 | \$ 34,337 |
| Interest income | 191 | 175 | 120 | 87 | 95 | 65 |
| Interest cost capitalized | 1,530 | 3,137 | 2,669 | 2,697 | 2,294 | 2,244 |
| Interest expense, gross | \$ 37,999 | \$ 37,138 | \$ 36,304 | \$ 36,360 | \$ 36,468 | \$ 36,646 |
| Interest coverage ratio | <u>3.7</u> | <u>3.7</u> | <u>3.8</u> | <u>3.8</u> | <u>3.7</u> | <u>3.7</u> |
| FIXED CHARGE COVERAGE RATIO (1): | | | | | | |
| Interest coverage amount | \$ 140,952 | \$ 137,245 | \$ 138,141 | \$ 138,165 | \$ 136,621 | \$ 136,521 |
| Interest expense, gross | \$ 37,999 | \$ 37,138 | \$ 36,304 | \$ 36,360 | \$ 36,468 | \$ 36,646 |
| Preferred share dividends | 6,034 | 6,034 | 6,034 | 6,036 | 6,036 | 6,036 |
| Fixed charges | \$ 44,033 | \$ 43,172 | \$ 42,338 | \$ 42,396 | \$ 42,504 | \$ 42,682 |
| Fixed charge coverage ratio | <u>3.2</u> | <u>3.2</u> | <u>3.3</u> | <u>3.3</u> | <u>3.2</u> | <u>3.2</u> |
| DEBT SERVICE COVERAGE RATIO (1): | | | | | | |
| Interest coverage amount | \$ 140,952 | \$ 137,245 | \$ 138,141 | \$ 138,165 | \$ 136,621 | \$ 136,521 |
| Interest expense, gross | \$ 37,999 | \$ 37,138 | \$ 36,304 | \$ 36,360 | \$ 36,468 | \$ 36,646 |
| Recurring principal payments | — | — | — | — | — | — |
| Debt service | \$ 37,999 | \$ 37,138 | \$ 36,304 | \$ 36,360 | \$ 36,468 | \$ 36,646 |
| Debt service coverage ratio | <u>3.7</u> | <u>3.7</u> | <u>3.8</u> | <u>3.8</u> | <u>3.7</u> | <u>3.7</u> |

(1) See pages 31 through 33 for definitions. See Appendix on pages 34 through 40 for reconciliations of certain non-GAAP financial measures.

SUMMARY OF MORTGAGE NOTES RECEIVABLE

(UNAUDITED, DOLLARS IN THOUSANDS)

| SUMMARY OF MORTGAGE NOTES RECEIVABLE | OPERATING SEGMENT | JUNE 30, 2019 | DECEMBER 31, 2018 |
|--|-------------------|-------------------|-------------------|
| Mortgage notes, 7.00% and 10.00%, paid in full July 1, 2019 | Recreation | \$ 189,654 | \$ 179,846 |
| Mortgage note and related accrued interest receivable, 10.0%, paid in full July 10, 2019 | Education | 16,174 | 15,652 |
| Mortgage note, 7.00%, due December 20, 2021 | Education | 52,753 | 54,535 |
| Mortgage note and related accrued interest receivable, 7.85%, due December 28, 2026 | Recreation | 5,803 | 5,803 |
| Mortgage note and related accrued interest receivable, 7.85%, due January 3, 2027 | Recreation | 10,977 | 10,977 |
| Mortgage note, 11.31%, due June 1, 2033 | Recreation | 11,763 | 11,934 |
| Mortgage note and related accrued interest receivable, 8.71% to 9.38%, due June 30, 2034 | Education | 8,896 | 8,835 |
| Mortgage note, 11.61%, due December 1, 2034 | Recreation | 51,050 | 51,050 |
| Mortgage notes, 10.59%, due December 1, 2034 | Recreation | 37,562 | 37,562 |
| Mortgage note, 11.04%, due December 1, 2034 | Recreation | 4,550 | 4,550 |
| Mortgage note, 8.43%, due January 5, 2036 | Recreation | 21,000 | 21,000 |
| Mortgage note, 10.25%, due May 31, 2036 | Recreation | 17,505 | 17,505 |
| Mortgage note and related accrued interest receivable, 10.14%, due July 31, 2036 | Education | 6,422 | 6,383 |
| Mortgage note, 9.75%, due August 1, 2036 | Recreation | 18,068 | 18,068 |
| Mortgage note and related accrued interest receivable, 9.95%, due December 31, 2036 | Education | 9,839 | 9,839 |
| Mortgage note, 8.84%, due April 30, 2037 | Education | 5,044 | 4,952 |
| Mortgage note, 8.93%, due June 30, 2037 | Education | 4,191 | 4,165 |
| Mortgage note, 8.67%, due July 31, 2037 | Education | 4,206 | 4,236 |
| Mortgage note, 8.75%, due August 31, 2037 | Education | 27,357 | 23,718 |
| Mortgage note and related accrued interest receivable, 9.02%, due September 30, 2037 | Education | 14,423 | 14,325 |
| Mortgage note and related accrued interest receivable, 7.85%, due January 31, 2038 | Recreation | 10,360 | 10,360 |
| Mortgage note and related accrued interest receivable, 7.50%, due August 30, 2038 | Education | 3,604 | 2,172 |
| Mortgage note, 7.75%, due May 9, 2039 | Education | 4,260 | — |
| Mortgage note, 8.125%, due June 17, 2039 | Entertainment | 14,670 | — |
| Total mortgage notes and related accrued interest receivable | | <u>\$ 550,131</u> | <u>\$ 517,467</u> |

CAPITAL SPENDING AND DISPOSITION SUMMARIES

(UNAUDITED, DOLLARS IN THOUSANDS)

| 2019 CAPITAL SPENDING | OPERATING SEGMENT | CAPITAL SPENDING THREE MONTHS ENDED JUNE 30, 2019 | CAPITAL SPENDING SIX MONTHS ENDED JUNE 30, 2019 |
|--|----------------------|--|--|
| Development and redevelopment of megaplex theatres | Entertainment | \$ 4,882 | \$ 26,658 |
| Acquisition of megaplex theatres | Entertainment | 284,518 | 377,828 |
| Acquisition and development of other entertainment and retail properties | Entertainment | 5,963 | 8,772 |
| Investment in mortgage note and note receivable for other entertainment | Entertainment | 16,200 | 16,200 |
| Development of Topgolf golf entertainment complexes | Recreation | 11,595 | 22,295 |
| Additions to mortgage note and notes receivable for attractions | Recreation | 6,541 | 6,602 |
| Investment in unconsolidated real estate joint venture owning two recreation anchored lodging properties | Recreation | — | 1,105 |
| Redevelopment of recreation properties | Recreation | 522 | 932 |
| Acquisition of attractions | Recreation | 23,963 | 23,963 |
| Investment in the Kartrite Resort and Indoor Waterpark | Recreation | 14,210 | 46,121 |
| Investment in mortgage notes and notes receivable for early childhood education centers | Education | 5,404 | 6,598 |
| Development of public charter school properties | Education | 9,510 | 16,873 |
| Acquisition and development of early childhood education centers | Education | 3,478 | 3,933 |
| Investment in mortgage notes receivable for public charter schools | Education | 863 | 4,143 |
| Development of private school properties | Education | 4,270 | 4,297 |
| Investment in the Resorts World Catskills project | Other | 18 | 211 |
| Total investment spending | | \$ 391,937 | \$ 566,531 |
| Maintenance and other capital spending, net | n/a | 4,128 | 10,931 |
| Total capital spending | | \$ 396,065 | \$ 577,462 |

| 2019 DISPOSITIONS | OPERATING SEGMENT | NET PROCEEDS THREE MONTHS ENDED JUNE 30, 2019 | NET PROCEEDS SIX MONTHS ENDED JUNE 30, 2019 |
|--------------------------------|----------------------|--|--|
| Sale of attraction property | Recreation | \$ — | \$ 3,992 |
| Sale of public charter schools | Education | 56,156 | 83,408 |
| Sale of excess land | Education | 1,994 | 2,746 |
| Sale of undeveloped land | Education | — | 5,668 |
| Total dispositions | | \$ 58,150 | \$ 95,814 |

PROPERTY UNDER DEVELOPMENT - INVESTMENT SPENDING ESTIMATES AT JUNE 30, 2019 (1)

(UNAUDITED, DOLLARS IN THOUSANDS)

| | JUNE 30, 2019 | | OWNED BUILD-TO-SUIT SPENDING ESTIMATES | | | | | | TOTAL EXPECTED COSTS (2) | % LEASED |
|----------------------------------|----------------------------|---------------|--|------------------|------------------|------------------|------------|------------|--------------------------|----------|
| | PROPERTY UNDER DEVELOPMENT | # OF PROJECTS | 3RD QUARTER 2019 | 4TH QUARTER 2019 | 1ST QUARTER 2020 | 2ND QUARTER 2020 | THEREAFTER | | | |
| Entertainment | \$ 23,787 | 7 | \$ 9,893 | \$ 7,508 | \$ 6,500 | \$ 8,509 | \$ — | \$ 56,197 | 100% | |
| Recreation (3) | 20,643 | 2 | 5,000 | 4,500 | 1,000 | — | — | 31,143 | 100% | |
| Education | 23,646 | 4 | 7,700 | 3,550 | — | — | — | 34,896 | 100% | |
| Total Build-to-Suit | 68,076 | 13 | \$ 22,593 | \$ 15,558 | \$ 7,500 | \$ 8,509 | \$ — | \$ 122,236 | | |
| Non Build-to-Suit Development | 12,619 | | | | | | | | | |
| Total Property Under Development | \$ 80,695 | | | | | | | | | |

| | JUNE 30, 2019 | | OWNED BUILD-TO-SUIT IN-SERVICE ESTIMATES | | | | | | TOTAL IN-SERVICE (2) | ACTUAL IN-SERVICE 2ND QUARTER 2019 |
|---------------------|---------------|--|--|------------------|------------------|------------------|------------|------------|----------------------|------------------------------------|
| | # OF PROJECTS | | 3RD QUARTER 2019 | 4TH QUARTER 2019 | 1ST QUARTER 2020 | 2ND QUARTER 2020 | THEREAFTER | | | |
| Entertainment | 7 | | \$ 6,197 | \$ 13,473 | \$ 15,827 | \$ 20,700 | \$ — | \$ 56,197 | \$ — | |
| Recreation | 2 | | — | 29,294 | 1,849 | — | — | 31,143 | 290,715 | |
| Education | 4 | | 26,566 | 8,330 | — | — | — | 34,896 | 10,109 | |
| Total Build-to-Suit | 13 | | \$ 32,763 | \$ 51,097 | \$ 17,676 | \$ 20,700 | \$ — | \$ 122,236 | \$ 300,824 | |

| | JUNE 30, 2019 | | MORTGAGE BUILD-TO-SUIT SPENDING ESTIMATES | | | | | | TOTAL EXPECTED COSTS (2) |
|------------------------------------|---------------------------|---------------|---|------------------|------------------|------------------|------------|-----------|--------------------------|
| | MORTGAGE NOTES RECEIVABLE | # OF PROJECTS | 3RD QUARTER 2019 | 4TH QUARTER 2019 | 1ST QUARTER 2020 | 2ND QUARTER 2020 | THEREAFTER | | |
| Entertainment | \$ — | — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | |
| Recreation | 5,803 | 1 | — | 1,367 | 1,367 | 1,367 | 2,420 | 12,324 | |
| Education | 30,961 | 2 | 1,800 | 800 | 1,900 | 1,900 | — | 37,361 | |
| Total Build-to-Suit Mortgage Notes | 36,764 | 3 | \$ 1,800 | \$ 2,167 | \$ 3,267 | \$ 3,267 | \$ 2,420 | \$ 49,685 | |
| Non Build-to-Suit Mortgage Notes | 513,367 | | | | | | | | |
| Total Mortgage Notes Receivable | \$ 550,131 | | | | | | | | |

(1) This schedule includes only those properties for which the Company has commenced construction as of June 30, 2019.

(2) "Total Expected Costs" and "Total In-Service" each reflect the total capital costs expected to be funded by the Company through completion (including capitalized interest or accrued interest as applicable).

(3) Recreation excludes property under development related to the Company's two unconsolidated real estate joint ventures that own recreation anchored lodging properties in St. Petersburg, Florida. The Company's spending estimates for this are estimated at \$5.0 million for the remainder of 2019 and \$9.6 million for 2020.

Note: This schedule includes future estimates for which the Company can give no assurance as to timing or amounts. Development projects have risks. See Item 1A - "Risk Factors" in the Company's most recent Annual Report on Form 10-K and, to the extent applicable, the Company's Quarterly Reports on Form 10-Q.

FINANCIAL INFORMATION BY SEGMENT

FOR THE THREE MONTHS ENDED JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS)

| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | SUBTOTAL | CORPORATE/ UNALLOCATED | CONSOLIDATED |
|-------------------------------------|---------------|------------|-----------|----------|------------|---------------------------|--------------|
| Rental revenue | \$ 83,718 | \$ 42,886 | \$ 28,059 | \$ 2,667 | \$ 157,330 | \$ — | \$ 157,330 |
| Other income | 1,575 | 3,848 | — | — | 5,423 | 303 | 5,726 |
| Mortgage and other financing income | 107 | 8,654 | 3,881 | — | 12,642 | — | 12,642 |
| Total revenue | 85,400 | 55,388 | 31,940 | 2,667 | 175,395 | 303 | 175,698 |
| Property operating expense | (9,871) | (2,729) | (1,056) | (888) | (14,544) | (227) | (14,771) |
| Other expense | (1,029) | (7,062) | — | — | (8,091) | — | (8,091) |
| Total investment expenses | (10,900) | (9,791) | (1,056) | (888) | (22,635) | (227) | (22,862) |
| General and administrative expense | — | — | — | — | — | (12,230) | (12,230) |
| Adjusted EBITDA (1) | \$ 74,500 | \$ 45,597 | \$ 30,884 | \$ 1,779 | \$ 152,760 | \$ (12,154) | \$ 140,606 |
| | 49% | 30% | 20% | 1% | 100% | | |

Reconciliation to Consolidated Statements of Income:

| | | |
|---|----------|-----------|
| Interest expense, net | (36,278) | (36,278) |
| Transaction costs | (6,923) | (6,923) |
| Depreciation and amortization | (42,355) | (42,355) |
| Equity in income from joint ventures | 470 | 470 |
| Gain on sale of real estate | 9,774 | 9,774 |
| Income tax benefit | 1,300 | 1,300 |
| Net income | | 66,594 |
| Preferred dividend requirements | (6,034) | (6,034) |
| Net income available to common shareholders of EPR Properties | | \$ 60,560 |

(1) See pages 31 through 33 for definitions.

FINANCIAL INFORMATION BY SEGMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS)

| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | SUBTOTAL | CORPORATE/ UNALLOCATED | CONSOLIDATED |
|-------------------------------------|---------------|------------|-----------|----------|------------|---------------------------|--------------|
| Rental revenue | \$ 164,231 | \$ 83,415 | \$ 54,766 | \$ 5,641 | \$ 308,053 | \$ — | \$ 308,053 |
| Other income | 1,585 | 3,909 | — | — | 5,494 | 576 | 6,070 |
| Mortgage and other financing income | 163 | 17,966 | 7,988 | — | 26,117 | — | 26,117 |
| Total revenue | 165,979 | 105,290 | 62,754 | 5,641 | 339,664 | 576 | 340,240 |
| Property operating expense | (20,496) | (5,463) | (2,168) | (1,977) | (30,104) | (460) | (30,564) |
| Other expense | (1,029) | (7,062) | — | — | (8,091) | — | (8,091) |
| Total investment expenses | (21,525) | (12,525) | (2,168) | (1,977) | (38,195) | (460) | (38,655) |
| General and administrative expense | — | — | — | — | — | (24,360) | (24,360) |
| Prepayment fees | — | (900) | — | — | (900) | — | (900) |
| Adjusted EBITDA (1) | \$ 144,454 | \$ 91,865 | \$ 60,586 | \$ 3,664 | \$ 300,569 | \$ (24,244) | \$ 276,325 |
| | 48% | 31% | 20% | 1% | 100% | | |

Reconciliation to Consolidated Statements of Income:

| | | | | | | | |
|---|--|--|--|--|--|----------|------------|
| Interest expense, net | | | | | | (70,104) | (70,104) |
| Transaction costs | | | | | | (12,046) | (12,046) |
| Depreciation and amortization | | | | | | (82,098) | (82,098) |
| Equity in income from joint ventures | | | | | | 959 | 959 |
| Gain on sale of real estate | | | | | | 16,102 | 16,102 |
| Income tax benefit | | | | | | 1,905 | 1,905 |
| Prepayment fees | | | | | | 900 | 900 |
| Net income | | | | | | | 131,943 |
| Preferred dividend requirements | | | | | | (12,068) | (12,068) |
| Net income available to common shareholders of EPR Properties | | | | | | | \$ 119,875 |

(1) See pages 31 through 33 for definitions.

FINANCIAL INFORMATION BY SEGMENT

FOR THE THREE MONTHS ENDED JUNE 30, 2018

(UNAUDITED, DOLLARS IN THOUSANDS)

| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | SUBTOTAL | CORPORATE/ UNALLOCATED | CONSOLIDATED |
|-------------------------------------|---------------|------------|-----------|----------|------------|---------------------------|--------------|
| Rental revenue | \$ 74,640 | \$ 34,443 | \$ 25,649 | \$ 2,287 | \$ 137,019 | \$ — | \$ 137,019 |
| Other income | 4 | — | — | — | 4 | 642 | 646 |
| Mortgage and other financing income | 2,100 | 57,540 | 5,562 | — | 65,202 | — | 65,202 |
| Total revenue | 76,744 | 91,983 | 31,211 | 2,287 | 202,225 | 642 | 202,867 |
| Property operating expense | (5,816) | (24) | (644) | (689) | (7,173) | (161) | (7,334) |
| Total investment expenses | (5,816) | (24) | (644) | (689) | (7,173) | (161) | (7,334) |
| General and administrative expense | — | — | — | — | — | (12,976) | (12,976) |
| Prepayment fees | (1,359) | (45,934) | — | — | (47,293) | — | (47,293) |
| Adjusted EBITDA (1) | \$ 69,569 | \$ 46,025 | \$ 30,567 | \$ 1,598 | \$ 147,759 | \$ (12,495) | \$ 135,264 |
| | 47% | 31% | 21% | 1% | 100% | | |

Reconciliation to Consolidated Statements of Income:

| | | |
|---|----------|-----------|
| Litigation settlement expense | (2,090) | (2,090) |
| Costs associated with loan refinancing or payoff | (15) | (15) |
| Interest expense, net | (34,079) | (34,079) |
| Transaction costs | (405) | (405) |
| Impairment charges | (16,548) | (16,548) |
| Depreciation and amortization | (37,582) | (37,582) |
| Equity in loss from joint ventures | (88) | (88) |
| Gain on sale of real estate | 473 | 473 |
| Income tax expense | (642) | (642) |
| Prepayment fees | 47,293 | 47,293 |
| Net income | | 91,581 |
| Preferred dividend requirements | (6,036) | (6,036) |
| Net income available to common shareholders of EPR Properties | | \$ 85,545 |

(1) See pages 31 through 33 for definitions.

FINANCIAL INFORMATION BY SEGMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2018

(UNAUDITED, DOLLARS IN THOUSANDS)

| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | SUBTOTAL | CORPORATE/ UNALLOCATED | CONSOLIDATED |
|-------------------------------------|---------------|------------|-----------|----------|------------|---------------------------|--------------|
| Rental revenue | \$ 149,488 | \$ 67,875 | \$ 48,034 | \$ 4,546 | \$ 269,943 | \$ — | \$ 269,943 |
| Other income | 4 | 62 | — | — | 66 | 1,210 | 1,276 |
| Mortgage and other financing income | 2,902 | 71,245 | 12,469 | — | 86,616 | — | 86,616 |
| Total revenue | 152,394 | 139,182 | 60,503 | 4,546 | 356,625 | 1,210 | 357,835 |
| Property operating expense | 12,045 | 57 | 1,473 | 1,003 | (14,578) | 320 | (14,898) |
| Total investment expenses | (12,045) | (57) | (1,473) | (1,003) | (14,578) | (320) | (14,898) |
| General and administrative expense | — | — | — | — | — | (25,300) | (25,300) |
| Prepayment fees | (1,359) | (45,934) | — | — | (47,293) | — | (47,293) |
| Adjusted EBITDA (1) | \$ 138,990 | \$ 93,191 | \$ 59,030 | \$ 3,543 | \$ 294,754 | \$ (24,410) | \$ 270,344 |
| | 47% | 32% | 20% | 1% | 100% | | |

Reconciliation to Consolidated Statements of Income:

| | | | |
|---|--|----------|------------|
| Litigation settlement expense | | (2,090) | (2,090) |
| Costs associated with loan refinancing or payoff | | (31,958) | (31,958) |
| Interest expense, net | | (68,416) | (68,416) |
| Transaction costs | | (1,014) | (1,014) |
| Impairment charges | | (16,548) | (16,548) |
| Depreciation and amortization | | (75,266) | (75,266) |
| Equity in loss from joint ventures | | (37) | (37) |
| Gain on sale of real estate | | 473 | 473 |
| Income tax expense | | (1,662) | (1,662) |
| Prepayment fees | | 47,293 | 47,293 |
| Net income | | | 121,119 |
| Preferred dividend requirements | | (12,072) | (12,072) |
| Net income available to common shareholders of EPR Properties | | | \$ 109,047 |

(1) See pages 31 through 33 for definitions.

TOTAL INVESTMENT BY SEGMENT

AS OF JUNE 30, 2019 AND DECEMBER 31, 2018

(UNAUDITED, DOLLARS IN THOUSANDS)

| | As of June 30, 2019 | | | | |
|---|---------------------|--------------|--------------|------------|--------------|
| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | CONSOLIDATED |
| Real estate investments, net of accumulated depreciation | \$ 2,598,029 | \$ 1,781,314 | \$ 1,042,875 | \$ 176,028 | \$ 5,598,246 |
| Add back accumulated depreciation on real estate investments | 709,641 | 140,554 | 104,345 | 266 | 954,806 |
| Land held for development | 4,457 | — | 3,455 | 20,168 | 28,080 |
| Property under development | 35,212 | 20,642 | 24,841 | — | 80,695 |
| Mortgage notes and related accrued interest receivable, net | 14,670 | 378,292 | 157,169 | — | 550,131 |
| Investment in direct financing leases, net | — | — | 20,675 | — | 20,675 |
| Investment in joint ventures | 4,743 | 30,915 | — | — | 35,658 |
| Intangible assets, gross (1) | 30,392 | 21,310 | 1,230 | — | 52,932 |
| Notes receivable and related accrued interest receivable, net (1) | 3,550 | 6,543 | 968 | — | 11,061 |
| Total investments (2) | \$ 3,400,694 | \$ 2,379,570 | \$ 1,355,558 | \$ 196,462 | \$ 7,332,284 |
| % of total investments | 46% | 33% | 18% | 3% | 100% |

| | As of December 31, 2018 | | | | |
|---|-------------------------|--------------|--------------|------------|--------------|
| | ENTERTAINMENT | RECREATION | EDUCATION | OTHER | CONSOLIDATED |
| Real estate investments, net of accumulated depreciation | \$ 2,238,831 | \$ 1,497,759 | \$ 1,112,790 | \$ 174,677 | \$ 5,024,057 |
| Add back accumulated depreciation on real estate investments | 670,193 | 116,341 | 96,603 | 37 | 883,174 |
| Land held for development | 4,457 | — | 9,552 | 20,168 | 34,177 |
| Property under development | 20,031 | 249,911 | 17,604 | — | 287,546 |
| Mortgage notes and related accrued interest receivable, net | — | 368,655 | 148,812 | — | 517,467 |
| Investment in direct financing leases, net | — | — | 20,558 | — | 20,558 |
| Investment in joint ventures | 4,962 | 29,524 | — | — | 34,486 |
| Intangible assets, gross (1) | 28,874 | 21,310 | 1,230 | — | 51,414 |
| Notes receivable and related accrued interest receivable, net (1) | 1,976 | 3,469 | — | — | 5,445 |
| Total investments (2) | \$ 2,969,324 | \$ 2,286,969 | \$ 1,407,149 | \$ 194,882 | \$ 6,858,324 |
| % of total investments | 43% | 33% | 21% | 3% | 100% |

(1) Included in other assets in the consolidated balance sheets as of June 30, 2019 in the Company's Quarterly Report on Form 10-Q and December 31, 2018 in the Company's Annual Report on Form 10-K. Reconciliation is as follows:

| | 6/30/2019 | 12/31/2018 |
|---|-----------|------------|
| Intangible assets, gross | \$ 52,932 | \$ 51,414 |
| Less: accumulated amortization on intangible assets | (10,932) | (8,923) |
| Notes receivable and related accrued interest receivable, net | 11,061 | 5,445 |
| Prepaid expenses and other current assets | 38,981 | 48,287 |
| Total other assets | \$ 92,042 | \$ 96,223 |

(2) See pages 31 through 33 for definitions.

LEASE EXPIRATIONS

AS OF JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS)

| YEAR | MEGAPLEX THEATRES | | | RECREATION PORTFOLIO | | | EDUCATION PORTFOLIO | | |
|------------|----------------------------|---|--------------------|----------------------------|---|--------------------|----------------------------|--|--------------------|
| | TOTAL NUMBER OF PROPERTIES | RENTAL REVENUE FOR THE TRAILING TWELVE MONTHS ENDED JUNE 30, 2019 (1) | % OF TOTAL REVENUE | TOTAL NUMBER OF PROPERTIES | RENTAL REVENUE FOR THE TRAILING TWELVE MONTHS ENDED JUNE 30, 2019 (1) | % OF TOTAL REVENUE | TOTAL NUMBER OF PROPERTIES | FINANCING INCOME/RENTAL REVENUE FOR THE TRAILING TWELVE MONTHS ENDED JUNE 30, 2019 (1) | % OF TOTAL REVENUE |
| 2019 | 3 | \$ 6,511 | 1% | — | \$ — | —% | 17 | \$ 12,415 | 2% |
| 2020 | 2 | 3,665 | 1% | — | — | —% | — | — | —% |
| 2021 | 9 | 12,600 | 2% | — | — | —% | — | — | —% |
| 2022 | 10 | 21,290 | 3% | — | — | —% | — | — | —% |
| 2023 | 8 | 19,501 | 3% | — | — | —% | — | — | —% |
| 2024 | 14 | 28,471 | 4% | — | — | —% | 1 | 654 | —% |
| 2025 | 4 | 9,064 | 1% | 1 | 1,925 | —% | — | — | —% |
| 2026 | 8 | 16,428 | 3% | 1 | 5,196 | 1% | — | — | —% |
| 2027 | 17 | 22,620 | 3% | 2 | 18,859 | 3% | 6 | 4,499 | 1% |
| 2028 | 14 | 30,119 | 4% | — | — | —% | 1 | 79 | —% |
| 2029 | 11 | 13,244 | 2% | 2 | 4,781 | 1% | — | — | —% |
| 2030 | 18 | 24,236 | 4% | — | — | —% | — | — | —% |
| 2031 | 13 | 21,106 | 3% | — | — | —% | 10 | 4,006 | 1% |
| 2032 | 8 | 8,548 | 1% | 5 | 6,800 | 1% | 5 | 4,817 | 1% |
| 2033 | 9 | 9,042 | 1% | 2 | 3,910 | —% | 4 | 3,675 | —% |
| 2034 | 25 | 7,009 | 1% | 7 | 12,283 | 2% | 10 | 22,450 | 3% |
| 2035 | 2 | 2,297 | —% | 13 | 42,019 | 6% | 8 | 8,449 | 1% |
| 2036 | 2 | 2,523 | —% | 5 | 11,127 | 2% | 10 | 15,739 | 2% |
| 2037 | 3 | 7,726 | 1% | 14 | 35,588 | 5% | 9 | 5,485 | 1% |
| 2038 | 2 | 3,522 | 1% | 7 | 13,500 | 2% | 7 | 6,137 | 1% |
| Thereafter | — | — | —% | 5 | 2,218 | —% | 37 | 17,456 | 2% |
| | <u>182</u> | <u>\$ 269,522</u> | <u>39%</u> | <u>64</u> | <u>\$ 158,206</u> | <u>23%</u> | <u>125</u> | <u>\$ 105,861</u> | <u>15%</u> |

Note: This schedule relates to owned and leased megaplex theatres, ski areas, attractions, golf entertainment complexes, public charter schools, early education centers and private schools only, which together represent approximately 77% of total revenue for the trailing twelve months ended June 30, 2019. This schedule excludes entertainment properties that are not megaplex theatres, properties under construction, land held for development, properties operated by the Company and investments in mortgage notes receivable.

(1) Rental revenue for the trailing twelve months ended June 30, 2019 includes lease revenue related to the Company's existing operating ground leases (leases in which the Company is a sub-lessor) as well as the gross-up of tenant reimbursed expenses recognized during the three and six months ended June 30, 2019 in accordance with Accounting Standards Update (ASU) No. 2016-02 *Leases* (Topic 842).

TOP TEN CUSTOMERS BY PERCENTAGE OF TOTAL REVENUE

(UNAUDITED, DOLLARS IN THOUSANDS)

| CUSTOMERS | ASSET TYPE | PERCENTAGE OF TOTAL REVENUE (1) (2) FOR THE THREE MONTHS ENDED | PERCENTAGE OF TOTAL REVENUE (1) (2) FOR THE SIX MONTHS ENDED |
|----------------------------------|---------------|---|---|
| | | JUNE 30, 2019 | JUNE 30, 2019 |
| 1. AMC Theatres | Entertainment | 18.1% | 18.3% |
| 2. Topgolf | Recreation | 11.2% | 11.3% |
| 3. Regal Entertainment Group | Entertainment | 10.0% | 9.7% |
| 4. Cinemark | Entertainment | 5.7% | 5.7% |
| 5. Camelback Resort | Recreation | 3.5% | 3.5% |
| 6. Basis Independent Schools | Education | 3.2% | 3.3% |
| 7. Vail Resorts | Recreation | 3.1% | 2.6% |
| 8. Children's Learning Adventure | Education | 2.7% | 2.4% |
| 9. Premier Parks | Recreation | 2.5% | 2.5% |
| 10. VSS Southern | Entertainment | 2.4% | 2.5% |
| Total | | 62.4% | 61.8% |

(1) Total revenue for the three and six months ended June 30, 2019 includes lease revenue related to the Company's existing operating ground leases (leases in which the Company is a sub-lessor) as well as the gross-up of tenant reimbursed expenses recognized in accordance with Topic 842.

(2) Excludes prepayment fees and other income for the three and six months ended June 30, 2019.

NET ASSET VALUE (NAV) COMPONENTS

AS OF JUNE 30, 2019

(UNAUDITED, DOLLARS AND SHARES IN THOUSANDS)

ANNUALIZED CASH NET OPERATING INCOME (NOI) RUN RATE (FOR NAV CALCULATIONS) (1)

| | OWNED | FINANCED | TOTAL |
|-------------------------------------|-------------------|------------------|-------------------|
| Megaplex | \$ 260,352 | \$ 240 | \$ 260,592 |
| ERC's/Retail | 39,284 | — | 39,284 |
| Other Entertainment | 12,008 | 1,296 | 13,304 |
| ENTERTAINMENT | 311,644 | 1,536 | 313,180 |
| Ski Areas | 25,860 | 12,172 | 38,032 |
| Attractions (2) | 57,332 | 15,020 | 72,352 |
| Golf Entertainment Complexes | 66,152 | 4,900 | 71,052 |
| Other Recreation | 8,792 | 2,116 | 10,908 |
| RECREATION | 158,136 | 34,208 | 192,344 |
| Public Charter Schools | 35,208 | 11,664 | 46,872 |
| Early Childhood Education (3) | 18,040 | 392 | 18,432 |
| Private Schools | 29,632 | 464 | 30,096 |
| EDUCATION | 82,880 | 12,520 | 95,400 |
| ANNUALIZED CASH NOI RUN RATE | \$ 552,660 | \$ 48,264 | \$ 600,924 |

OTHER NAV COMPONENTS

ASSETS

| | |
|--|-----------|
| Property under development | \$ 80,695 |
| Land held for development | 28,080 |
| Real estate investments, net related to Resorts World Catskills (1) | 176,028 |
| Real estate investments, net related to Kartrite Resort and Indoor Waterpark (2) | 261,362 |
| Investment in joint ventures | 35,658 |
| Cash and cash equivalents | 6,927 |
| Restricted cash | 5,010 |
| Accounts receivable (4) | 12,983 |
| Other assets (5) | 21,227 |
| Real estate investments, net, related to CLA (3) | 197,920 |

SHARES

| | |
|---|---------------|
| Common shares outstanding | 77,556 |
| Effect of dilutive securities - share options | 35 |
| Effect of dilutive Series C preferred shares | 2,158 |
| Effect of dilutive Series E preferred shares | 1,628 |
| Diluted shares outstanding | <u>81,377</u> |

LIABILITIES

| | |
|--|--------------|
| Long-term debt (6) | \$ 3,248,580 |
| Series G liquidation value | 150,000 |
| Accounts payable and accrued liabilities (7) | 118,103 |
| Preferred dividends payable | 6,034 |
| Unearned rents and interest (8) | 20,164 |

(1) See pages 31 through 33 for definitions and see Appendix on pages 34 through 40 for reconciliations of certain non-GAAP financial measures. NOI amounts above are based on the three months ended June 30, 2019 and excludes the "Other" segment related to the Resorts World Catskills project in Sullivan County, New York, which is disclosed at carrying value under other NAV components.

(2) Includes no NOI related to Kartrite Resort and Indoor Waterpark. Kartrite Resort and Indoor Waterpark assets are disclosed at carrying value under other NAV components.

(3) Includes no NOI related to CLA assets. CLA assets are disclosed at carrying value under other NAV components. NOI related to assets transferred to Crème de la Crème is included in the annualized cash NOI run rate.

(4) Excludes straight-line receivable of \$95.4 million.

(5) Excludes deferred tax assets of \$13.5 million, net deferred financing costs of \$4.3 million, net intangible assets of \$42.0 million and notes and related accrued interest of \$11.1 million.

(6) Excludes deferred financing costs, net of \$32.0 million.

(7) Excludes below market leases, net of \$7.9 million.

(8) Excludes deferred rent liabilities related to portions of real estate investments funded by tenants of \$33.7 million and cash paid by tenants during construction of \$24.8 million.

ANNUALIZED GAAP NET OPERATING INCOME

AS OF JUNE 30, 2019

(UNAUDITED, DOLLARS IN THOUSANDS)

ANNUALIZED GAAP NET OPERATING INCOME (NOI) RUN RATE (1)

| | OWNED | FINANCED | TOTAL |
|-------------------------------------|-------------------|------------------|-------------------|
| Megaplex | \$ 262,664 | \$ 224 | \$ 262,888 |
| ERC's/Retail | 38,708 | — | 38,708 |
| Other Entertainment | 12,448 | 1,296 | 13,744 |
| ENTERTAINMENT | 313,820 | 1,520 | 315,340 |
| Ski Areas | 26,168 | 12,176 | 38,344 |
| Attractions (2) | 57,896 | 14,828 | 72,724 |
| Golf Entertainment Complexes | 68,020 | 4,892 | 72,912 |
| Other Recreation | 8,936 | 2,116 | 11,052 |
| RECREATION | 161,020 | 34,012 | 195,032 |
| Public Charter Schools | 40,188 | 14,596 | 54,784 |
| Early Childhood Education (3) | 21,276 | 684 | 21,960 |
| Private Schools | 33,136 | 484 | 33,620 |
| EDUCATION | 94,600 | 15,764 | 110,364 |
| ANNUALIZED GAAP NOI RUN RATE | \$ 569,440 | \$ 51,296 | \$ 620,736 |

(1) See pages 31 through 33 for definitions and see Appendix on pages 34 through 40 for reconciliations of certain non-GAAP financial measures. NOI amounts above are based on the three months ended June 30, 2019 and excludes the "Other" segment related to the Resorts World Catskills project in Sullivan County, New York.

(2) Includes no NOI related to Kartrite Resort and Indoor Waterpark.

(3) Includes no NOI related to CLA assets. NOI related to assets transferred to Crème de la Crème is included in the annualized GAAP NOI run rate.

GUIDANCE

(DOLLARS IN MILLIONS EXCEPT FOR PER SHARE INFORMATION)

| MEASURE | 2019 GUIDANCE | | | | | |
|---|---------------|-----------------------|----|---------|---------|------------|
| | YTD ACTUALS | CURRENT | | | PRIOR | |
| Investment spending | \$566.5 | \$700.0 | to | \$850.0 | \$600.0 | to \$800.0 |
| Disposition proceeds and mortgage note payoff | \$95.8 | \$300.0 | to | \$400.0 | \$300.0 | to \$400.0 |
| Prepayment fees - entertainment and recreation properties (1) | \$0.9 | | | \$0.9 | | \$0.9 |
| Prepayment fees - education properties (1) | \$— | \$1.0 | to | \$2.0 | \$2.0 | to \$3.0 |
| Termination fees - education properties (2) | \$11.5 | \$14.0 | to | \$16.0 | \$12.0 | to \$16.0 |
| Percentage rent and participating interest income | \$5.5 | \$13.0 | to | \$15.0 | \$10.5 | to \$12.5 |
| General and administrative expense | \$24.4 | \$46.5 | to | \$48.5 | \$45.0 | to \$47.0 |
| FFO per diluted share | \$2.45 | \$4.92 | to | \$5.05 | \$4.91 | to \$5.06 |
| FFO as adjusted per diluted share | \$2.72 | \$5.32 | to | \$5.48 | \$5.30 | to \$5.50 |
| RECONCILIATION FROM NET INCOME AVAILABLE TO COMMON SHAREHOLDERS OF EPR PROPERTIES (PER DILUTED SHARE): | | | | | | |
| | YTD ACTUALS | 2019 CURRENT GUIDANCE | | | | |
| Net income available to common shareholders of EPR Properties | \$1.59 | \$2.99 | to | \$3.15 | | |
| Gain on sale of real estate (2) | (0.21) | (0.30) | to | (0.33) | | |
| Real estate depreciation and amortization | 1.08 | | | 2.24 | | |
| Allocated share of joint venture depreciation | 0.01 | | | 0.03 | | |
| Impact of Series C and Series E Dilution, if applicable | (0.02) | | | (0.04) | | |
| FFO available to common shareholders of EPR Properties | \$2.45 | \$4.92 | to | \$5.05 | | |
| Transaction costs | 0.16 | | | 0.30 | | |
| Termination fees - education properties (2) | 0.15 | 0.18 | to | 0.21 | | |
| Deferred income tax benefit | (0.03) | | | (0.06) | | |
| Impact of Series C and Series E Dilution, if applicable | (0.01) | | | (0.02) | | |
| FFO as adjusted available to common shareholders of EPR Properties | \$2.72 | \$5.32 | to | \$5.48 | | |

Note: This schedule includes future estimates for which the Company can give no assurance as to timing or amounts. See cautionary statement concerning forward-looking statements on page 3.

(1) Prepayment fees received related to mortgage agreements are included in mortgage and other financing income per GAAP and are included in FFO and FFO as adjusted.

(2) Termination fees received related to leases where an operator exercises its option to purchase the property and terminates the lease prior to the lease maturity are included in gain on sale of real estate per GAAP and are excluded from FFO (in accordance with the NAREIT definition) but then included in FFO as adjusted. Including in FFO as adjusted is consistent with how other lease termination fees and fees received for early prepayment of mortgage notes receivable are reflected.

DEFINITIONS - NON-GAAP FINANCIAL MEASURES

EBITDAre

The National Association of Real Estate Investment Trusts (“NAREIT”) developed EBITDAre as a relative non-GAAP financial measure of REITs, independent of a company's capital structure, to provide a uniform basis to measure the enterprise value of a company. Pursuant to the definition of EBITDAre by the Board of Governors of NAREIT, the Company calculates EBITDAre as net income, computed in accordance with GAAP, excluding interest expense (net), income tax expense (benefit), depreciation and amortization, gains and losses from disposition of real estate, impairment losses on real estate, costs (gain) associated with loan refinancing or payoff, gain on early extinguishment of debt and adjustments for unconsolidated partnerships, joint ventures and other affiliates. Management provides EBITDAre herein because it believes this information is useful to investors as a supplemental performance measure as it can help facilitate comparisons of operating performance between periods and with other REITs. EBITDAre does not represent cash flow from operations as defined by GAAP and is not indicative that cash flows are adequate to fund all cash needs and is not to be considered an alternative to net income or any other GAAP measure as a measurement of the results of our operations or our cash flows or liquidity as defined by GAAP.

ADJUSTED EBITDA AND ANNUALIZED ADJUSTED EBITDA

Management uses Adjusted EBITDA in its analysis of the performance of the business and operations of the Company. Management believes Adjusted EBITDA is useful to investors because it excludes various items that management believes are not indicative of operating performance, and that it is an informative measure to use in computing various financial ratios to evaluate the Company. The Company defines Adjusted EBITDA as EBITDAre (defined above) excluding gain on insurance recovery, severance expense, litigation settlement expense, impairment of direct financing lease (allowance for lease loss portion), the provision for loan losses, transaction costs and prepayment fees and which is then multiplied by four to get an annual amount. For the three months and year ended December 31, 2017, Adjusted EBITDA was further adjusted to reflect zero Adjusted EBITDA related to one of our early education tenants, CLA. Annualized Adjusted EBITDA is Adjusted EBITDA for the quarter further adjusted for in-service projects, percentage rent and participating interest and other non-recurring items, which is then multiplied by four to get an annual amount.

The Company's method of calculating Adjusted EBITDA and Annualized Adjusted EBITDA may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. Adjusted EBITDA and Annualized Adjusted EBITDA do not represent cash generated from operations as defined by GAAP and are not indicative of cash available to fund all cash needs, including distributions. These measures should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity.

NET DEBT AND ADJUSTED NET DEBT

Net Debt represents debt (reported in accordance with GAAP) adjusted to exclude deferred financing costs, net and reduced for cash and cash equivalents. By excluding deferred financing costs, net and cash and cash equivalents, the result provides an estimate of the contractual amount of borrowed capital to be repaid, net of cash available to repay it. The Company believes this calculation constitutes a beneficial supplemental non-GAAP financial disclosure to investors in understanding its financial condition. Adjusted net debt is net debt less 40% times property under development to remove the estimated portion of property under development that has been financed with debt but has not yet produced earnings. The Company's method of calculating Net Debt and Adjusted Net Debt may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

NET DEBT TO ADJUSTED EBITDA AND ADJUSTED NET DEBT TO ANNUALIZED ADJUSTED EBITDA

Net Debt to Adjusted EBITDA and Adjusted Net Debt to Annualized Adjusted EBITDA are supplemental measures derived from non-GAAP financial measures that the Company uses to evaluate its capital structure and the magnitude of its debt against its operating performance. The Company believes that investors commonly use versions of these ratios in a similar manner. In addition, financial institutions use versions of these ratios in connection with debt agreements to set pricing and

covenant limitations. The Company's method of calculating both ratios may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

NET OPERATING INCOME ("NOI") AND NOI RUN RATES

NOI is a widely used financial measure in many industries, including the REIT industry, and is presented to assist investors and analysts in analyzing the performance of the Company. Management uses NOI in its analysis of the operations and valuation of the Company and believes it is useful to investors because it excludes various items included in net income that are not indicative of the operating performance of the Company's investments, such as gains (or losses) from sales of property, depreciation and amortization, and general and administrative expense, and is used in computing various financial ratios as a measure of operational performance. The Company computes NOI by adding back to Adjusted EBITDA - Continuing Operations the impact of general and administrative expense and corporate/unallocated and other.

Quarterly Cash NOI Run Rate is computed by taking quarterly NOI and making adjustments for in-service projects, percentage rent and participating interest, non-cash revenue and non-recurring adjustments to provide a quarterly cash run rate of such measure. Quarterly Cash NOI Run Rate multiplied by four equals Annualized Cash NOI Run Rate.

Quarterly GAAP NOI Run Rate is computed by taking quarterly NOI and making adjustments for in-service projects, percentage rent and participating interest and non-recurring adjustments to provide a quarterly GAAP run rate of such measure. Quarterly GAAP NOI Run Rate multiplied by four equals Annualized GAAP NOI Run Rate.

The Company's method of calculating NOI, Quarterly Cash NOI Run Rate and Quarterly GAAP NOI Run Rate may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

FUNDS FROM OPERATIONS ("FFO") AND FFO AS ADJUSTED

NAREIT developed FFO as a relative non-GAAP financial measure of performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP and management provides FFO herein because it believes this information is useful to investors in this regard. FFO is a widely used measure of the operating performance of real estate companies and is provided here as a supplemental measure to GAAP net income available to common shareholders and earnings per share. Pursuant to the definition of FFO by the Board of Governors of NAREIT, we calculate FFO as net income available to common shareholders, computed in accordance with GAAP, excluding gains and losses from disposition of real estate and impairment losses on real estate, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships, joint ventures and other affiliates. Adjustments for unconsolidated partnerships, joint ventures and other affiliates are calculated to reflect FFO on the same basis. We have calculated FFO for all periods presented in accordance with this definition. In addition, we present FFO as adjusted. Management believes it is useful to provide FFO as adjusted as a supplemental measure to GAAP net income available to common shareholders and earnings per share. FFO as adjusted is FFO plus costs (gain) associated with loan refinancing or payoff, transaction costs, severance expense, litigation settlement expense, preferred share redemption costs, termination fees associated with tenants' exercises of education properties buy-out options, impairment of direct financing lease (allowance for lease loss portion) and provision for loan losses, and by subtracting gain on early extinguishment of debt, gain on insurance recovery and deferred income tax benefit (expense). FFO and FFO as adjusted are non-GAAP financial measures. FFO and FFO as adjusted do not represent cash flows from operations as defined by GAAP and are not indicative that cash flows are adequate to fund all cash needs and are not to be considered an alternative to net income or any other GAAP measure as a measurement of the results of our operations, cash flows or liquidity as defined by GAAP. It should also be noted that not all REITs calculate FFO and FFO as adjusted the same way so comparisons with other REITs may not be meaningful.

ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

In addition to FFO, we present AFFO by adding to FFO costs (gain) associated with loan refinancing or payoff, net, transaction costs, severance expense, litigation settlement expense, preferred share redemption costs, termination fees associated with tenants' exercises of education properties buy-out options, impairment of direct financing lease (allowance for lease loss portion) and provision for loan losses, and by subtracting gain on early extinguishment of debt, gain on insurance

recovery, and deferred income tax benefit (expense); adding non-real estate depreciation and amortization, deferred financing fees amortization, share-based compensation expense to management and trustees and amortization of above and below market leases, net and tenant allowances; and subtracting maintenance capital expenditures (including second generation tenant improvements and leasing commissions), straight-lined rental revenue, and the non-cash portion of mortgage and other financing income. AFFO is a widely used measure of the operating performance of real estate companies and is provided here as a supplemental measure to GAAP net income available to common shareholders and earnings per share and management provides AFFO herein because it believes this information is useful to investors in this regard. AFFO is a non-GAAP financial measure. AFFO does not represent cash flows from operations as defined by GAAP and is not indicative that cash flows are adequate to fund all cash needs and is not to be considered an alternative to net income or any other GAAP measure as a measurement of the results of our operations or our cash flows or liquidity as defined by GAAP. It should also be noted that not all REITs calculate AFFO the same way so comparisons with other REITs may not be meaningful.

INTEREST COVERAGE RATIO

The interest coverage ratio is calculated as the interest coverage amount divided by interest expense, gross. We calculate the interest coverage amount by adding to net income impairment charges, provision for loan losses, transaction costs, interest expense, gross (including interest expense in discontinued operations), severance expense, litigation settlement expense, depreciation and amortization, share-based compensation expense to management and trustees and costs (gain) associated with loan refinancing or payoff, net; subtracting interest cost capitalized, straight-line rental revenue, gain on early extinguishment of debt, gain (loss) on sale of real estate from continuing and discontinued operations, gain on insurance recovery, gain on previously held equity interest, gain on early extinguishment of debt, prepayment fees and deferred income tax benefit (expense). We calculated interest expense, gross, by adding to interest expense, net, interest income and interest cost capitalized. We consider the interest coverage ratio to be an appropriate supplemental measure of a company's ability to meet its interest expense obligations and management believes it is useful to investors in this regard. Our calculation of the interest coverage ratio may be different from the calculation used by other companies, and therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

FIXED CHARGE COVERAGE RATIO

The fixed charge coverage ratio is calculated in exactly the same manner as the interest coverage ratio, except that interest expense, gross and preferred share dividends are also added to the denominator. We consider the fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred share dividend payments and management believes it is useful to investors in this regard. Our calculation of the fixed charge coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

DEBT SERVICE COVERAGE RATIO

The debt service coverage ratio is calculated in exactly the same manner as the interest coverage ratio, except that interest expense, gross and recurring principal payments are also added to the denominator. We consider the debt service coverage ratio to be an appropriate supplemental measure of a company's ability to make its debt service payments and management believes it is useful to investors in this regard. Our calculation of the debt service coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

TOTAL INVESTMENTS

Total investments is a non-GAAP financial measure defined as the sum of the carrying values of real estate investments (before accumulated depreciation), land held for development, property under development, mortgage notes receivable (including related accrued interest receivable), investment in direct financing leases, net, investment in joint ventures, intangible assets, gross (included in other assets) and notes receivable and related accrued interest receivable, net (included in other assets). Total investments is a useful measure for management and investors as it illustrates across which asset categories the Company's funds have been invested.



EPR Properties™
Return on Insight

Appendix to Supplemental Operating and Financial Data

Reconciliation of Certain Non-GAAP Financial Measures

Second Quarter and Six Months Ended June 30, 2019

RECONCILIATION OF INTEREST COVERAGE AMOUNT TO NET CASH PROVIDED BY OPERATING ACTIVITIES

(UNAUDITED, DOLLARS IN THOUSANDS)

The interest coverage amount per the table on page 17 is a non-GAAP financial measure and should not be considered an alternative to any GAAP liquidity measures. It is most directly comparable to the GAAP liquidity measure, "Net cash provided by operating activities," and is not directly comparable to the GAAP liquidity measures, "Net cash used by investing activities" and "Net cash provided by financing activities." The interest coverage amount can be reconciled to "Net cash provided by operating activities" per the consolidated statements of cash flows as follows:

| | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net cash provided by operating activities | \$ 87,372 | \$ 122,384 | \$ 83,446 | \$ 151,134 | \$ 140,784 | \$ 108,964 |
| Equity in income (loss) from joint ventures | 470 | 489 | (5) | 20 | (88) | 51 |
| Distributions from joint ventures | — | (112) | — | — | (451) | (116) |
| Amortization of deferred financing costs | (1,517) | (1,502) | (1,490) | (1,470) | (1,439) | (1,398) |
| Amortization of above and below market leases, net and tenant allowances | 58 | 59 | 54 | 55 | 55 | 417 |
| Amortization of operating lease assets and liabilities | 735 | (445) | — | — | — | — |
| Changes in assets and liabilities, net: | | | | | | |
| Mortgage notes and related accrued interest receivable | 1,409 | 135 | (453) | 596 | 1,219 | (845) |
| Accounts receivable | 2,234 | (14,669) | 8,680 | 7,995 | 9,222 | (3,597) |
| Direct financing lease receivable | 59 | 58 | 63 | 99 | 203 | 198 |
| Other assets | (239) | 5,673 | (1,662) | (1,272) | 163 | 3,826 |
| Accounts payable and accrued liabilities | 4,634 | (4,684) | 6,265 | (18,002) | (2,360) | 9,118 |
| Unearned rents and interest | 5,568 | (5,951) | 15,912 | (12,649) | 1,997 | (13,234) |
| Straight-line rental revenue | (3,223) | (2,414) | (3,216) | (3,079) | (2,060) | (1,874) |
| Interest expense, gross | 37,999 | 37,138 | 36,304 | 36,360 | 36,468 | 36,646 |
| Interest cost capitalized | (1,530) | (3,137) | (2,669) | (2,697) | (2,294) | (2,244) |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Severance expense (cash portion) | — | — | 2,720 | — | — | — |
| Prepayment fees | — | (900) | (7,391) | (20,026) | (47,293) | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Interest coverage amount (1) | <u>\$ 140,952</u> | <u>\$ 137,245</u> | <u>\$ 138,141</u> | <u>\$ 138,165</u> | <u>\$ 136,621</u> | <u>\$ 136,521</u> |
| Net cash (used) provided by investing activities | \$ (333,363) | \$ (127,833) | \$ (104,684) | \$ 46,868 | \$ 67,920 | \$ (106,916) |
| Net cash provided (used) by financing activities | \$ 235,607 | \$ 9,154 | \$ (56,075) | \$ (116,130) | \$ (234,550) | \$ (20,798) |

(1) See pages 31 through 33 for definitions.

RECONCILIATION OF QUARTERLY CASH NOI RUN RATE AND QUARTERLY GAAP NOI RUN RATE

Net Operating Income ("NOI"), Quarterly Cash NOI Run Rate and Quarterly GAAP NOI Run Rate as used on pages 28 and 29 are non-GAAP financial measures and should not be considered as alternatives to net income (loss) in accordance with GAAP as indications of our performance or to cash flows as a measure of our liquidity. The tables on pages 37 through 40 provide reconciliations of these non-GAAP measures with respect to each segment and property type and should be read in conjunction with the reconciliations on page 21 of our segment Adjusted EBITDA - continuing operations to our net income.

The following explanatory notes apply to the tables on pages 37 through 39.

- (1) Adjustments for Corporate/Unallocated and Other is calculated by subtracting total investment expenses from total revenue for these categories on page 21.
- (2) Adjustments for properties commencing or terminating GAAP net operating income during the quarter.
- (3) To adjust percentage rents and participating interest income from the actual latest quarterly amount to the trailing 12 month amount divided by 4.
- (4) Adjustments for properties commencing or terminating cash payments during the quarter, as well as in-service projects with only straight-line revenue.
- (5) Adjustments to income from mortgages receivable to be consistent with end of quarter balance.
- (6) Non-recurring adjustments relate primarily to NOI from properties excluded from the calculation and disclosed at their carrying value.

RECONCILIATION OF NET ASSET VALUE (NAV) COMPONENTS

(UNAUDITED, DOLLARS IN THOUSANDS)

ANNUALIZED NET OPERATING INCOME (NOI) RUN RATES - OWNED PROPERTIES (FOR NAV CALCULATIONS)
FOR THE THREE MONTHS ENDED JUNE 30, 2019

| | ENTERTAINMENT | | | | RECREATION | | | | | EDUCATION | | | | CORP./ UNALLO- CATED AND OTHER | TOTAL |
|---|-------------------|------------------|-----------------------------|-------------------|------------------|------------------|---|--------------------------|-------------------|------------------------------|---------------------------------|--------------------|------------------|--|-------------------|
| | MEGA- PLEX | ERC's/ RETAIL | OTHER ENTERTAIN- MENT | TOTAL | SKI AREAS | ATTRAC- TIONS | GOLF ENTERTAIN- MENT COMPLEXES | OTHER RECREA- TION | TOTAL | PUBLIC CHARTER SCHOOLS | EARLY CHILD- HOOD EDU. | PRIVATE SCHOOLS | TOTAL | | |
| Total revenue | \$ 66,614 | \$ 14,986 | \$ 3,693 | \$ 85,293 | \$ 7,845 | \$ 18,775 | \$ 17,842 | \$ 2,272 | \$ 46,734 | \$ 10,327 | \$ 9,359 | \$ 8,373 | \$ 28,059 | \$ 2,970 | \$ 163,056 |
| Property operating expense | 3,859 | 5,411 | 601 | 9,871 | 45 | 1,222 | 1,424 | 38 | 2,729 | 173 | 541 | 342 | 1,056 | 1,115 | 14,771 |
| Other expense | 1,029 | — | — | 1,029 | — | 7,062 | — | — | 7,062 | — | — | — | — | — | 8,091 |
| Total investment expense | 4,888 | 5,411 | 601 | 10,900 | 45 | 8,284 | 1,424 | 38 | 9,791 | 173 | 541 | 342 | 1,056 | 1,115 | 22,862 |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | (12,230) | (12,230) |
| Adjusted EBITDA | \$ 61,726 | \$ 9,575 | \$ 3,092 | \$ 74,393 | \$ 7,800 | \$ 10,491 | \$ 16,418 | \$ 2,234 | \$ 36,943 | \$ 10,154 | \$ 8,818 | \$ 8,031 | \$ 27,003 | \$ (10,375) | \$ 127,964 |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | 12,230 | 12,230 |
| Corporate/unallocated and other (1) | — | — | — | — | — | — | — | — | — | — | — | — | — | (1,855) | (1,855) |
| NOI | \$ 61,726 | \$ 9,575 | \$ 3,092 | \$ 74,393 | \$ 7,800 | \$ 10,491 | \$ 16,418 | \$ 2,234 | \$ 36,943 | \$ 10,154 | \$ 8,818 | \$ 8,031 | \$ 27,003 | \$ — | \$ 138,339 |
| Quarterly GAAP NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 61,726 | \$ 9,575 | \$ 3,092 | \$ 74,393 | \$ 7,800 | \$ 10,491 | \$ 16,418 | \$ 2,234 | \$ 36,943 | \$ 10,154 | \$ 8,818 | \$ 8,031 | \$ 27,003 | \$ — | \$ 138,339 |
| In-service adjustments (2) | 4,324 | — | 24 | 4,348 | — | 305 | 187 | — | 492 | (107) | 400 | 276 | 569 | — | 5,409 |
| Percentage rent/participation adjustments (3) | 158 | 105 | (3) | 260 | (1,258) | 464 | 400 | — | (394) | — | (699) | (23) | (722) | — | (856) |
| Non-recurring adjustments (6) | (542) | (3) | (1) | (546) | — | 3,214 | — | — | 3,214 | — | (3,200) | — | (3,200) | — | (532) |
| Quarterly GAAP NOI run rate | \$ 65,666 | \$ 9,677 | \$ 3,112 | \$ 78,455 | \$ 6,542 | \$ 14,474 | \$ 17,005 | \$ 2,234 | \$ 40,255 | \$ 10,047 | \$ 5,319 | \$ 8,284 | \$ 23,650 | \$ — | \$ 142,360 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized GAAP NOI run rate | \$ 262,664 | \$ 38,708 | \$ 12,448 | \$ 313,820 | \$ 26,168 | \$ 57,896 | \$ 68,020 | \$ 8,936 | \$ 161,020 | \$ 40,188 | \$ 21,276 | \$ 33,136 | \$ 94,600 | \$ — | \$ 569,440 |
| Quarterly cash NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 61,726 | \$ 9,575 | \$ 3,092 | \$ 74,393 | \$ 7,800 | \$ 10,491 | \$ 16,418 | \$ 2,234 | \$ 36,943 | \$ 10,154 | \$ 8,818 | \$ 8,031 | \$ 27,003 | \$ — | \$ 138,339 |
| In-service adjustments (4) | 4,245 | — | 24 | 4,269 | — | 305 | 187 | — | 492 | (609) | 393 | 189 | (27) | — | 4,734 |
| Percentage rent/participation adjustments (3) | 158 | 105 | (3) | 260 | (1,258) | 464 | 400 | — | (394) | — | (699) | (23) | (722) | — | (856) |
| Non-recurring adjustments (6) | (542) | (3) | (1) | (546) | — | 3,214 | — | — | 3,214 | — | (3,200) | — | (3,200) | — | (532) |
| Non-cash revenue | (499) | 144 | (110) | (465) | (77) | (141) | (467) | (36) | (721) | (743) | (802) | (789) | (2,334) | — | (3,520) |
| Quarterly cash NOI run rate | 65,088 | 9,821 | 3,002 | 77,911 | 6,465 | 14,333 | 16,538 | 2,198 | 39,534 | 8,802 | 4,510 | 7,408 | 20,720 | — | 138,165 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized cash NOI run rate | \$ 260,352 | \$ 39,284 | \$ 12,008 | \$ 311,644 | \$ 25,860 | \$ 57,332 | \$ 66,152 | \$ 8,792 | \$ 158,136 | \$ 35,208 | \$ 18,040 | \$ 29,632 | \$ 82,880 | \$ — | \$ 552,660 |

RECONCILIATION OF NET ASSET VALUE (NAV) COMPONENTS

(UNAUDITED, DOLLARS IN THOUSANDS)

ANNUALIZED NET OPERATING INCOME (NOI) RUN RATES - FINANCED PROPERTIES (FOR NAV CALCULATIONS)
FOR THE THREE MONTHS ENDED JUNE 30, 2019

| | ENTERTAINMENT | | | | RECREATION | | | | | EDUCATION | | | | CORP./UNALLOCATED AND OTHER | TOTAL |
|---|---------------|--------------|---------------------|-----------------|------------------|------------------|------------------------------|-------------------|------------------|------------------------|----------------------|-----------------|------------------|-----------------------------|------------------|
| | MEGA-PLEX | ERC's/RETAIL | OTHER ENTERTAINMENT | TOTAL | SKI AREAS | ATTRAC-TIONS | GOLF ENTERTAINMENT COMPLEXES | OTHER RECREA-TION | TOTAL | PUBLIC CHARTER SCHOOLS | EARLY CHILDHOOD EDU. | PRIVATE SCHOOLS | TOTAL | | |
| Total revenue | \$ 56 | \$ — | \$ 51 | \$ 107 | \$ 3,044 | \$ 3,858 | \$ 1,223 | \$ 529 | \$ 8,654 | \$ 3,631 | \$ 129 | \$ 121 | \$ 3,881 | \$ — | \$ 12,642 |
| Property operating expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total investment expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Adjusted EBITDA | \$ 56 | \$ — | \$ 51 | \$ 107 | \$ 3,044 | \$ 3,858 | \$ 1,223 | \$ 529 | \$ 8,654 | \$ 3,631 | \$ 129 | \$ 121 | \$ 3,881 | \$ — | \$ 12,642 |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Corporate/unallocated and other (1) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| NOI | \$ 56 | \$ — | \$ 51 | \$ 107 | \$ 3,044 | \$ 3,858 | \$ 1,223 | \$ 529 | \$ 8,654 | \$ 3,631 | \$ 129 | \$ 121 | \$ 3,881 | \$ — | \$ 12,642 |
| Quarterly GAAP NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 56 | \$ — | \$ 51 | \$ 107 | \$ 3,044 | \$ 3,858 | \$ 1,223 | \$ 529 | \$ 8,654 | \$ 3,631 | \$ 129 | \$ 121 | \$ 3,881 | \$ — | \$ 12,642 |
| In-service adjustments (5) | — | — | 273 | 273 | — | (151) | — | — | (151) | 18 | 42 | — | 60 | — | 182 |
| Percentage rent/participation adjustments (3) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Non-recurring adjustments (6) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Quarterly GAAP NOI run rate | \$ 56 | \$ — | \$ 324 | \$ 380 | \$ 3,044 | \$ 3,707 | \$ 1,223 | \$ 529 | \$ 8,503 | \$ 3,649 | \$ 171 | \$ 121 | \$ 3,941 | \$ — | \$ 12,824 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized GAAP NOI run rate | \$ 224 | \$ — | \$ 1,296 | \$ 1,520 | \$ 12,176 | \$ 14,828 | \$ 4,892 | \$ 2,116 | \$ 34,012 | \$ 14,596 | \$ 684 | \$ 484 | \$ 15,764 | \$ — | \$ 51,296 |
| Quarterly cash NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 56 | \$ — | \$ 51 | \$ 107 | \$ 3,044 | \$ 3,858 | \$ 1,223 | \$ 529 | \$ 8,654 | \$ 3,631 | \$ 129 | \$ 121 | \$ 3,881 | \$ — | \$ 12,642 |
| In-service adjustments (5) | — | — | 273 | 273 | — | (6) | — | — | (6) | — | 45 | — | 45 | — | 312 |
| Percentage rent/participation adjustments (3) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Non-recurring adjustments (6) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Non-cash revenue | 4 | — | — | 4 | (1) | (97) | 2 | — | (96) | (715) | (76) | (5) | (796) | — | (888) |
| Quarterly cash NOI run rate | 60 | — | 324 | 384 | 3,043 | 3,755 | 1,225 | 529 | 8,552 | 2,916 | 98 | 116 | 3,130 | — | 12,066 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized cash NOI run rate | \$ 240 | \$ — | \$ 1,296 | \$ 1,536 | \$ 12,172 | \$ 15,020 | \$ 4,900 | \$ 2,116 | \$ 34,208 | \$ 11,664 | \$ 392 | \$ 464 | \$ 12,520 | \$ — | \$ 48,264 |

RECONCILIATION OF NET ASSET VALUE (NAV) COMPONENTS

(UNAUDITED, DOLLARS IN THOUSANDS)

ANNUALIZED NET OPERATING INCOME (NOI) RUN RATES - TOTAL - OWNED AND FINANCED PROPERTIES (FOR NAV CALCULATIONS) - SUM OF PAGES 37 AND 38
FOR THE THREE MONTHS ENDED JUNE 30, 2019

| | ENTERTAINMENT | | | | RECREATION | | | | | EDUCATION | | | | CORP./ UNALLO- CATED AND OTHER | TOTAL |
|---|------------------|------------------|-----------------------------|------------------|-----------------|------------------|---|--------------------------|------------------|------------------------------|---------------------------------|--------------------|------------------|--|------------------|
| | MEGA- PLEX | ERC's/ RETAIL | OTHER ENTERTAIN- MENT | TOTAL | SKI AREAS | ATTRAC- TIONS | GOLF ENTERTAIN- MENT COMPLEXES | OTHER RECREA- TION | TOTAL | PUBLIC CHARTER SCHOOLS | EARLY CHILD- HOOD EDU. | PRIVATE SCHOOLS | TOTAL | | |
| Total revenue | \$ 66,670 | \$14,986 | \$ 3,744 | \$ 85,400 | \$10,889 | \$ 22,633 | \$ 19,065 | \$ 2,801 | \$ 55,388 | \$ 13,958 | \$ 9,488 | \$ 8,494 | \$ 31,940 | \$ 2,970 | \$175,698 |
| Property operating expense | 3,859 | 5,411 | 601 | 9,871 | 45 | 1,222 | 1,424 | 38 | 2,729 | 173 | 541 | 342 | 1,056 | 1,115 | 14,771 |
| Other expense | 1,029 | — | — | 1,029 | — | 7,062 | — | — | 7,062 | — | — | — | — | — | 8,091 |
| Total investment expense | 4,888 | 5,411 | 601 | 10,900 | 45 | 8,284 | 1,424 | 38 | 9,791 | 173 | 541 | 342 | 1,056 | 1,115 | 22,862 |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | (12,230) | (12,230) |
| Adjusted EBITDA | \$ 61,782 | \$ 9,575 | \$ 3,143 | \$ 74,500 | \$10,844 | \$ 14,349 | \$ 17,641 | \$ 2,763 | \$ 45,597 | \$ 13,785 | \$ 8,947 | \$ 8,152 | \$ 30,884 | \$ (10,375) | \$140,606 |
| General and administrative expense | — | — | — | — | — | — | — | — | — | — | — | — | — | 12,230 | 12,230 |
| Corporate/unallocated and other (1) | — | — | — | — | — | — | — | — | — | — | — | — | — | (1,855) | (1,855) |
| NOI | \$ 61,782 | \$ 9,575 | \$ 3,143 | \$ 74,500 | \$10,844 | \$ 14,349 | \$ 17,641 | \$ 2,763 | \$ 45,597 | \$ 13,785 | \$ 8,947 | \$ 8,152 | \$ 30,884 | \$ — | \$150,981 |
| Quarterly GAAP NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 61,782 | \$ 9,575 | \$ 3,143 | \$ 74,500 | \$10,844 | \$ 14,349 | \$ 17,641 | \$ 2,763 | \$ 45,597 | \$ 13,785 | \$ 8,947 | \$ 8,152 | \$ 30,884 | \$ — | \$150,981 |
| In-service adjustments (2) (5) | 4,324 | — | 297 | 4,621 | — | 154 | 187 | — | 341 | (89) | 442 | 276 | 629 | — | 5,591 |
| Percentage rent/participation adjustments (3) | 158 | 105 | (3) | 260 | (1,258) | 464 | 400 | — | (394) | — | (699) | (23) | (722) | — | (856) |
| Non-recurring adjustments (6) | (542) | (3) | (1) | (546) | — | 3,214 | — | — | 3,214 | — | (3,200) | — | (3,200) | — | (532) |
| Quarterly GAAP NOI run rate | \$ 65,722 | \$ 9,677 | \$ 3,436 | \$ 78,835 | \$ 9,586 | \$ 18,181 | \$ 18,228 | \$ 2,763 | \$ 48,758 | \$ 13,696 | \$ 5,490 | \$ 8,405 | \$ 27,591 | \$ — | \$155,184 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized GAAP NOI run rate | \$262,888 | \$38,708 | \$ 13,744 | \$315,340 | \$38,344 | \$ 72,724 | \$ 72,912 | \$ 11,052 | \$195,032 | \$ 54,784 | \$21,960 | \$ 33,620 | \$110,364 | \$ — | \$620,736 |
| Quarterly cash NOI run rate | | | | | | | | | | | | | | | |
| NOI | \$ 61,782 | \$ 9,575 | \$ 3,143 | \$ 74,500 | \$10,844 | \$ 14,349 | \$ 17,641 | \$ 2,763 | \$ 45,597 | \$ 13,785 | \$ 8,947 | \$ 8,152 | \$ 30,884 | \$ — | \$150,981 |
| In-service adjustments (4) (5) | 4,245 | — | 297 | 4,542 | — | 299 | 187 | — | 486 | (609) | 438 | 189 | 18 | — | 5,046 |
| Percentage rent/participation adjustments (3) | 158 | 105 | (3) | 260 | (1,258) | 464 | 400 | — | (394) | — | (699) | (23) | (722) | — | (856) |
| Non-recurring adjustments (6) | (542) | (3) | (1) | (546) | — | 3,214 | — | — | 3,214 | — | (3,200) | — | (3,200) | — | (532) |
| Non-cash revenue | (495) | 144 | (110) | (461) | (78) | (238) | (465) | (36) | (817) | (1,458) | (878) | (794) | (3,130) | — | (4,408) |
| Quarterly cash NOI run rate | 65,148 | 9,821 | 3,326 | 78,295 | 9,508 | 18,088 | 17,763 | 2,727 | 48,086 | 11,718 | 4,608 | 7,524 | 23,850 | — | 150,231 |
| | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | x4 | | x4 |
| Annualized cash NOI run rate | \$260,592 | \$39,284 | \$ 13,304 | \$313,180 | \$38,032 | \$ 72,352 | \$ 71,052 | \$ 10,908 | \$192,344 | \$ 46,872 | \$18,432 | \$ 30,096 | \$ 95,400 | \$ — | \$600,924 |

RECONCILIATION OF EBITDA_{re}, ADJUSTED EBITDA AND ANNUALIZED ADJUSTED EBITDA

(UNAUDITED, DOLLARS IN THOUSANDS)

| | 2ND QUARTER 2019 | 1ST QUARTER 2019 | 4TH QUARTER 2018 | 3RD QUARTER 2018 | 2ND QUARTER 2018 | 1ST QUARTER 2018 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| ADJUSTED EBITDA (1): | | | | | | |
| Net income | \$ 66,594 | \$ 65,349 | \$ 54,031 | \$ 91,833 | \$ 91,581 | \$ 29,538 |
| Interest expense, net | 36,278 | 33,826 | 33,515 | 33,576 | 34,079 | 34,337 |
| Income tax (benefit) expense | (1,300) | (605) | 108 | 515 | 642 | 1,020 |
| Depreciation and amortization | 42,355 | 39,743 | 39,541 | 38,623 | 37,582 | 37,684 |
| Gain on sale of real estate | (9,774) | (6,328) | (349) | (2,215) | (473) | — |
| Gain on sale of investment in direct financing leases | — | — | — | (5,514) | — | — |
| Impairment charges | — | — | 10,735 | — | 16,548 | — |
| Costs associated with loan refinancing or payoff | — | — | — | — | 15 | 31,943 |
| Equity in (income) loss from joint ventures | (470) | (489) | 5 | (20) | 88 | (51) |
| EBITDA _{re} (2) | <u>\$ 133,683</u> | <u>\$ 131,496</u> | <u>\$ 137,586</u> | <u>\$ 156,798</u> | <u>\$ 180,062</u> | <u>\$ 134,471</u> |
| Severance expense | — | — | 5,938 | — | — | — |
| Litigation settlement expense | — | — | — | — | 2,090 | — |
| Transaction costs | 6,923 | 5,123 | 1,583 | 1,101 | 405 | 609 |
| Prepayment fees | — | (900) | (7,391) | (20,026) | (47,293) | — |
| Adjusted EBITDA (for the quarter) | <u>\$ 140,606</u> | <u>\$ 135,719</u> | <u>\$ 137,716</u> | <u>\$ 137,873</u> | <u>\$ 135,264</u> | <u>\$ 135,080</u> |
| Adjusted EBITDA (2) | <u>\$ 562,424</u> | <u>\$ 542,876</u> | <u>\$ 550,864</u> | <u>\$ 551,492</u> | <u>\$ 541,056</u> | <u>\$ 540,320</u> |
| ANNUALIZED ADJUSTED EBITDA (1): | | | | | | |
| Adjusted EBITDA (for the quarter) | \$ 140,606 | \$ 135,719 | \$ 137,716 | \$ 137,873 | \$ 135,264 | \$ 135,080 |
| Corporate/unallocated and other NOI (3) | (1,855) | (1,925) | (1,530) | (1,899) | (2,079) | (2,354) |
| In-service adjustments (4) | 5,591 | 252 | 243 | (3,645) | (1,785) | 910 |
| Percentage rent/participation adjustments (5) | (856) | 1,335 | (2,339) | (463) | 517 | 973 |
| Non-recurring adjustments (6) | 2,668 | (72) | (240) | 24 | (4) | (63) |
| Annualized Adjusted EBITDA (for the quarter) | <u>\$ 146,154</u> | <u>\$ 135,309</u> | <u>\$ 133,850</u> | <u>\$ 131,890</u> | <u>\$ 131,913</u> | <u>\$ 134,546</u> |
| Annualized Adjusted EBITDA (7) | <u>\$ 584,616</u> | <u>\$ 541,236</u> | <u>\$ 535,400</u> | <u>\$ 527,560</u> | <u>\$ 527,652</u> | <u>\$ 538,184</u> |

(1) See pages 31 through 33 for definitions.

(2) Adjusted EBITDA for the quarter is multiplied by four to calculate an annual amount.

(3) Adjustments for Corporate/Unallocated and Other is calculated by subtracting total investment expenses from total revenue for these categories on page 21.

(4) Adjustments for properties commencing or terminating GAAP net operating income during the quarter.

(5) To adjust percentage rents and participating interest income from the actual latest quarterly amount to the trailing 12 month amount divided by 4.

(6) Non-recurring adjustments relate primarily to properties under operating agreements with third parties.

(7) Annualized Adjusted EBITDA for the quarter is multiplied by four to calculate an annual amount.