



EPR
Properties®

The Diversified Experiential REIT™

SUPPLEMENTAL OPERATING AND FINANCIAL DATA

Third Quarter and Nine Months Ended
September 30, 2021



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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

The financial results in this document reflect preliminary, unaudited results, which are not final until the Company's Quarterly Report on Form 10-Q is filed. 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 the uncertain financial impact of the COVID-19 pandemic, our guidance, our capital resources and liquidity, our expected dividend payments, our expected cash flows and liquidity, the performance of our customers, our expected cash collections, expected use of proceeds from dispositions and our results of operations and financial condition. The estimates presented herein are based on the Company's current expectations and, given the current economic uncertainty, there can be no assurances that the Company will be able to continue to comply with applicable covenants under its debt agreements, which could materially impact actual performance. 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. 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 23 through 25 for definitions of certain non-GAAP financial measures used in this document and the reconciliations of certain non-GAAP measures on pages 9 and 10 and in the Appendix on pages 26 through 30.

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 been a leading diversified Experiential net lease REIT, specializing in select enduring experiential properties. We are focused on growing our Experiential portfolio with properties that offer a variety of enduring, congregate entertainment, recreation and leisure activities. Separately, our Education portfolio is a legacy investment that provides additional geographic and operator diversity.

EXPERIENTIAL PORTFOLIO

- Theatres
- Eat & Play
- Ski
- Attractions
- Experiential Lodging
- Gaming
- Fitness & Wellness
- Cultural
- Live Venues

EDUCATION PORTFOLIO

- Private Schools
- Early Childhood

COMPANY STRATEGY

EPR's primary business objective is to enhance shareholder value by achieving predictable growth in Funds from Operations As Adjusted ("FFOAA") and dividends per share.

Our strategic growth is focused on acquiring or developing experiential real estate venues which create value by facilitating out-of-home congregate entertainment, recreation and leisure experiences where consumers choose to spend their discretionary time and money. These are properties which make up the social infrastructure of society.

This focus is consistent with our depth of knowledge across each of our property types, creating a competitive advantage that allows us to more quickly identify key market trends. We deliberately apply information and our ingenuity to target properties that represent logical extensions within each of our existing property types or potential future investments.

As part of our strategic planning and portfolio management process we assess new opportunities against the following underwriting principles:



BUILDING THE PREMIER EXPERIENTIAL REAL ESTATE PORTFOLIO



INVESTOR INFORMATION

SENIOR MANAGEMENT

Greg Silvers

President and Chief Executive Officer

Craig Evans

Executive Vice President, General Counsel and Secretary

Tonya Mater

Senior Vice President and Chief Accounting Officer

Mark Peterson

Executive Vice President and Chief Financial Officer

Greg Zimmerman

Executive Vice President and Chief Investment Officer

COMPANY INFORMATION

CORPORATE HEADQUARTERS

909 Walnut Street, Suite 200

Kansas City, MO 64106

888-EPR-REIT

www.eprkc.com

TRADING SYMBOLS

Common Stock:

EPR

Preferred Stock:

EPR-PrC

EPR-PrE

EPR-PrG

STOCK EXCHANGE LISTING

New York Stock Exchange

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

Truist

Jeffrey Spector/Joshua Dennerlein

Michael Bilerman/Katy McConnell

Rob Stevenson

Anthony Paolone/Nikita Bely

Jonathan Braatz

Jordan Sadler/Todd Thomas

John Massocca

RJ Milligan

Michael Carroll

Simon Yarmak

Ki Bin Kim

646-855-1363

212-816-4471

646-840-3217

212-622-6682

816-932-8019

917-368-2286

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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2020	2021	2020
Revenue	\$ 139,647	\$ 63,877	\$ 376,774	\$ 321,249
Net income (loss) available to common shareholders of EPR Properties	26,084	(91,938)	35,949	(129,853)
EBITDAre (1)	120,320	28,987	303,404	202,742
Adjusted EBITDAre (1)	108,356	70,930	287,039	278,748
Interest expense, net	36,584	41,744	114,090	114,837
Capitalized interest	233	325	1,342	829
Straight-lined rental revenue	981	(17,969)	3,690	(25,448)
Dividends declared on preferred shares	6,033	6,034	18,100	18,102
Dividends declared on common shares	56,104	—	56,104	119,058
General and administrative expense	11,154	10,034	33,866	31,454

Balance Sheet Information:	SEPTEMBER 30,	
	2021	2020
Total assets	\$ 5,721,157	\$ 6,907,210
Accumulated depreciation	1,142,513	1,072,201
Cash and cash equivalents	144,433	985,372
Total assets before accumulated depreciation less cash and cash equivalents (gross assets)	6,719,237	6,994,039
Debt	2,684,063	3,854,855
Deferred financing costs, net	32,166	35,140
Net debt (1)	2,571,796	2,904,623
Equity	2,631,481	2,650,069
Common shares outstanding	74,806	74,613
Total market capitalization (using EOP closing price)	6,636,715	5,327,528
Net debt/gross assets	38%	42%
Net debt/Adjusted EBITDAre ratio (2)	Footnote 5	Footnote 5
Adjusted net debt/Annualized adjusted EBITDAre ratio (1)(3)(4)	Footnote 5	Footnote 5

(1) See pages 23 through 25 for definitions. See calculation as applicable on page 29.

(2) Adjusted EBITDAre in this calculation is for the quarter multiplied times four. See pages 23 through 25 for definitions. See calculation on page 29.

(3) Adjusted net debt is net debt less 40% times property under development. See pages 23 through 25 for definitions.

(4) Annualized adjusted EBITDAre is adjusted EBITDAre for the quarter further adjusted for in-service and disposed projects, percentage rent and participating interest and other non-recurring items which is then multiplied times four. These calculations can be found on page 29 under the reconciliation of Adjusted EBITDAre and Annualized Adjusted EBITDAre. See pages 23 through 25 for definitions.

(5) Not presented as this ratio is not meaningful given the continuing disruption caused by COVID-19 and the associated accounting for tenant rent deferrals and other lease modifications.

SELECTED BALANCE SHEET INFORMATION

(UNAUDITED, DOLLARS IN THOUSANDS)

ASSETS	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Real estate investments	\$ 5,943,074	\$ 5,965,061	\$ 5,902,833	\$ 5,913,389	\$ 6,139,858	\$ 6,144,830
Less: accumulated depreciation	(1,142,513)	(1,130,409)	(1,101,727)	(1,062,087)	(1,072,201)	(1,034,771)
Land held for development	21,875	23,225	23,225	23,225	25,846	26,244
Property under development	20,166	35,082	94,822	57,630	44,103	39,039
Operating lease right-of-use assets	175,987	179,354	179,113	163,766	185,459	189,058
Mortgage notes and related accrued interest receivable	369,134	366,064	364,969	365,628	362,011	357,668
Investment in joint ventures	38,729	27,476	28,313	28,208	29,571	28,925
Cash and cash equivalents	144,433	509,836	538,077	1,025,577	985,372	1,006,981
Restricted cash	5,142	3,570	5,928	2,433	2,424	2,615
Accounts receivable	80,491	91,319	97,517	116,193	129,714	134,774
Other assets	64,639	71,634	75,032	70,223	75,053	107,615
Total assets	<u>\$ 5,721,157</u>	<u>\$ 6,142,212</u>	<u>\$ 6,208,102</u>	<u>\$ 6,704,185</u>	<u>\$ 6,907,210</u>	<u>\$ 7,002,978</u>
LIABILITIES AND EQUITY						
Liabilities:						
Accounts payable and accrued liabilities	\$ 87,021	\$ 103,778	\$ 95,085	\$ 105,379	\$ 95,429	\$ 96,454
Operating lease liabilities	214,065	217,575	217,448	202,223	225,379	229,030
Common dividends payable	18,802	54	44	36	29	19
Preferred dividends payable	6,033	6,033	6,034	6,034	6,034	6,034
Unearned rents and interest	79,692	79,992	83,565	65,485	75,415	81,096
Line of credit	—	—	90,000	590,000	750,000	750,000
Deferred financing costs, net	(32,166)	(34,744)	(35,036)	(35,552)	(35,140)	(35,907)
Other debt	2,716,229	3,116,229	3,116,229	3,139,995	3,139,995	3,139,995
Total liabilities	<u>3,089,676</u>	<u>3,488,917</u>	<u>3,573,369</u>	<u>4,073,600</u>	<u>4,257,141</u>	<u>4,266,721</u>
Equity:						
Common stock and additional paid-in-capital	3,873,599	3,869,687	3,865,243	3,858,451	3,853,581	3,849,803
Preferred stock at par value	148	148	148	148	148	148
Treasury stock	(264,679)	(264,660)	(263,982)	(261,238)	(260,594)	(260,351)
Accumulated other comprehensive income (loss)	9,625	5,265	2,978	216	(2,106)	(4,331)
Distributions in excess of net income	(987,212)	(957,145)	(969,654)	(966,992)	(940,960)	(849,012)
Total equity	<u>2,631,481</u>	<u>2,653,295</u>	<u>2,634,733</u>	<u>2,630,585</u>	<u>2,650,069</u>	<u>2,736,257</u>
Total liabilities and equity	<u>\$ 5,721,157</u>	<u>\$ 6,142,212</u>	<u>\$ 6,208,102</u>	<u>\$ 6,704,185</u>	<u>\$ 6,907,210</u>	<u>\$ 7,002,978</u>

SELECTED OPERATING DATA

(UNAUDITED, DOLLARS IN THOUSANDS)

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Rental revenue	\$ 123,040	\$ 115,883	\$ 102,614	\$ 84,011	\$ 55,591	\$ 97,531
Other income	8,091	1,033	678	968	182	416
Mortgage and other financing income	8,516	8,446	8,473	8,433	8,104	8,413
Total revenue	139,647	125,362	111,765	93,412	63,877	106,360
Property operating expense	13,815	14,678	15,313	16,406	13,759	15,329
Other expense	7,851	3,025	2,552	1,462	2,680	2,798
General and administrative expense	11,154	11,376	11,336	11,142	10,034	10,432
Severance expense	—	—	—	2,868	—	—
Costs associated with loan refinancing or payoff	4,741	—	241	812	—	820
Interest expense, net	36,584	38,312	39,194	42,838	41,744	38,340
Transaction costs	2,132	662	548	814	2,776	771
Credit loss (benefit) expense	(14,096)	(2,819)	(2,762)	20,312	5,707	3,484
Impairment charges	2,711	—	—	22,832	11,561	51,264
Depreciation and amortization	42,612	40,538	40,326	42,014	42,059	42,450
Income (loss) before equity in loss from joint ventures and other items	32,143	19,590	5,017	(68,088)	(66,443)	(59,328)
Equity in loss from joint ventures	(418)	(1,151)	(1,431)	(1,364)	(1,044)	(1,724)
Impairment charges on joint ventures	—	—	—	—	—	(3,247)
Gain on sale of real estate	787	511	201	49,877	—	22
Income tax (expense) benefit	(395)	(398)	(407)	(402)	(18,417)	1,312
Net income (loss)	32,117	18,552	3,380	(19,977)	(85,904)	(62,965)
Preferred dividend requirements	(6,033)	(6,033)	(6,034)	(6,034)	(6,034)	(6,034)
Net income (loss) available to common shareholders of EPR Properties	\$ 26,084	\$ 12,519	\$ (2,654)	\$ (26,011)	\$ (91,938)	\$ (68,999)

FUNDS FROM OPERATIONS AND FUNDS FROM OPERATIONS AS ADJUSTED

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT PER SHARE INFORMATION)

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
FUNDS FROM OPERATIONS ("FFO") (1):						
Net income (loss) available to common shareholders of EPR Properties	\$ 26,084	\$ 12,519	\$ (2,654)	\$ (26,011)	\$ (91,938)	\$ (68,999)
Gain on sale of real estate	(787)	(511)	(201)	(49,877)	—	(22)
Impairment of real estate investments, net (2)	2,711	—	—	22,832	11,561	36,255
Real estate depreciation and amortization	42,415	40,332	40,109	41,786	41,791	42,151
Allocated share of joint venture depreciation	966	459	354	361	369	378
Impairment charges on joint ventures	—	—	—	—	—	3,247
FFO available to common shareholders of EPR Properties	<u>\$ 71,389</u>	<u>\$ 52,799</u>	<u>\$ 37,608</u>	<u>\$ (10,909)</u>	<u>\$ (38,217)</u>	<u>\$ 13,010</u>
FUNDS FROM OPERATIONS AS ADJUSTED ("FFOAA") (1):						
FFO available to common shareholders of EPR Properties	\$ 71,389	\$ 52,799	\$ 37,608	\$ (10,909)	\$ (38,217)	\$ 13,010
Costs associated with loan refinancing or payoff	4,741	—	241	812	—	820
Transaction costs	2,132	662	548	814	2,776	771
Severance expense	—	—	—	2,868	—	—
Impairment of operating lease right-of-use assets (2)	—	—	—	—	—	15,009
Credit loss (benefit) expense	(14,096)	(2,819)	(2,762)	20,312	5,707	3,484
Gain on insurance recovery (included in other income)	—	—	(30)	(809)	—	—
Deferred income tax expense (benefit)	—	—	—	—	18,035	(1,676)
FFO as adjusted available to common shareholders of EPR Properties	<u>\$ 64,166</u>	<u>\$ 50,642</u>	<u>\$ 35,605</u>	<u>\$ 13,088</u>	<u>\$ (11,699)</u>	<u>\$ 31,418</u>
FFO per common share:						
Basic	\$ 0.95	\$ 0.71	\$ 0.50	\$ (0.15)	\$ (0.51)	\$ 0.17
Diluted	0.95	0.71	0.50	(0.15)	(0.51)	0.17
FFO as adjusted per common share:						
Basic	\$ 0.86	\$ 0.68	\$ 0.48	\$ 0.18	\$ (0.16)	\$ 0.41
Diluted	0.86	0.68	0.48	0.18	(0.16)	0.41
Shares used for computation (in thousands):						
Basic	74,804	74,781	74,627	74,615	74,613	76,310
Diluted	74,911	74,870	74,669	74,615	74,613	76,310

(1) See pages 23 through 25 for definitions.

(2) Impairment charges recognized during the three months ended June 30, 2020 totaled \$51.3 million, which was comprised of \$36.3 million of impairments of real estate investments and \$15.0 million of impairments of operating lease right-of-use assets.

ADJUSTED FUNDS FROM OPERATIONS

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT PER SHARE INFORMATION)

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
ADJUSTED FUNDS FROM OPERATIONS ("AFFO") (1):						
FFO available to common shareholders of EPR Properties	\$ 71,389	\$ 52,799	\$ 37,608	\$ (10,909)	\$ (38,217)	\$ 13,010
Adjustments:						
Costs associated with loan refinancing or payoff	4,741	—	241	812	—	820
Transaction costs	2,132	662	548	814	2,776	771
Impairment of operating lease right-of-use assets (2)	—	—	—	—	—	15,009
Credit loss (benefit) expense	(14,096)	(2,819)	(2,762)	20,312	5,707	3,484
Severance expense	—	—	—	2,868	—	—
Gain on insurance recovery (included in other income)	—	—	(30)	(809)	—	—
Deferred income tax expense (benefit)	—	—	—	—	18,035	(1,676)
Non-real estate depreciation and amortization	197	206	217	228	268	299
Deferred financing fees amortization	2,210	1,574	1,547	1,823	1,498	1,651
Share-based compensation expense to management and trustees	3,759	3,675	3,784	3,437	3,410	3,463
Amortization of above/below market leases, net and tenant allowances	(98)	(99)	(96)	(96)	(124)	(108)
Maintenance capital expenditures (3)	(690)	(1,467)	(756)	(247)	(8,911)	(1,291)
Straight-lined rental revenue	(981)	(1,420)	(1,289)	(898)	17,969	(2,229)
Straight-lined ground sublease expense	98	111	84	150	216	207
Non-cash portion of mortgage and other financing income	55	(216)	(171)	(133)	71	(97)
AFFO available to common shareholders of EPR Properties	\$ 68,716	\$ 53,006	\$ 38,925	\$ 17,352	\$ 2,698	\$ 33,313
Weighted average diluted shares outstanding (in thousands)	74,911	74,870	74,669	74,615	74,613	76,310
AFFO per diluted common share	\$ 0.92	\$ 0.71	\$ 0.52	\$ 0.23	\$ 0.04	\$ 0.44
Dividends declared per common share	\$ 0.7500	\$ —	\$ —	\$ —	\$ —	\$ 0.3825
AFFO payout ratio (4)	82 %	— %	— %	— %	— %	87 %

(1) See pages 23 through 25 for definitions.

(2) Impairment charges recognized during the three months ended June 30, 2020 totaled \$51.3 million, which was comprised of \$36.3 million of impairments of real estate investments and \$15.0 million of impairments of operating lease right-of-use assets.

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

(4) AFFO payout ratio is calculated by dividing dividends declared per common share by AFFO per diluted common share. The monthly cash dividend to common shareholders was temporarily suspended following the common share dividend paid on May 15, 2020 to shareholders of record as of April 30, 2020. On July 13, 2021, following termination of the Covenant Relief Period, the Company resumed regular monthly cash dividends to common shareholders. During the three months ended September 30, 2021, the Company declared cash dividends totaling \$0.75 per common share.

CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2021

(UNAUDITED, DOLLARS IN THOUSANDS)

CONSOLIDATED DEBT

PRINCIPAL PAYMENTS DUE ON DEBT:

YEAR	BONDS/TERM LOAN/OTHER (1)	UNSECURED CREDIT FACILITY (3)	UNSECURED SENIOR NOTES	TOTAL	WEIGHTED AVG INTEREST RATE
2021	\$ —	\$ —	\$ —	\$ —	—%
2022	—	—	—	—	—%
2023	—	—	275,000 (2)	275,000	5.25%
2024	—	—	136,637	136,637	4.35%
2025	—	—	300,000	300,000	4.50%
2026	—	—	629,597	629,597	4.70%
2027	—	—	450,000	450,000	4.50%
2028	—	—	400,000	400,000	4.95%
2029	—	—	500,000	500,000	3.75%
2030	—	—	—	—	—%
2031	—	—	— (2)	—	—%
Thereafter	24,995	—	—	24,995	1.39%
Less: deferred financing costs, net	—	—	—	(32,166)	—%
	<u>\$ 24,995</u>	<u>\$ —</u>	<u>\$ 2,691,234</u>	<u>\$ 2,684,063</u>	<u>4.51%</u>

	BALANCE	WEIGHTED AVG INTEREST RATE	WEIGHTED AVG MATURITY
Fixed rate unsecured debt	\$ 2,691,234	4.54 %	5.25
Fixed rate secured debt (1)	24,995	1.39 %	25.84
Less: deferred financing costs, net	(32,166)	— %	—
Total	<u>\$ 2,684,063</u>	<u>4.51 %</u>	<u>5.49</u>

(1) Includes \$25 million of secured bonds that have been fixed through interest rate swaps through September 30, 2024.

(2) On October 27, 2021, the Company closed on the public offering of \$400.0 million in senior unsecured notes due November 15, 2031. These notes bear interest at an annual rate of 3.60%. In conjunction with the pricing of the new senior unsecured notes, the Company delivered notice of redemption to redeem all of the \$275.0 million principal amount of its 5.25% senior notes due in 2023. The redemption date is set for November 12, 2021, and the Company will use a portion of the proceeds from the issuance of the new senior unsecured notes to fund this redemption plus the make-whole premium payment estimated to be approximately \$20.1 million based on interest rates as of October 29, 2021 (the final make-whole premium will be determined closer to the redemption date).

(3) Unsecured Revolving Credit Facility Summary:

COMMITMENT	BALANCE AT 9/30/2021	MATURITY	RATE AT 9/30/2021
\$1,000,000	\$—	October 6, 2025	1.280%

Note: Subsequent to September 30, 2021, the Company amended and restated its Consolidated Credit Agreement. The new facility no longer includes a \$400.0 million term loan facility, which was paid off on September 13, 2021. The new facility will mature on October 6, 2025 and has two six-month extensions available at the Company's option and includes an accordion feature pursuant to which the maximum borrowing amount can be increased from \$1.0 billion to \$2.0 billion, in each case, subject to certain terms and conditions. The new facility has the same pricing terms and financial covenants as the prior facility.

CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

(UNAUDITED, DOLLARS IN THOUSANDS)

CONSOLIDATED DEBT (continued)

SUMMARY OF DEBT:

	September 30, 2021	December 31, 2020
Unsecured term loan payable, paid in full and related interest rate swaps terminated on September 13, 2021	\$ —	\$ 400,000
Senior unsecured notes payable, 5.25%, due July 15, 2023 (1)	275,000	275,000
Senior unsecured notes payable, 4.35% at December 31, 2020, due August 22, 2024	136,637	148,000
Senior unsecured notes payable, 4.50%, due April 1, 2025	300,000	300,000
Unsecured revolving variable rate credit facility, LIBOR + 1.20% at September 30, 2021, due October 6, 2025 (2)	—	590,000
Senior unsecured notes payable, 4.56% at December 31, 2020, due August 22, 2026	179,597	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
Senior unsecured notes payable, 3.75%, due August 15, 2029	500,000	500,000
Bonds payable, variable rate, fixed at 1.39% through September 30, 2024, due August 1, 2047	24,995	24,995
Less: deferred financing costs, net	(32,166)	(35,552)
Total debt	<u>\$ 2,684,063</u>	<u>\$ 3,694,443</u>

(1) Subsequent to September 30, 2021, on October 27, 2021, the Company closed on the public offering of \$400.0 million in senior unsecured notes due November 15, 2031. These notes bear interest at an annual rate of 3.60%. In conjunction with the pricing of the new senior unsecured notes, the Company delivered notice of redemption to redeem all of the \$275.0 million principal amount of its 5.25% senior notes due in 2023. The redemption date is set for November 12, 2021, and the Company will use a portion of the proceeds from the issuance of the new senior unsecured notes to fund this redemption plus the make-whole premium payment estimated to be approximately \$20.1 million based on interest rates as of October 29, 2021 (the final make-whole premium will be determined closer to the redemption date).

(2) Subsequent to September 30, 2021, the Company entered into a Third Amended, Restated Consolidated Credit Agreement, governing a new amended and restated senior unsecured revolving credit facility. The new facility, which will mature on October 6, 2025, replaced the Company's existing \$1.0 billion senior unsecured revolving credit facility and \$400.0 million senior unsecured term loan facility, which had a previous maturity date of February 27, 2022. The new facility provides for an initial maximum principal amount of borrowing availability of \$1.0 billion with an accordion feature under which the Company may increase the total maximum principal amount available by \$1.0 billion, to a total of \$2.0 billion, subject to lender consent. The new facility has the same pricing terms and financial covenants as the prior facility (with improved valuation of certain asset types), as well as customary covenants and events of default. The Company has two options to extend the maturity date of the new credit facility by an additional six months each (for a total of 12 months), subject to paying additional fees and the absence of any default.

CAPITAL STRUCTURE

SENIOR NOTES

SENIOR DEBT RATINGS AS OF SEPTEMBER 30, 2021

Moody's (1)	Baa3 (stable)
Fitch	BB+ (stable)
Standard and Poor's	BBB- (stable)

SUMMARY OF COVENANTS

The Company had outstanding public senior unsecured notes with fixed interest rates of 3.75%, 4.50%, 4.75%, 4.95% and 5.25% at September 30, 2021. 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 3.75%, 4.50%, 4.75%, 4.95% and 5.25% 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 September 30, 2021 and June 30, 2021 are:

NOTE COVENANTS	Required	Actual 3rd Quarter 2021 (2)	Actual 2nd Quarter 2021 (2)
Limitation on incurrence of total debt (Total Debt/Total Assets)	≤ 60%	40%	43%
Limitation on incurrence of secured debt (Secured Debt/Total Assets)	≤ 40%	—%	—%
Limitation on incurrence of debt: Debt service coverage (Consolidated Income Available for Debt Service/Annual Debt Service) - trailing twelve months	≥ 1.5 x	2.3x	2.0x
Maintenance of total unencumbered assets (Unencumbered Assets/Unsecured Debt)	≥ 150% of unsecured debt	239%	220%

(1) Moody's senior debt rating reflects an upgrade from a negative to a stable outlook on October 6, 2021.

(2) See page 14 for details of calculations.

CAPITAL STRUCTURE

SENIOR NOTES

(UNAUDITED, DOLLARS IN THOUSANDS)

COVENANT CALCULATIONS

TOTAL ASSETS:	September 30, 2021
Total Assets per balance sheet	\$ 5,721,157
Add: accumulated depreciation	1,142,513
Less: intangible assets, net	(38,600)
Total Assets	\$ 6,825,070

TOTAL UNENCUMBERED ASSETS:	September 30, 2021
Unencumbered real estate assets, gross	\$ 6,246,400
Cash and cash equivalents	144,433
Land held for development	21,875
Property under development	20,166
Total Unencumbered Assets	\$ 6,432,874

TOTAL DEBT:	September 30, 2021
Secured debt obligations	\$ 24,995
Unsecured debt obligations:	
Unsecured debt	2,691,234
Outstanding letters of credit	—
Guarantees	—
Derivatives at fair market value, net, if liability	4,391
Total unsecured debt obligations:	2,695,625
Total Debt	\$ 2,720,620

CONSOLIDATED INCOME AVAILABLE FOR DEBT SERVICE:	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	TRAILING TWELVE MONTHS
Adjusted EBITDAre	\$ 108,356	\$ 96,437	\$ 82,246	\$ 68,633	\$ 355,672
Less: straight-line revenue, net, included in adjusted EBITDAre	(981)	(1,420)	(1,289)	(1,768)	(5,458)
CONSOLIDATED INCOME AVAILABLE FOR DEBT SERVICE	\$ 107,375	\$ 95,017	\$ 80,957	\$ 66,865	\$ 350,214

ANNUAL DEBT SERVICE:					
Interest expense, gross	\$ 36,841	\$ 38,869	\$ 39,854	\$ 43,341	\$ 158,905
Less: deferred financing fees amortization	(2,210)	(1,574)	(1,547)	(1,823)	(7,154)
ANNUAL DEBT SERVICE	\$ 34,631	\$ 37,295	\$ 38,307	\$ 41,518	\$ 151,751
DEBT SERVICE COVERAGE	3.1	2.5	2.1	1.6	2.3

CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2021

(UNAUDITED, DOLLARS IN THOUSANDS EXCEPT SHARE INFORMATION)

EQUITY

SECURITY	SHARES OUTSTANDING	PRICE PER SHARE AT SEPTEMBER 30, 2021	LIQUIDATION PREFERENCE	DIVIDEND RATE	CONVERTIBLE	RATIO AT SEPTEMBER 30, 2021	PRICE AT SEPTEMBER 30, 2021
Common shares	74,805,810	\$49.38	N/A	(1)	N/A	N/A	N/A
Series C	5,392,916	\$26.09	\$134,823	5.750%	Y	0.4142	\$60.36
Series E	3,447,381	\$36.92	\$86,185	9.000%	Y	0.4826	\$51.80
Series G	6,000,000	\$25.92	\$150,000	5.750%	N	N/A	N/A

(1) Total monthly dividends declared in the third quarter of 2021 were \$0.75 per share.

SUMMARY OF RATIOS

(UNAUDITED)

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Net debt to gross assets	38%	39%	39%	40%	42%	41%
Net debt/Adjusted EBITDAre ratio (1)(2)	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9
Adjusted net debt/Annualized adjusted EBITDAre ratio (3)(4)	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9
Interest coverage ratio (5)	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9
Fixed charge coverage ratio (5)	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9
Debt service coverage ratio (5)	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9	Footnote 9
FFO payout ratio (6) (10)	79%	—%	—%	—%	—%	225%
FFO as adjusted payout ratio (7) (10)	87%	—%	—%	—%	—%	93%
AFFO payout ratio (8) (10)	82%	—%	—%	—%	—%	87%

(1) See pages 23 through 25 for definitions.

(2) Adjusted EBITDAre is for the quarter multiplied times four. See calculation on page 29.

(3) Adjusted net debt is net debt less 40% times property under development. See pages 23 through 25 for definitions.

(4) Annualized adjusted EBITDAre is Adjusted EBITDAre for the quarter further adjusted for in-service and disposed projects, percentage rent and participating interest and other non-recurring items which is then multiplied times four. These calculations can be found on page 29 under the reconciliation of Adjusted EBITDAre and Annualized Adjusted EBITDAre. See pages 23 through 25 for definitions.

(5) See page 27 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.

(9) Not presented as ratio is not meaningful given the continuing disruption caused by COVID-19 and the associated accounting for tenant rent deferrals and other lease modifications.

(10) The monthly cash dividend to common shareholders was temporarily suspended following the common share dividend paid on May 15, 2020 to shareholders of record as of April 30, 2020. On July 13, 2021, following termination of the Covenant Relief Period, the Company resumed regular monthly cash dividends to common shareholders. During the three months ended September 30, 2021, the Company declared cash dividends totaling \$0.75 per common share.

SUMMARY OF MORTGAGE NOTES RECEIVABLE

(UNAUDITED, DOLLARS IN THOUSANDS)

DESCRIPTION	INTEREST RATE	PAYOFF DATE/ MATURITY DATE	OUTSTANDING PRINCIPAL AMOUNT OF MORTGAGE	CARRYING AMOUNT AS OF (1)	
				SEPTEMBER 30, 2021	DECEMBER 31, 2020
Private school property Mableton, Georgia	9.02 %	Prepaid in full	\$ —	\$ —	\$ 5,278
Attraction property Powells Point, North Carolina	7.75 %	6/30/2025	28,521	27,908	27,045
Fitness & wellness property Omaha, Nebraska	7.85 %	1/3/2027	10,905	11,278	11,225
Fitness & wellness property Merriam, Kansas	7.55 %	7/31/2029	9,090	9,398	9,355
Ski property Girdwood, Alaska	8.21 %	12/31/2029	44,605	44,537	40,680
Fitness & wellness property Omaha, Nebraska	7.85 %	6/30/2030	10,539	10,797	8,630
Experiential lodging property Nashville, Tennessee	7.01 %	9/30/2031	71,223	70,422	67,235
Eat & play property Austin, Texas	11.31 %	6/1/2033	10,915	11,073	11,929
Ski property West Dover and Wilmington, Vermont	11.96 %	12/1/2034	51,050	51,045	51,031
Four ski properties Ohio and Pennsylvania	10.91 %	12/1/2034	37,562	37,506	37,413
Ski property Chesterland, Ohio	11.38 %	12/1/2034	4,550	4,509	4,396
Ski property Hunter, New York	8.72 %	1/5/2036	21,000	21,000	21,000
Eat & play property Midvale, Utah	10.25 %	5/31/2036	17,505	17,729	18,289
Eat & play property West Chester, Ohio	9.75 %	8/1/2036	18,068	18,285	18,830
Fitness & wellness property Fort Collins, Colorado	7.85 %	1/31/2038	10,292	10,568	10,408
Early childhood education center Lake Mary, Florida	7.98 %	5/9/2039	4,200	4,321	4,348
Eat & play property Eugene, Oregon	8.13 %	6/17/2039	14,700	14,759	14,799
Early childhood education center Lithia, Florida	8.42 %	10/31/2039	3,959	3,999	3,737
Total			<u>\$ 368,684</u>	<u>\$ 369,134</u>	<u>\$ 365,628</u>

(1) Amounts include accrued interest.

INVESTMENT SPENDING AND DISPOSITION SUMMARIES

(UNAUDITED, DOLLARS IN THOUSANDS)

INVESTMENT SPENDING THREE MONTHS ENDED SEPTEMBER 30, 2021

INVESTMENT TYPE	TOTAL INVESTMENT SPENDING	NEW DEVELOPMENT	RE-DEVELOPMENT	ASSET ACQUISITION	MORTGAGE NOTES OR NOTES RECEIVABLE	INVESTMENT IN JOINT VENTURES
Theatres	\$ 1,141	\$ 845	\$ 296	\$ —	\$ —	\$ —
Eat & Play	1,496	1,492	4	—	—	—
Attractions	17	—	17	—	—	—
Ski	2,753	—	—	—	2,753	—
Experiential Lodging	33,509	2,378	5,248	—	—	25,883
Cultural	5	—	5	—	—	—
Fitness & Wellness	329	—	—	—	329	—
Total Experiential	39,250	4,715	5,570	—	3,082	25,883
Total Education	—	—	—	—	—	—
Total Investment Spending	\$ 39,250	\$ 4,715	\$ 5,570	\$ —	\$ 3,082	\$ 25,883

INVESTMENT SPENDING NINE MONTHS ENDED SEPTEMBER 30, 2021

INVESTMENT TYPE	TOTAL INVESTMENT SPENDING	NEW DEVELOPMENT	RE-DEVELOPMENT	ASSET ACQUISITION	MORTGAGE NOTES OR NOTES RECEIVABLE	INVESTMENT IN JOINT VENTURES
Theatres	\$ 4,190	\$ 3,785	\$ 405	\$ —	\$ —	\$ —
Eat & Play	36,414	9,347	315	26,752	—	—
Attractions	46	—	46	—	—	—
Ski	5,546	—	—	—	5,546	—
Experiential Lodging	55,193	16,300	11,070	—	—	27,823
Cultural	4,394	—	15	—	4,379	—
Fitness & Wellness	2,124	—	—	—	2,124	—
Total Experiential	107,907	29,432	11,851	26,752	12,049	27,823
Total Education	—	—	—	—	—	—
Total Investment Spending	\$ 107,907	\$ 29,432	\$ 11,851	\$ 26,752	\$ 12,049	\$ 27,823

2021 DISPOSITIONS

INVESTMENT TYPE	THREE MONTHS ENDED SEPTEMBER 30, 2021			NINE MONTHS ENDED SEPTEMBER 30, 2021		
	TOTAL DISPOSITIONS	NET PROCEEDS FROM SALE OF REAL ESTATE	NET PROCEEDS FROM PAYDOWN OF MORTGAGE NOTES	TOTAL DISPOSITIONS	NET PROCEEDS FROM SALE OF REAL ESTATE	NET PROCEEDS FROM PAYDOWN OF MORTGAGE NOTES
Theatres	\$ —	\$ —	\$ —	\$ 28,634	\$ 28,634	\$ —
Total Experiential	—	—	—	28,634	28,634	—
Total Education	2,186	2,186	—	7,264	2,186	5,078
Total Dispositions	\$ 2,186	\$ 2,186	\$ —	\$ 35,898	\$ 30,820	\$ 5,078

PROPERTY UNDER DEVELOPMENT - INVESTMENT SPENDING ESTIMATES AT SEPTEMBER 30, 2021 (1)

(UNAUDITED, DOLLARS IN THOUSANDS)

	SEPTEMBER 30, 2021		OWNED BUILD-TO-SUIT SPENDING ESTIMATES						TOTAL EXPECTED COSTS (2)	% LEASED
	PROPERTY UNDER DEVELOPMENT	# OF PROJECTS	4TH QUARTER 2021	1ST QUARTER 2022	2ND QUARTER 2022	3RD QUARTER 2022	THEREAFTER			
Total Build-to-Suit (3)	\$ 16,535	6	\$ 105	\$ 105	\$ 105	\$ —	\$ 130	\$ 16,980	100 %	
Non Build-to-Suit Development	3,631									
Total Property Under Development	\$ 20,166									

	SEPTEMBER 30, 2021		OWNED BUILD-TO-SUIT IN-SERVICE ESTIMATES						TOTAL IN-SERVICE (2)	ACTUAL IN-SERVICE 3RD QUARTER 2021
	# OF PROJECTS		4TH QUARTER 2021	1ST QUARTER 2022	2ND QUARTER 2022	3RD QUARTER 2022	THEREAFTER			
Total Build-to-Suit	6		\$ 12,696	\$ 381	\$ 1,404	\$ 2,499	\$ —	\$ 16,980	\$ 2,899	

	SEPTEMBER 30, 2021		MORTGAGE BUILD-TO-SUIT SPENDING ESTIMATES						TOTAL EXPECTED COSTS (2)
	MORTGAGE NOTES RECEIVABLE	# OF PROJECTS	4TH QUARTER 2021	1ST QUARTER 2022	2ND QUARTER 2022	3RD QUARTER 2022	THEREAFTER		
Total Build-to-Suit Mortgage Notes	\$ 55,333	2	\$ 2,426	\$ —	\$ —	\$ —	\$ 10,163	\$ 67,922	
Non Build-to-Suit Mortgage Notes	313,801								
Total Mortgage Notes Receivable	\$ 369,134								

(1) This schedule includes only those properties for which the Company has commenced construction as of September 30, 2021.

(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) Total Build-to-Suit 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 is estimated at \$0.2 million for the three months ended December 31, 2021.

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.

LEASE EXPIRATIONS

AS OF SEPTEMBER 30, 2021

(UNAUDITED, DOLLARS IN THOUSANDS)

YEAR	TOTAL NUMBER OF PROPERTIES	RENTAL REVENUE FOR THE TRAILING TWELVE MONTHS ENDED SEPTEMBER 30, 2021 (1)	% OF TOTAL REVENUE
2021	—	\$ —	— %
2022	2	2,673	1 %
2023	2	953	— %
2024	6	7,955	2 %
2025	2	2,664	1 %
2026	3	6,199	1 %
2027	8	19,014	4 %
2028	12	8,912	2 %
2029	12	12,600	3 %
2030	22	22,025	5 %
2031	13	7,174	1 %
2032	21	16,040	3 %
2033	10	10,103	2 %
2034	40	42,705	9 %
2035	33	73,172	15 %
2036	26	31,027	7 %
2037	32	51,423	11 %
2038	35	33,376	7 %
2039	4	6,739	1 %
2040	4	4,673	1 %
Thereafter	37	27,302	6 %
	<u>324</u>	<u>\$ 386,729</u>	<u>82 %</u>

Note: This schedule excludes non-theatre tenant leases within the Company's entertainment districts, properties under development, land held for development, properties operated by the Company and investments in mortgage notes receivable.

(1) Rental revenue for the trailing twelve months ended September 30, 2021 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 trailing twelve months ended September 30, 2021 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)

		PERCENTAGE OF TOTAL REVENUE FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021	PERCENTAGE OF TOTAL REVENUE FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
	CUSTOMERS		
1.	AMC Theatres	16.7%	18.8%
2.	Topgolf	15.4%	16.8%
3.	Regal Cinemas	8.3%	6.2%
4.	Cinemark	7.6%	8.5%
5.	Vail Resorts	5.0%	5.5%
6.	Premier Parks	4.5%	2.6%
7.	Camelback Resort	4.0%	4.4%
8.	Six Flags	3.3%	3.3%
9.	Endeavor Schools	2.7%	3.0%
10.	Empire Resorts	2.0%	2.2%
	Total	69.5%	71.3%

GUIDANCE

(UNAUDITED, DOLLARS IN MILLION, EXCEPT PER SHARE DATA)

MEASURE

	2021 GUIDANCE					
	YTD ACTUALS	CURRENT		PRIOR		
Investment spending (1)	\$107.9	(1)	(1)			
Disposition proceeds and mortgage note payoff	\$35.9	\$93.0	to	\$103.0	\$40.0	to \$50.0
Percentage rent and participating interest income	\$7.2	\$10.8	to	\$11.8	\$8.5	to \$9.5
General and administrative expense	\$33.9	\$45.0	to	\$47.0	\$45.5	to \$47.5
FFO per diluted share (1)	\$2.16	\$2.80	to	\$2.86	\$2.80	to \$2.90
FFO as adjusted (FFOAA) per diluted share (1)	\$2.01	\$2.95	to	\$3.01	\$2.76	to \$2.86

COMMON SHAREHOLDERS OF EPR PROPERTIES (PER DILUTED SHARE):

	YTD ACTUALS	2021 GUIDANCE	
Net income available to common shareholders of EPR Properties	\$0.48	\$0.76	to \$0.84
Gain on sale of real estate	(0.02)	(0.23)	to (0.25)
Impairment of real estate investments, net	0.04	0.04	
Real estate depreciation and amortization	1.64	2.18	
Allocated share of joint venture depreciation	0.02	0.05	
FFO available to common shareholders of EPR Properties	\$2.16	\$2.80	to \$2.86
Transaction costs	0.04	0.05	
Costs associated with loan refinancing or payoff	0.07	0.36	
Credit loss (benefit) expense	(0.26)	(0.26)	
FFO as adjusted (FFOAA) available to common shareholders of EPR Properties	\$2.01	\$2.95	to \$3.01

(1) At this time, the Company is not providing investment spending guidance. The guidance for FFO per diluted share and FFOAA per diluted share includes only previously committed additional investment spending of approximately \$6.1 million for the last three months of 2021.

EXPECTED REVENUE RECOGNITION AND CASH COLLECTIONS AS A % of CONTRACTUAL CASH REVENUE (2)

	4TH QUARTER 2021			
	RANGE IN \$		% OF CONTRACTUAL CASH REVENUE (2)	
Revenue recognition	\$133.0	to \$138.0	96%	to 99%
Cash collections	\$131.0	to \$135.0	95%	to 97%

(2) Contractual cash revenue is an operational measure and represents aggregate cash payments for which the Company is entitled under existing contracts, excluding the impact of any temporary abatements or deferrals, percentage rent (rents received over base amounts), non-cash revenue and revenue from taxable REIT subsidiaries (TRSs).

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.

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 (loss), 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 associated with loan refinancing or payoff 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. The Company's method of calculating EBITDAre may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. EBITDAre is not a measure of performance under GAAP, does not represent cash generated from operations as defined by GAAP and is not indicative of cash available to fund all cash needs, including distributions. This measure should not be considered an alternative to net income (loss) or any other GAAP measure as a measurement of the results of the Company's operations or cash flows or liquidity as defined by GAAP.

ADJUSTED EBITDAre AND ANNUALIZED ADJUSTED EBITDAre

Management uses Adjusted EBITDAre in its analysis of the performance of the business and operations of the Company. Management believes Adjusted EBITDAre 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 EBITDAre as EBITDAre (defined above) for the quarter excluding gain on insurance recovery, severance expense, credit loss (benefit) expense, transaction costs, impairment losses on operating lease right-of-use assets and prepayment fees. This number for the quarter is then multiplied by four to get an annual amount. Annualized Adjusted EBITDAre is Adjusted EBITDAre for the quarter further adjusted for in-service and disposed projects, percentage rent and participating interest and other non-recurring items including removing any impact from operating properties, which is then multiplied by four to get an annual amount. Additionally, for the year ended December 31, 2020, Adjusted EBITDAre was further adjusted to add back prior period receivable write-offs related to certain theatre tenants placed on cash basis or receiving abatements during the respective periods.

The Company's method of calculating Adjusted EBITDAre and Annualized Adjusted EBITDAre may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. Adjusted EBITDAre and Annualized Adjusted EBITDAre are not measures of performance under GAAP, 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 (loss) or any other GAAP measure as a measurement of the results of the Company's operations or cash flows or liquidity as defined by GAAP.

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 reducing debt for cash and cash equivalents on hand, 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_{re} RATIO AND ADJUSTED NET DEBT TO ANNUALIZED ADJUSTED EBITDA_{re} RATIO

Net Debt to Adjusted EBITDA_{re} ratio and Adjusted Net Debt to Annualized Adjusted EBITDA_{re} ratio 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.

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 (loss) available to common shareholders and earnings per share. Pursuant to the definition of FFO by the Board of Governors of NAREIT, the Company calculates FFO as net income (loss) 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. The Company has calculated FFO for all periods presented in accordance with this definition. In addition, the Company presents FFO as adjusted. Management believes it is useful to provide FFO as adjusted as a supplemental measure to GAAP net income (loss) available to common shareholders and earnings per share. FFO as adjusted is FFO plus costs associated with loan refinancing or payoff, transaction costs, severance expense, preferred share redemption costs, impairment of operating lease right-of-use assets and credit loss (benefit) expense, and by subtracting gain on insurance recovery and deferred income tax expense (benefit). 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 (loss) or any other GAAP measure as a measurement of the results of the Company's 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, the Company presents AFFO by adding to FFO costs associated with loan refinancing or payoff, transaction costs, credit loss (benefit) expense, severance expense, preferred share redemption costs, impairment of operating lease right-of-use assets, termination fees associated with tenants' exercises of public charter school buy-out options, 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 by subtracting maintenance capital expenditures (including second generation tenant improvements and leasing commissions), straight-lined rental revenue (removing the impact of straight-line ground sublease expense), non-cash portion of mortgage and other financing income, gain on insurance recovery and deferred income tax (benefit) expense. 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 (loss) 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 (loss) or any other GAAP measure as a measurement of the results of the Company's operations or its 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. The Company calculates the interest coverage amount by adding to net income (loss) impairment charges, credit loss (benefit) expense, transaction costs, interest expense, gross (including interest expense in discontinued operations), severance expense, depreciation and amortization, share-based compensation expense to management and trustees and costs associated with loan refinancing or payoff; 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). The Company calculates interest expense, gross, by adding to interest expense, net, interest income and interest cost capitalized. The Company considers 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. The Company's 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. The Company considers 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. The Company's 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. The Company considers 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. The Company's 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.



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Appendix to Supplemental Operating and Financial Data

Reconciliation of Certain Non-GAAP Financial Measures

Third Quarter and Nine Months Ended September 30, 2021

CALCULATION OF INTEREST, FIXED CHARGE AND DEBT SERVICE COVERAGE RATIOS

(UNAUDITED, DOLLARS IN THOUSANDS)

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
INTEREST COVERAGE RATIO (1):						
Net income (loss)	\$ 32,117	\$ 18,552	\$ 3,380	\$ (19,977)	\$ (85,904)	\$ (62,965)
Impairment charges	2,711	—	—	22,832	11,561	51,264
Impairment charges on joint ventures	—	—	—	—	—	3,247
Transaction costs	2,132	662	548	814	2,776	771
Credit loss (benefit) expense	(14,096)	(2,819)	(2,762)	20,312	5,707	3,484
Interest expense, gross	36,841	38,869	39,854	43,341	42,312	39,281
Severance expense	—	—	—	2,868	—	—
Depreciation and amortization	42,612	40,538	40,326	42,014	42,059	42,450
Share-based compensation expense to management and trustees	3,759	3,675	3,784	3,437	3,410	3,463
Costs associated with loan refinancing or payoff	4,741	—	241	812	—	820
Interest cost capitalized	(233)	(514)	(595)	(404)	(325)	(242)
Straight-line rental revenue	(981)	(1,420)	(1,289)	(898)	17,969	(2,229)
Gain on sale of real estate	(787)	(511)	(201)	(49,877)	—	(22)
Gain on insurance recovery	—	—	(30)	(809)	—	—
Deferred income tax expense (benefit)	—	—	—	—	18,035	(1,676)
Interest coverage amount	\$ 108,816	\$ 97,032	\$ 83,256	\$ 64,465	\$ 57,600	\$ 77,646
Interest expense, net	\$ 36,584	\$ 38,312	\$ 39,194	\$ 42,838	\$ 41,744	\$ 38,340
Interest income	24	43	65	99	243	699
Interest cost capitalized	233	514	595	404	325	242
Interest expense, gross	\$ 36,841	\$ 38,869	\$ 39,854	\$ 43,341	\$ 42,312	\$ 39,281
Interest coverage ratio	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2
FIXED CHARGE COVERAGE RATIO (1):						
Interest coverage amount	\$ 108,816	\$ 97,032	\$ 83,256	\$ 64,465	\$ 57,600	\$ 77,646
Interest expense, gross	\$ 36,841	\$ 38,869	\$ 39,854	\$ 43,341	\$ 42,312	\$ 39,281
Preferred share dividends	6,033	6,033	6,034	6,034	6,034	6,034
Fixed charges	\$ 42,874	\$ 44,902	\$ 45,888	\$ 49,375	\$ 48,346	\$ 45,315
Fixed charge coverage ratio	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2
DEBT SERVICE COVERAGE RATIO (1):						
Interest coverage amount	\$ 108,816	\$ 97,032	\$ 83,256	\$ 64,465	\$ 57,600	\$ 77,646
Interest expense, gross	\$ 36,841	\$ 38,869	\$ 39,854	\$ 43,341	\$ 42,312	\$ 39,281
Recurring principal payments	—	—	—	—	—	—
Debt service	\$ 36,841	\$ 38,869	\$ 39,854	\$ 43,341	\$ 42,312	\$ 39,281
Debt service coverage ratio	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2	Footnote 2

(1) See pages 23 through 25 for definitions.

(2) Not presented as this ratio is not meaningful given the continuing disruption caused by COVID-19 and the associated accounting for tenant rent deferrals and other lease modifications.

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 27 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:

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Net cash provided (used) by operating activities	\$ 95,624	\$ 62,494	\$ 78,306	\$ 5,795	\$ 2,065	\$ (31,631)
Equity in loss from joint ventures	(418)	(1,151)	(1,431)	(1,364)	(1,044)	(1,724)
Distributions from joint ventures	—	—	(90)	—	—	—
Amortization of deferred financing costs	(2,210)	(1,574)	(1,547)	(1,823)	(1,498)	(1,651)
Amortization of above and below market leases, net and tenant allowances	98	99	96	96	124	108
Changes in assets and liabilities, net:						
Amortization of operating lease assets and liabilities	146	113	120	230	(14)	(287)
Mortgage notes and related accrued interest receivable	(154)	423	(280)	3,297	1,154	2,613
Accounts receivable	(10,692)	(6,265)	(18,687)	4,422	(5,053)	62,163
Other assets	(4,396)	(1,003)	7,323	(367)	(2,208)	819
Accounts payable and accrued liabilities	(7,230)	2,716	(997)	404	(4,348)	6,555
Unearned rents and interest	289	3,583	(18,075)	9,312	5,690	3,100
Straight-line rental revenue	(981)	(1,420)	(1,289)	(898)	17,969	(2,229)
Interest expense, gross	36,841	38,869	39,854	43,341	42,312	39,281
Interest cost capitalized	(233)	(514)	(595)	(404)	(325)	(242)
Transaction costs	2,132	662	548	814	2,776	771
Severance expense (cash portion)	—	—	—	1,610	—	—
Interest coverage amount (1)	<u>\$ 108,816</u>	<u>\$ 97,032</u>	<u>\$ 83,256</u>	<u>\$ 64,465</u>	<u>\$ 57,600</u>	<u>\$ 77,646</u>
Net cash (used) provided by investing activities	\$ (12,711)	\$ 3,128	\$ (29,894)	\$ 204,883	\$ (17,919)	\$ (13,219)
Net cash used by financing activities	\$ (446,643)	\$ (96,195)	\$ (532,435)	\$ (170,716)	\$ (5,994)	\$ (175,358)

(1) See pages 23 through 25 for definitions.

RECONCILIATION OF EBITDAre, ADJUSTED EBITDAre, ANNUALIZED ADJUSTED EBITDAre AND ANNUALIZED ADJUSTED REVENUE

(UNAUDITED, DOLLARS IN THOUSANDS)

ADJUSTED EBITDAre (4):	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Net income (loss)	\$ 32,117	\$ 18,552	\$ 3,380	\$ (19,977)	\$ (85,904)	\$ (62,965)
Interest expense, net	36,584	38,312	39,194	42,838	41,744	38,340
Income tax expense (benefit)	395	398	407	402	18,417	(1,312)
Depreciation and amortization	42,612	40,538	40,326	42,014	42,059	42,450
Gain on sale of real estate	(787)	(511)	(201)	(49,877)	—	(22)
Impairment of real estate investments, net (3)	2,711	—	—	22,832	11,561	36,255
Costs associated with loan refinancing or payoff	4,741	—	241	812	—	820
Allocated share of joint venture depreciation	966	459	354	361	369	378
Allocated share of joint venture interest expense	981	846	789	872	741	736
Impairment charges on joint ventures	—	—	—	—	—	3,247
EBITDAre	<u>\$ 120,320</u>	<u>\$ 98,594</u>	<u>\$ 84,490</u>	<u>\$ 40,277</u>	<u>\$ 28,987</u>	<u>\$ 57,927</u>
Gain on insurance recovery (1)	—	—	(30)	(809)	—	—
Severance expense	—	—	—	2,868	—	—
Transaction costs	2,132	662	548	814	2,776	771
Credit loss (benefit) expense	(14,096)	(2,819)	(2,762)	20,312	5,707	3,484
Accounts receivable write-offs from prior periods (2)	—	—	—	4,301	13,533	—
Straight-line receivable write-offs from prior periods (2)	—	—	—	870	19,927	—
Impairment of operating lease right-of-use assets (3)	—	—	—	—	—	15,009
Adjusted EBITDAre (for the quarter)	<u>\$ 108,356</u>	<u>\$ 96,437</u>	<u>\$ 82,246</u>	<u>\$ 68,633</u>	<u>\$ 70,930</u>	<u>\$ 77,191</u>
Adjusted EBITDAre (5)	<u>Footnote 10</u>	<u>Footnote 10</u>	<u>Footnote 10</u>	<u>Footnote 10</u>	<u>Footnote 10</u>	<u>Footnote 10</u>

ANNUALIZED ADJUSTED EBITDAre (4):

Adjusted EBITDAre (for the quarter)						
Corporate/unallocated and other NOI						
In-service and disposition adjustments (6)						
Percentage rent/participation adjustments (7)	Footnote 10	Footnote 10	Footnote 10	Footnote 10	Footnote 10	Footnote 10
Non-recurring adjustments (8)						
Annualized Adjusted EBITDAre (for the quarter)						
Annualized Adjusted EBITDAre (9)						

See footnotes on following page.

(1) Included in other income in the consolidated statements of income (loss) in the Company's Annual Reports on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Reconciliation is as follows:

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Income (loss) from settlement of foreign currency swap contracts	\$ 39	\$ (28)	\$ 52	\$ 110	\$ 154	\$ 408
Gain on insurance recovery	—	—	30	809	—	—
Operating income from operated properties	7,860	848	295	45	16	8
Fee income	187	—	—	—	—	—
Miscellaneous income	5	213	301	4	12	—
Other income	<u>\$ 8,091</u>	<u>\$ 1,033</u>	<u>\$ 678</u>	<u>\$ 968</u>	<u>\$ 182</u>	<u>\$ 416</u>

(2) Included in rental revenue from continuing operations in the consolidated statements of income (loss) in the Company's Annual Reports on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Reconciliation is as follows:

	3RD QUARTER 2021	2ND QUARTER 2021	1ST QUARTER 2021	4TH QUARTER 2020	3RD QUARTER 2020	2ND QUARTER 2020
Minimum rent	\$ 114,375	\$ 107,100	\$ 94,190	\$ 79,342	\$ 83,230	\$ 89,589
Accounts receivable write-offs from prior periods	—	—	—	(4,301)	(13,533)	—
Tenant reimbursements	4,187	5,000	4,822	4,831	2,413	4,169
Percentage rent	3,149	2,016	2,030	3,040	1,303	1,454
Straight-line rental revenue	981	1,420	1,289	1,768	1,958	2,229
Straight-line write-offs from prior periods	—	—	—	(870)	(19,927)	—
Other rental revenue	348	347	283	201	147	90
Rental revenue	<u>\$ 123,040</u>	<u>\$ 115,883</u>	<u>\$ 102,614</u>	<u>\$ 84,011</u>	<u>\$ 55,591</u>	<u>\$ 97,531</u>

(3) Impairment charges recognized during the three months ended June 30, 2020 totaled \$51.3 million, which was comprised of \$36.3 million of impairments of real estate investments and \$15.0 million of impairments of operating lease right-of-use assets.

(4) See pages 23 through 25 for definitions.

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

(6) Adjustments for properties commencing or terminating GAAP net operating income during the quarter and adjustments to revenue from mortgage notes receivable to be consistent with end of quarter balance, for continuing properties only.

(7) To adjust percentage rents and participating interest income from the actual latest quarterly amount to the trailing twelve month amount divided by four.

(8) Non-recurring adjustments relate to properties under operating agreements with third parties, as applicable, and COVID-19 related adjustments.

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

(10) Not presented as this metric is not meaningful given the continuing disruption caused by the COVID-19 pandemic and the associated accounting for tenant rent deferrals and other lease modifications.