

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-38372 (VICI Properties Inc.)
Commission file number: 333-264352-01 (VICI Properties L.P.)

VICI Properties Inc.

VICI Properties L.P.

(Exact name of registrant as specified in its charter)

Maryland

(VICI Properties Inc.)

81-4177147

Delaware

(VICI Properties L.P.)

35-2576503

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

535 Madison Avenue, 20th Floor New York, New York 10022

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (646) 949-4631

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.01 par value	VICI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

VICI Properties Inc. Yes No

VICI Properties L.P. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

VICI Properties Inc. Yes No

VICI Properties L.P. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	VICI Properties Inc. Accelerated filer	<input type="checkbox"/>	Large Accelerated Filer	<input type="checkbox"/>	VICI Properties L.P. Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	VICI Properties Inc. Smaller reporting company	<input type="checkbox"/>	Non-accelerated filer	<input checked="" type="checkbox"/>	VICI Properties L.P. Smaller reporting company	<input type="checkbox"/>
		VICI Properties Inc. Emerging growth company	<input type="checkbox"/>			VICI Properties L.P. Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

VICI Properties Inc.

VICI Properties L.P.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

VICI Properties Inc. Yes No

VICI Properties L.P. Yes No

As of July 25, 2023, VICI Properties Inc. had 1,013,428,150 shares of common stock, \$0.01 par value per share, outstanding. VICI Properties L.P. has no common stock outstanding.

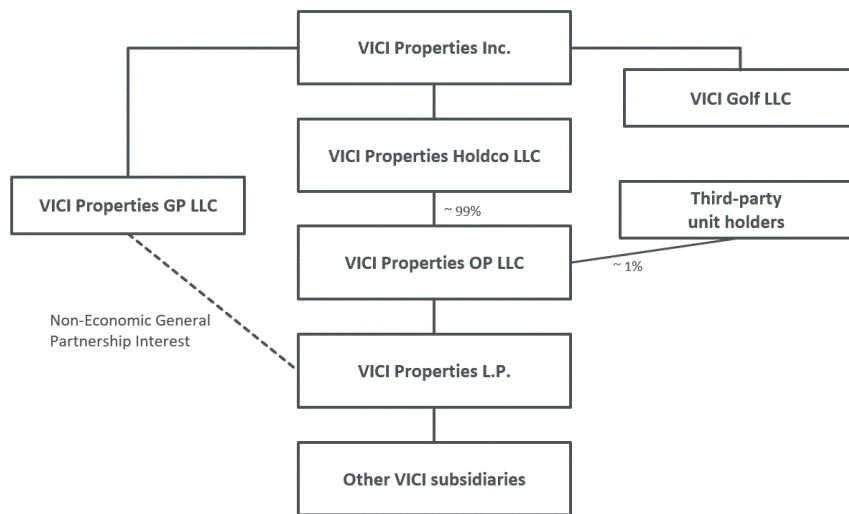
EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the three and six months ended June 30, 2023 of VICI Properties Inc. and VICI Properties L.P. Unless stated otherwise or the context otherwise requires, references to “VICI” mean VICI Properties Inc. and its consolidated subsidiaries, including VICI Properties OP LLC (“VICI OP”), and references to “VICI LP” mean VICI Properties L.P. and its consolidated subsidiaries. Unless stated otherwise or the context otherwise requires, the terms “the Company,” “we,” “our” and “us” mean VICI and VICI LP, including, collectively, their consolidated subsidiaries.

In order to highlight the differences between VICI and VICI LP, the separate sections in this report for VICI and VICI LP described below specifically refer to VICI and VICI LP. In the sections that combine disclosure of VICI and VICI LP, this report refers to actions or holdings of VICI and VICI LP as being “our” actions or holdings. Although VICI LP is generally the entity that directly or indirectly enters into contracts and joint ventures, holds assets and incurs debt, we believe that references to “we,” “us” or “our” in this context is appropriate because the business is one enterprise and we operate substantially all of our business and own, either directly or through subsidiaries, substantially all of our assets through VICI LP.

VICI is a real estate investment trust (“REIT”) that is the sole owner of VICI Properties GP LLC (the “General Partner”), the sole general partner of VICI LP. As of June 30, 2023, VICI owns 100% of the limited liability company interests of VICI Properties HoldCo LLC (“HoldCo”), which in turn owns approximately 98.8% of the limited liability company interest of VICI OP (such interests, “VICI OP Units”), our operating partnership, which in turn owns 100% of the limited partnership interest in VICI LP. The balance of the VICI OP Units not held by HoldCo are held by MGM Resorts International or its affiliates.

The following diagram details VICI’s organizational structure as of June 30, 2023.



We believe combining the quarterly reports on Form 10-Q of VICI and VICI LP into this single report:

- enhances investors’ understanding of VICI and VICI LP by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We operate VICI and VICI LP as one business. Because VICI LP is managed by VICI, and VICI conducts substantially all of its operations and owns, either directly or through subsidiaries, substantially all of its assets indirectly through VICI LP, VICI’s executive officers are VICI LP’s executive officers, although, as a partnership, VICI LP does not have a board of directors.

We believe it is important to understand the few differences between VICI and VICI LP in the context of how VICI and VICI LP operate as a consolidated company. VICI is a REIT whose only material assets are its indirect interest in VICI LP, through which it conducts its real property business. VICI also conducts its golf course business through a taxable REIT subsidiary (a “TRS”), VICI Golf LLC, a Delaware limited liability company (“VICI Golf”). As a result, VICI does not conduct business itself other than issuing public equity from time to time and does not directly incur any material indebtedness, rather VICI LP

holds substantially all of our assets, except for those held in VICI Golf. Except for net proceeds from public equity issuances by VICI, VICI LP generates all capital required by the Company's business, which sources include VICI LP's operations and its direct or indirect incurrence of indebtedness.

VICI consolidates VICI LP for financial reporting purposes, and VICI does not have material assets other than its indirect investment in VICI LP. Therefore, while there are some areas of difference between the unaudited Consolidated Financial Statements of VICI and those of VICI LP, the assets and liabilities of VICI and VICI LP are materially the same on their respective financial statements. As of June 30, 2023, the primary areas of difference between the unaudited Consolidated Financial Statements of VICI and those of VICI LP were cash and cash equivalents, stockholders' equity and partners' capital, non-controlling interests and golf operations, which include the assets and liabilities and income and expenses of VICI Golf.

To help investors understand the differences between VICI and VICI LP, this report provides:

- separate consolidated financial statements for VICI and VICI LP;
- a single set of notes to such consolidated financial statements that includes separate discussions of stockholders' equity or partners' equity and per share and per unit data, as applicable;
- a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that also includes discrete information related to each entity, as applicable;
- separate Part I, Item 4. Controls and Procedures sections;
- separate Part II, Item 2. Issuer Purchases of Equity Securities sections related to each entity; and
- separate Exhibits 31 and 32 certifications for each VICI and VICI LP in order to establish that the requisite certifications have been made and that VICI and VICI LP are each compliant with Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

The separate discussions of VICI and VICI LP in this report should be read in conjunction with each other to understand our results on a consolidated basis and how management operates our business.

**VICI PROPERTIES INC.
VICI PROPERTIES L.P.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2023
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PART I FINANCIAL INFORMATION**Item 1. Financial Statements**

VICI PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except share and per share data)

	June 30, 2023	December 31, 2022
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	\$ 22,655,164	\$ 17,172,325
Investments in leases - financing receivables, net	17,144,528	16,740,770
Investments in loans and securities, net	627,259	685,793
Investment in unconsolidated affiliate	—	1,460,775
Land	150,727	153,560
Cash and cash equivalents	738,793	208,933
Short-term investments	—	217,342
Other assets	934,139	936,328
Total assets	<u>\$ 42,250,610</u>	<u>\$ 37,575,826</u>
Liabilities		
Debt, net	\$ 16,624,197	\$ 13,739,675
Accrued expenses and deferred revenue	210,534	213,388
Dividends and distributions payable	397,480	380,178
Other liabilities	933,824	952,472
Total liabilities	<u>18,166,035</u>	<u>15,285,713</u>
Commitments and contingent liabilities (Note 10)		
Stockholders' equity		
Common stock, \$0.01 par value, 1,350,000,000 shares authorized and 1,007,426,510 and 963,096,563 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	10,074	9,631
Preferred stock, \$0.01 par value, 50,000,000 shares authorized and no shares outstanding at June 30, 2023 and December 31, 2022	—	—
Additional paid-in capital	23,014,913	21,645,499
Accumulated other comprehensive income	173,670	185,353
Retained earnings	518,059	93,154
Total VICI stockholders' equity	<u>23,716,716</u>	<u>21,933,637</u>
Non-controlling interests	367,859	356,476
Total stockholders' equity	<u>24,084,575</u>	<u>22,290,113</u>
Total liabilities and stockholders' equity	<u>\$ 42,250,610</u>	<u>\$ 37,575,826</u>

Note: As of June 30, 2023 and December 31, 2022, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and securities, and Other assets (sales-type sub-leases) are net of allowance for credit losses of \$711.2 million, \$670.0 million, \$13.5 million and \$16.3 million, respectively, and \$570.4 million, \$726.7 million, \$6.9 million and \$19.8 million, respectively. Refer to [Note 5 - Allowance for Credit Losses](#) for further details.

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues				
Income from sales-type leases	\$ 495,355	\$ 375,169	\$ 973,749	\$ 701,904
Income from lease financing receivables, loans and securities	373,132	261,721	744,201	334,599
Other income	18,525	15,563	36,864	23,949
Golf revenues	11,146	10,170	20,991	18,796
Total revenues	898,158	662,623	1,775,805	1,079,248
Operating expenses				
General and administrative	14,920	11,782	29,925	21,248
Depreciation	887	779	1,701	1,555
Other expenses	18,525	15,563	36,864	23,949
Golf expenses	6,590	5,859	12,542	11,144
Change in allowance for credit losses	(41,355)	551,876	70,122	632,696
Transaction and acquisition expenses	777	16,664	(181)	17,419
Total operating expenses	344	602,523	150,973	708,011
Income from unconsolidated affiliate	—	15,134	1,280	15,134
Interest expense	(203,594)	(133,128)	(407,954)	(201,270)
Interest income	5,806	780	8,853	873
Other gains (losses)	3,454	—	5,417	—
Income (loss) before income taxes	703,480	(57,114)	1,232,428	185,974
Income tax expense	(1,899)	(1,027)	(2,986)	(1,427)
Net income (loss)	701,581	(58,141)	1,229,442	184,547
Less: Net (income) loss attributable to non-controlling interests	(10,879)	435	(20,000)	(1,870)
Net income (loss) attributable to common stockholders	\$ 690,702	\$ (57,706)	\$ 1,209,442	\$ 182,677
Net income (loss) per common share				
Basic	\$ 0.69	\$ (0.06)	\$ 1.20	\$ 0.23
Diluted	\$ 0.69	\$ (0.06)	\$ 1.20	\$ 0.23
Weighted average number of shares of common stock outstanding				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted	1,007,968,422	896,545,880	1,005,879,395	793,224,837
Other comprehensive income				
Net income (loss)	\$ 701,581	\$ (58,141)	\$ 1,229,442	\$ 184,547
Reclassification of derivative gain to Interest expense	(6,037)	(4,159)	(12,074)	(4,159)
Unrealized gain on cash flow hedges	7,573	91,939	180	200,550
Foreign currency translation adjustments	1,732	—	68	—
Comprehensive income	704,849	29,639	1,217,616	380,938
Comprehensive (income) loss attributable to non-controlling interest	(10,918)	487	(19,857)	(1,818)
Comprehensive income attributable to common stockholders	\$ 693,931	\$ 30,126	\$ 1,197,759	\$ 379,120

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except share and per share data)

	Common Stock	Additional Paid- in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total VICI Stockholders' Equity	Non- controlling Interests	Total Stockholders' Equity
Balance as of December 31, 2021	\$ 6,289	\$ 11,755,069	\$ 884	\$ 346,026	\$ 12,108,268	\$ 78,906	\$ 12,187,174
Net income	—	—	—	240,383	240,383	2,305	242,688
Issuance of common stock, net	1,190	3,216,907	—	—	3,218,097	—	3,218,097
Dividends and distributions declared (\$0.3600 per common share)	—	—	—	(270,600)	(270,600)	(2,103)	(272,703)
Stock-based compensation, net of forfeitures	5	(86)	—	—	(81)	—	(81)
Unrealized gain on cash flow hedges	—	—	108,611	—	108,611	—	108,611
Balance as of March 31, 2022	<u>7,484</u>	<u>14,971,890</u>	<u>109,495</u>	<u>315,809</u>	<u>15,404,678</u>	<u>79,108</u>	<u>15,483,786</u>
Net loss	—	—	—	(57,706)	(57,706)	(435)	(58,141)
Issuance of common stock, net	2,147	6,570,084	—	—	6,572,231	—	6,572,231
Issuance of VICI OP Units	—	—	—	—	—	374,769	374,769
Reallocation of equity	—	99,029	(52)	—	98,977	(94,573)	4,404
Dividends and distributions declared (\$0.3600 per common share)	—	—	—	(346,713)	(346,713)	(6,465)	(353,178)
Stock-based compensation, net of forfeitures	—	3,195	—	—	3,195	41	3,236
Reclassification of derivative gain to Interest expense	—	—	(4,107)	—	(4,107)	(52)	(4,159)
Unrealized gain on cash flow hedges	—	—	91,939	—	91,939	—	91,939
Balance as of June 30, 2022	<u>\$ 9,631</u>	<u>\$ 21,644,198</u>	<u>\$ 197,275</u>	<u>\$ (88,610)</u>	<u>\$ 21,762,494</u>	<u>\$ 352,393</u>	<u>\$ 22,114,887</u>

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(UNAUDITED)
(In thousands, except share and per share data)

	Common Stock	Additional Paid- in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total VICI Stockholders' Equity	Non- controlling Interests	Total Stockholders' Equity
Balance as of December 31, 2022	\$ 9,631	\$ 21,645,499	\$ 185,353	\$ 93,154	\$ 21,933,637	\$ 356,476	\$ 22,290,113
Net income	—	—	—	518,740	518,740	9,121	527,861
Issuance of common stock, net	406	1,271,066	—	—	1,271,472	—	1,271,472
Reallocation of equity	—	(4,936)	—	—	(4,936)	4,936	—
Dividends and distributions declared (\$0.3900 per common share)	—	—	—	(391,640)	(391,640)	(7,048)	(398,688)
Stock-based compensation, net of forfeitures	5	(1,120)	—	—	(1,115)	(14)	(1,129)
Reclassification of derivative gain to Interest expense	—	—	(5,964)	—	(5,964)	(73)	(6,037)
Unrealized loss on cash flow hedges	—	—	(7,304)	—	(7,304)	(89)	(7,393)
Foreign currency translation adjustments	—	—	(1,644)	—	(1,644)	(20)	(1,664)
Balance as of March 31, 2023	10,042	22,910,509	170,441	220,254	23,311,246	363,289	23,674,535
Net income	—	—	—	690,702	690,702	10,879	701,581
Issuance of common stock, net	32	101,435	—	—	101,467	—	101,467
Reallocation of equity	—	(651)	—	—	(651)	651	—
Dividends and distributions declared (\$0.3900 per common share)	—	—	—	(392,897)	(392,897)	(7,048)	(399,945)
Stock-based compensation, net of forfeitures	—	3,620	—	—	3,620	49	3,669
Reclassification of derivative gain to Interest expense	—	—	(5,964)	—	(5,964)	(73)	(6,037)
Unrealized gain on cash flow hedges	—	—	7,482	—	7,482	91	7,573
Foreign currency translation adjustments	—	—	1,711	—	1,711	21	1,732
Balance as of June 30, 2023	\$ 10,074	\$ 23,014,913	\$ 173,670	\$ 518,059	\$ 23,716,716	\$ 367,859	\$ 24,084,575

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Net income	\$ 1,229,442	\$ 184,547
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(252,344)	(121,969)
Stock-based compensation	7,498	5,866
Non-cash transaction costs	—	8,816
Depreciation	1,701	1,555
Other (gains) losses	(5,417)	—
Amortization of debt issuance costs and original issue discount	24,229	23,809
Change in allowance for credit losses	70,122	632,696
Income from unconsolidated affiliate	(1,280)	(15,134)
Distributions from unconsolidated affiliate	3,273	16,182
Net proceeds from settlement of derivatives	—	201,433
Change in operating assets and liabilities:		
Other assets	2,248	(5,287)
Accrued expenses and deferred revenue	(24,246)	18,767
Other liabilities	(2,815)	(147)
Net cash provided by operating activities	1,052,411	951,134
Cash flows from investing activities		
Net cash paid in connection with MGP Transactions	—	(4,574,436)
Net cash paid in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition	(1,266,905)	—
Investments in leases - sales-type	(15,000)	(4,012,828)
Investments in leases - financing receivables	(203,272)	—
Investments in loans and securities	(347,454)	(47,361)
Principal repayments of loans and receipts of deferred fees	400,100	50
Capitalized transaction costs	(541)	(7,095)
Maturities of short-term investments	217,342	—
Proceeds from sale of real estate	6,285	—
Acquisition of property and equipment	(1,317)	(686)
Net cash used in investing activities	(1,210,762)	(8,642,356)

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

Cash flows from financing activities			
Proceeds from offering of common stock, net		1,373,737	3,219,101
Proceeds from April 2022 Notes offering		—	5,000,000
Proceeds from Revolving Credit Facility		352,704	600,000
Repayment of Revolving Credit Facility		(250,000)	(600,000)
Debt issuance costs		—	(146,021)
Repurchase of stock for tax withholding		(4,957)	(6,118)
Distributions to non-controlling interests		(4,556)	(4,165)
Dividends paid		(778,909)	(497,188)
Net cash provided by financing activities		688,019	7,565,609
Effect of exchange rate changes on cash, cash equivalents and restricted cash			
		192	—
Net increase (decrease) in cash, cash equivalents and restricted cash			
		529,860	(125,613)
Cash, cash equivalents and restricted cash, beginning of period		208,933	739,614
Cash, cash equivalents and restricted cash, end of period		<u>\$ 738,793</u>	<u>\$ 614,001</u>
Supplemental cash flow information:			
Cash paid for interest	\$	376,693	\$ 152,794
Cash paid for income taxes	\$	3,746	\$ 2,086
Supplemental non-cash investing and financing activity:			
Dividends and distributions declared, not paid	\$	397,667	\$ 346,713
Debt issuance costs payable	\$	—	\$ 13
Deferred transaction costs payable	\$	2,677	\$ 4,445
Non-cash change in Investments in leases - financing receivables	\$	138,040	\$ 53,046
Obtaining right-of-use assets in exchange for lease liabilities	\$	—	\$ 541,676

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES L.P.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except unit and per unit data)

	June 30, 2023	December 31, 2022
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	\$ 22,655,164	\$ 17,172,325
Investments in leases - financing receivables, net	17,144,528	16,740,770
Investments in loans and securities, net	627,259	685,793
Investment in unconsolidated affiliate	—	1,460,775
Land	150,727	153,560
Cash and cash equivalents	690,240	142,600
Short-term investments	—	217,342
Other assets	854,508	856,605
Total assets	<u>\$ 42,122,426</u>	<u>\$ 37,429,770</u>
Liabilities		
Debt, net	\$ 16,624,197	\$ 13,739,675
Accrued expenses and deferred revenue	206,873	206,643
Distributions payable	398,080	380,581
Other liabilities	919,051	937,655
Total liabilities	<u>18,148,201</u>	<u>15,264,554</u>
Commitments and contingent liabilities (Note 10)		
Partners' Capital		
Partners' capital, 1,019,657,883 and 975,327,936 operating partnership units issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	23,720,576	21,900,511
Accumulated other comprehensive income	173,375	185,201
Total VICI LP's capital	<u>23,893,951</u>	<u>22,085,712</u>
Non-controlling interest	80,274	79,504
Total capital attributable to partners	<u>23,974,225</u>	<u>22,165,216</u>
Total liabilities and partners' capital	<u>\$ 42,122,426</u>	<u>\$ 37,429,770</u>

Note: As of June 30, 2023 and December 31, 2022, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and securities, and Other assets (sales-type sub-leases) are net of allowance for credit losses of \$711.2 million, \$670.0 million, \$13.5 million and \$16.3 million, respectively, and \$570.4 million, \$726.7 million, \$6.9 million and \$19.8 million, respectively. Refer to [Note 5 - Allowance for Credit Losses](#) for further details.

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

(In thousands, except unit and per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues				
Income from sales-type leases	\$ 495,355	\$ 375,169	\$ 973,749	\$ 701,904
Income from lease financing receivables, loans and securities	373,132	261,721	744,201	334,599
Other income	18,525	15,563	36,864	23,949
Total revenues	887,012	652,453	1,754,814	1,060,452
Operating expenses				
General and administrative	14,920	11,782	29,925	21,248
Depreciation	62	30	93	60
Other expenses	18,525	15,563	36,864	23,949
Change in allowance for credit losses	(41,355)	551,876	70,122	632,696
Transaction and acquisition expenses	777	16,664	(181)	17,419
Total operating expenses	(7,071)	595,915	136,823	695,372
Income from unconsolidated affiliate	—	15,134	1,280	15,134
Interest expense	(203,594)	(133,128)	(407,954)	(201,270)
Interest income	5,224	553	7,714	643
Other gains (losses)	3,454	—	5,417	—
Income (loss) before income taxes	699,167	(60,903)	1,224,448	179,587
Income tax expense	(1,198)	(245)	(1,564)	(83)
Net income (loss)	697,969	(61,148)	1,222,884	179,504
Less: Net (income) loss attributable to non-controlling interests	(2,487)	(1,887)	(5,326)	(4,192)
Net income (loss) attributable to partners	\$ 695,482	\$ (63,035)	\$ 1,217,558	\$ 175,312
Net income (loss) per Partnership unit				
Basic	\$ 0.68	\$ (0.07)	\$ 1.20	\$ 0.22
Diluted	\$ 0.68	\$ (0.07)	\$ 1.20	\$ 0.22
Weighted average number of Partnership units outstanding				
Basic	1,019,125,183	905,013,754	1,016,421,117	795,286,993
Diluted	1,020,199,795	905,013,754	1,018,110,768	797,482,166
Other comprehensive income				
Net income (loss) attributable to partners	\$ 695,482	\$ (63,035)	\$ 1,217,558	\$ 175,312
Reclassification of derivative gain to Interest expense	(6,037)	(4,159)	(12,074)	(4,159)
Unrealized gain on cash flow hedges	7,573	91,939	180	200,550
Foreign currency translation adjustments	1,732	—	68	—
Comprehensive income attributable to partners	\$ 698,750	\$ 24,745	\$ 1,205,732	\$ 371,703

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(UNAUDITED)
(In thousands, except unit and per unit data)

	Partners' Capital	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
Balance as of December 31, 2021	\$ 12,010,698	\$ 884	\$ 78,906	\$ 12,090,488
Net income	238,348	—	2,305	240,653
Contributions from Parent	3,229,165	—	—	3,229,165
Distributions to Parent	(281,990)	—	—	(281,990)
Distributions to non-controlling interest	—	—	(2,103)	(2,103)
Stock-based compensation, net of forfeitures	2,602	—	—	2,602
Unrealized gain on cash flow hedges	—	108,611	—	108,611
Balance as of March 31, 2022	15,198,823	109,495	79,108	15,387,426
Net loss	(63,035)	—	1,887	(61,148)
Contributions from parent	6,949,119	—	—	6,949,119
Distributions to parent	(375,626)	—	—	(375,626)
Distributions to non-controlling interest	—	—	(2,062)	(2,062)
Stock-based compensation, net of forfeitures	3,236	—	—	3,236
Reclassification of derivative gain to Interest expense	—	(4,159)	—	(4,159)
Unrealized gain on cash flow hedges	—	91,939	—	91,939
Balance as of June 30, 2022	<u>\$ 21,712,517</u>	<u>\$ 197,275</u>	<u>\$ 78,933</u>	<u>\$ 21,988,725</u>

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(UNAUDITED)
(In thousands, except unit and per unit data)

	Partners' Capital	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
Balance as of December 31, 2022	\$ 21,900,511	\$ 185,201	\$ 79,504	\$ 22,165,216
Net income	522,076	—	2,839	524,915
Contributions from Parent	1,303,243	—	—	1,303,243
Distributions to Parent	(408,519)	—	—	(408,519)
Distributions to non-controlling interest	—	—	(2,278)	(2,278)
Stock-based compensation, net of forfeitures	(1,129)	—	—	(1,129)
Reclassification of derivative gain to Interest expense	—	(6,037)	—	(6,037)
Unrealized loss on cash flow hedges	—	(7,393)	—	(7,393)
Foreign currency translation adjustments	—	(1,664)	—	(1,664)
Balance as of March 31, 2023	23,316,182	170,107	80,065	23,566,354
Net income	695,482	—	2,487	697,969
Contributions from parent	103,053	—	—	103,053
Distributions to parent	(397,810)	—	—	(397,810)
Distributions to non-controlling interest	—	—	(2,278)	(2,278)
Stock-based compensation, net of forfeitures	3,669	—	—	3,669
Reclassification of derivative gain to Interest expense	—	(6,037)	—	(6,037)
Unrealized gain on cash flow hedges	—	7,573	—	7,573
Foreign currency translation adjustments	—	1,732	—	1,732
Balance as of June 30, 2023	\$ 23,720,576	\$ 173,375	\$ 80,274	\$ 23,974,225

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Net income	\$ 1,222,884	\$ 179,504
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(252,344)	(121,969)
Stock-based compensation	7,498	5,810
Depreciation	93	60
Other (gains) losses	(5,417)	—
Amortization of debt issuance costs and original issue discount	24,229	23,809
Change in allowance for credit losses	70,122	632,696
Income from unconsolidated affiliate	(1,280)	(15,134)
Distributions from unconsolidated affiliate	3,273	16,182
Net proceeds from settlement of derivatives	—	201,433
Change in operating assets and liabilities:		
Other assets	4,463	(2,063)
Accrued expenses and deferred revenue	(31,018)	18,564
Other liabilities	(2,770)	(165)
Net cash provided by operating activities	<u>1,039,733</u>	<u>938,727</u>
Cash flows from investing activities		
Net cash paid in connection with MGP Transactions	—	(4,574,436)
Net cash paid in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition	(1,266,905)	—
Investments in leases - sales-type	(15,000)	(4,012,828)
Investments in leases - financing receivables	(203,272)	—
Investments in loans and securities	(347,454)	(47,361)
Principal repayments of loans and receipts of deferred fees	400,100	50
Capitalized transaction costs	(541)	(7,095)
Maturities of short-term investments	217,342	—
Proceeds from sale of real estate	6,285	—
Acquisition of property and equipment	—	(30)
Net cash used in investing activities	<u>(1,209,445)</u>	<u>(8,641,700)</u>

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

Cash flows from financing activities			
Contributions from Parent		1,397,737	3,219,202
Distributions to Parent		(773,768)	(625,000)
Proceeds from April 2022 Notes offering		—	5,000,000
Proceeds from Revolving Credit Facility		352,704	600,000
Repayment of Revolving Credit Facility		(250,000)	(600,000)
Debt issuance costs		—	(146,021)
Repurchase of stock for tax withholding		(4,957)	—
Distributions to non-controlling interest		(4,556)	(4,165)
Net cash provided by financing activities		717,160	7,444,016
Effect of exchange rate changes on cash, cash equivalents and restricted cash			
		192	—
Net increase (decrease) in cash, cash equivalents and restricted cash		547,640	(258,957)
Cash, cash equivalents and restricted cash, beginning of period		142,600	705,566
Cash, cash equivalents and restricted cash, end of period		\$ 690,240	\$ 446,609
Supplemental cash flow information:			
Cash paid for interest	\$	376,693	\$ 152,794
Cash paid for income taxes	\$	1,746	\$ 776
Supplemental non-cash investing and financing activity:			
Distributions payable	\$	397,667	\$ 244,306
Debt issuance costs payable	\$	—	\$ 13
Deferred transaction costs payable	\$	2,677	\$ 4,445
Non-cash change in Investments in leases - financing receivables	\$	138,040	\$ 53,046
Obtaining right-of-use assets in exchange for lease liabilities	\$	—	\$ 541,676

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In these notes, the words the “Company,” “VICI,” “we,” “our,” and “us” refer to VICI Properties Inc. and its subsidiaries, including VICI LP, on a consolidated basis, unless otherwise stated or the context requires otherwise.

We refer to (i) our Condensed Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Balance Sheets as our “Balance Sheet,” (iii) our Consolidated Statements of Operations and Comprehensive Income as our “Statement of Operations,” and (iv) our Consolidated Statement of Cash Flows as our “Statement of Cash Flows.” References to numbered “Notes” refer to the Notes to our Consolidated Financial Statements.

“Apollo” refers to Apollo Global Management, Inc., a Delaware corporation, and, as the context requires, certain of its subsidiaries and affiliates.

“April 2022 Notes” refer collectively to (i) the \$500.0 million aggregate principal amount of 4.375% senior unsecured notes due 2025, (ii) the \$1,250.0 million aggregate principal amount of 4.750% senior unsecured notes due 2028, (iii) the \$1,000.0 million aggregate principal amount of 4.950% senior unsecured notes due 2030, (iv) the \$1,500.0 million aggregate principal amount of 5.125% senior unsecured notes due 2032, and (v) the \$750.0 million aggregate principal amount of 5.625% senior unsecured notes due 2052, in each case issued by VICI LP in April 2022.

“Caesars” refers to Caesars Entertainment, Inc., a Delaware corporation and, as the context requires, its subsidiaries.

“Caesars Las Vegas Master Lease” refers to the lease agreement for Caesars Palace Las Vegas and the Harrah’s Las Vegas facilities, as amended from time to time.

“Caesars Leases” refer collectively to the Caesars Las Vegas Master Lease, the Caesars Regional Master Lease and the Joliet Lease, in each case, unless the context otherwise requires.

“Caesars Regional Master Lease” refers to the lease agreement for the regional properties (other than the facility in Joliet, Illinois) leased to Caesars, as amended from time to time.

“Century Casinos” refers to Century Casinos, Inc., a Delaware corporation, and, as the context requires, its subsidiaries.

“Century Master Lease” refers to the lease agreement for the (i) Mountaineer Casino, Racetrack & Resort located in New Cumberland, West Virginia, (ii) Century Casino Caruthersville located in Caruthersville, Missouri and (iii) Century Casino Cape Girardeau located in Cape Girardeau, Missouri, as amended from time to time.

“CNB” refers to Cherokee Nation Businesses, L.L.C., and, as the context requires, its subsidiaries.

“Co-Issuer” refers to VICI Note Co. Inc., a Delaware corporation, and co-issuer of the November 2019 Notes, February 2020 Notes and Exchange Notes.

“Credit Agreement” refers to the Credit Agreement, dated as of February 8, 2022, by and among VICI LP, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, as amended from time to time.

“Credit Facilities” refer collectively to the Delayed Draw Term Loan and the Revolving Credit Facility.

“Delayed Draw Term Loan” refers to the three-year unsecured delayed draw term loan facility of VICI LP provided under the Credit Agreement entered into in February 2022, which expired undrawn in accordance with its terms on February 8, 2023.

“EBCI” refers to the Eastern Band of Cherokee Indians, a federally recognized Tribe located in western North Carolina, and, as the context requires, its subsidiary and affiliate entities.

“Exchange Notes” refer collectively to (i) the \$1,024.2 million aggregate principal amount of 5.625% senior unsecured notes due 2024, (ii) the \$799.4 million aggregate principal amount of 4.625% senior unsecured notes due 2025, (iii) the \$480.5 million aggregate principal amount of 4.500% senior unsecured notes due 2026, (iv) the \$729.5 million aggregate principal amount of 5.750% senior unsecured notes due 2027, (v) the \$349.3 million aggregate principal amount of 4.500% senior unsecured notes due 2028, and (vi) the \$727.1 million aggregate principal amount of 3.875% senior unsecured notes due 2029, in each case issued by VICI LP and Co-Issuer, in April 2022 pursuant to the Exchange Offers and Consent Solicitations (as defined herein).

“February 2020 Notes” refer collectively to (i) the \$750.0 million aggregate principal amount of 3.500% senior unsecured notes due 2025, (ii) the \$750.0 million aggregate principal amount of 3.750% senior unsecured notes due 2027, and (iii) the \$1.0 billion aggregate principal amount of 4.125% senior unsecured notes due 2030, in each case issued by VICI LP and Co-

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Issuer in February 2020.

“Forum Convention Center Mortgage Loan” refers to a \$400.0 million mortgage loan agreement entered into on September 18, 2020 with Caesars for a term of five years and secured by, among other things, the Caesars Forum Convention Center in Las Vegas, which was repaid in full on May 1, 2023. In connection therewith, the Company’s call right under the put-call agreement relating to the Caesars Forum Convention Center was extended from December 31, 2026 to December 31, 2028.

“Foundation Gaming” refers to Foundation Gaming & Entertainment, LLC and, as the context requires, its subsidiaries.

“Foundation Master Lease” refers to the lease agreement for the Fitz Casino & Hotel, located in Tunica, Mississippi, and the WaterView Casino & Hotel, located in Vicksburg, Mississippi, as amended from time to time.

“Gold Strike Lease” refers to the lease agreement with CNB for the Gold Strike Casino Resort, located in Tunica, Mississippi (“Gold Strike”), as amended from time to time.

“Greektown Lease” refers to the lease agreement for the Greektown Casino-Hotel, located in Detroit, Michigan, as amended from time to time.

“Hard Rock” means Hard Rock International, and, as the context requires, its subsidiary and affiliate entities.

“Hard Rock Cincinnati Lease” refers to the lease agreement for the Hard Rock Cincinnati Casino, located in Cincinnati, Ohio, as amended from time to time.

“JACK Entertainment” refers to JACK Ohio LLC, and, as the context requires, its subsidiary and affiliate entities.

“JACK Master Lease” refers to the lease agreement for the JACK Cleveland Casino located in Cleveland, Ohio, and the JACK Thistledown Racino facility located in North Randall, Ohio, as amended from time to time.

“Joliet Lease” refers to the lease agreement for the facility in Joliet, Illinois, as amended from time to time.

“Lease Agreements” refer collectively to our leases with our respective tenants, unless the context otherwise requires.

“Margaritaville Lease” refers to the lease agreement for Margaritaville Resort Casino, located in Bossier City, Louisiana, as amended from time to time.

“MGM” refers to MGM Resorts International, a Delaware corporation, and, as the context requires, its subsidiaries.

“MGM Grand/Mandalay Bay JV” refers to a joint venture that holds the real estate assets of MGM Grand Las Vegas and Mandalay Bay, in which we hold a 100% ownership stake following our acquisition of the remaining 49.9% ownership stake from our former joint venture partner on January 9, 2023, as further described herein.

“MGM Grand/Mandalay Bay Lease” refers to the lease agreement for MGM Grand Las Vegas and Mandalay Bay, as amended from time to time.

“MGM Leases” refer collectively to the MGM Master Lease and the MGM Grand/Mandalay Bay Lease, in each case, unless the context otherwise requires.

“MGM Master Lease” refers to the lease agreement for the properties leased to MGM, excluding those leased under the MGM Grand/Mandalay Bay Lease, as amended from time to time.

“MGP” refers to MGM Growth Properties LLC, a Delaware limited liability company, which was acquired by the Company on April 29, 2022, and, as the context requires, its subsidiaries.

“MGP Master Transaction Agreement” refers to that certain Master Transaction Agreement between the Company, MGP, MGP OP, VICI LP, REIT Merger Sub, VICI OP, and MGM entered into on August 4, 2021.

“MGP OP” refers to MGM Growth Properties Operating Partnership LP, a Delaware limited partnership, which was acquired by the Company on April 29, 2022, and, as the context requires, its subsidiaries.

“MGP OP Notes” refer collectively to the notes issued by MGP OP and MGP Finance Co-Issuer, Inc. (“MGP Co-Issuer” and, together with MGP OP, the “MGP Issuers”), consisting of (i) the 5.625% senior notes due 2024 issued pursuant to the indenture, dated as of April 20, 2016, (ii) the 4.625% senior notes due 2025 issued pursuant to the indenture, dated as of June 5, 2020, (iii) the 4.500% senior notes due 2026 issued pursuant to the indenture, dated as of August 12, 2016, (iv) the 5.750% senior notes due 2027 issued pursuant to the indenture, dated as of January 25, 2019, (v) the 4.500% senior notes due 2028 issued pursuant to the indenture, dated as of September 21, 2017, and (vi) the 3.875% senior notes due 2029 issued pursuant to

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

the indenture, dated as of November 19, 2020, in each case, as amended or supplemented as of the date hereof, among the MGP Issuers and U.S. Bank National Association, as trustee (the “MGP Trustee”).

“MGP Transactions” refer collectively to a series of transactions pursuant to the MGP Master Transaction Agreement in connection with our acquisition of MGP on April 29, 2022, as contemplated by the MGP Master Transaction Agreement, including the tax protection agreement with MGM and the MGM Master Lease.

“Mirage Lease” refers to the lease agreement with Hard Rock for the Mirage, located in Las Vegas, Nevada, as amended from time to time.

“November 2019 Notes” refer collectively to (i) the \$1.25 billion aggregate principal amount of 4.250% senior unsecured notes due 2026, and (ii) the \$1.0 billion aggregate principal amount of 4.625% senior unsecured notes due 2029, in each case issued by the VICI Issuers in November 2019.

“Partner Property Growth Fund” refers to certain arrangements with certain tenants relating to our funding of “same-store” capital improvements, including redevelopment, new construction projects and other property improvements, in exchange for increased rent pursuant to the terms of our existing Lease Agreements with such tenants.

“PENN Entertainment” refers to PENN Entertainment, Inc., a Pennsylvania corporation, and, as the context requires, its subsidiaries.

“PENN Entertainment Leases” refer collectively to the Margaritaville Lease and the Greektown Lease, unless the context otherwise requires.

“PURE Canadian Gaming” refers to PURE Canadian Gaming, Corp., an Alberta corporation, and, as the context requires, its subsidiaries.

“PURE Master Lease” refers to the lease agreement for the (i) PURE Casino Edmonton located in Edmonton, Alberta, (ii) PURE Casino Yellowhead located in Edmonton, Alberta, (iii) PURE Casino Calgary located in Calgary, Alberta and (iv) PURE Casino Lethbridge located in Lethbridge, Alberta (collectively, the “PURE Portfolio”), as amended from time to time.

“Revolving Credit Facility” refers to the four-year unsecured revolving credit facility of VICI LP provided under the Credit Agreement entered into in February 2022, as amended from time to time.

“Seminole Hard Rock” refers to Seminole Hard Rock Entertainment, Inc.

“Senior Unsecured Notes” refer collectively to the November 2019 Notes, the February 2020 Notes, the April 2022 Notes, the Exchange Notes and the MGP OP Notes.

“Southern Indiana Lease” refers to the lease agreement with EBCI for the Caesars Southern Indiana Casino and Hotel, located in Elizabeth, Indiana (“Caesars Southern Indiana”), as amended from time to time.

“Venetian Acquisition” refers to our acquisition of the Venetian Resort, with Apollo, which closed on February 23, 2022.

“Venetian Lease” refers to the lease agreement for the Venetian Resort Las Vegas and Venetian Convention & Expo Center, located in Las Vegas, Nevada (the “Venetian Resort”), as amended from time to time.

“Venetian Tenant” refers to an affiliate of certain funds managed by affiliates of Apollo.

“VICI Golf” refers to VICI Golf LLC, a Delaware limited liability company that is the owner of our golf business.

“VICI Issuers” refer to VICI LP and VICI Note Co. Inc., a Delaware corporation.

“VICI LP” refers to VICI Properties L.P., a Delaware limited partnership and a wholly owned subsidiary of VICI OP.

“VICI OP” refers to VICI Properties OP LLC, a Delaware limited liability company and a consolidated subsidiary of VICI, which serves as our operating partnership.

“VICI OP Units” refer to limited liability company interests in VICI OP.

“VICI PropCo” refers to VICI Properties 1 LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of VICI.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Note 1 — Business and Organization

Business

We are primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations, subject to long-term triple-net leases. As of June 30, 2023, our geographically diverse real estate portfolio consisted of 49 gaming facilities in the United States and Canada, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort. Our properties are leased to, and our tenants are, subsidiaries of, or entities managed by, Apollo, Caesars, Century Casinos, CNB, EBCI, Foundation Gaming, JACK Entertainment, MGM, PENN Entertainment, PURE Canadian Gaming and Seminole Hard Rock, with Caesars and MGM being our largest tenants. VICI also owns four championship golf courses which are managed by CDN Golf Management Inc., and are located near certain of our properties.

VICI, the parent company, is a Maryland corporation and internally managed real estate investment trust (“REIT”) for U.S. federal income tax purposes. Our real property business, which represents the substantial majority of our assets, is conducted through VICI OP and indirectly through VICI LP and our golf course business, VICI Golf, is conducted through a direct wholly owned taxable REIT subsidiary (“TRS”) of VICI. As a REIT, we generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information set forth in the Accounting Standards Codification (“ASC”), as published by the Financial Accounting Standards Board (“FASB”), and with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The Financial Statements, including the notes thereto, are unaudited and condense or exclude some of the disclosures and information normally required in audited financial statements.

We believe the disclosures made are adequate to prevent the information presented from being misleading. However, the accompanying unaudited Financial Statements and related notes should be read in conjunction with our audited financial statements and notes thereto included in our most recent [Annual Report on Form 10-K](#), as updated from time to time in our other filings with the SEC.

All adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from these estimates.

Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of VICI LP, and the subsidiaries in which we or VICI LP has a controlling interest. All intercompany account balances and transactions have been eliminated in consolidation. We consolidate all subsidiaries in which we have a controlling financial interest and variable interest entities for which we or one of our consolidated subsidiaries is the primary beneficiary.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Non-controlling Interests

We present non-controlling interests and classify such interests as a component of consolidated stockholders' equity or partners' capital, separate from VICI stockholders' equity and VICI LP partners' capital. As of June 30, 2023, VICI's non-controlling interests represent an approximate 1.2% third-party ownership of VICI OP in the form of VICI OP Units and a 20% third-party ownership of Harrah's Joliet LandCo LLC, the entity that owns the Harrah's Joliet facility and is the lessor under the related Joliet Lease. As VICI OP is a parent entity of VICI LP, VICI LP's only non-controlling interest is that of third-party ownership of Harrah's Joliet LandCo LLC.

Cash, Cash Equivalents and Restricted Cash

Cash consists of cash-on-hand and cash-in-bank. Any investments with an original maturity of three months or less from the date of purchase are considered cash equivalents and are carried at cost, which approximates fair value. As of June 30, 2023 and December 31, 2022, we did not have any restricted cash.

Short-Term Investments

Investments with an original maturity of greater than three months and less than one year from the date of purchase are considered short-term investments and are stated at fair value.

We may invest our excess cash in short-term investment grade commercial paper as well as discount notes issued by government-sponsored enterprises including the Federal Home Loan Mortgage Corporation and certain of the Federal Home Loan Banks. These investments generally have original maturities between 91 and 180 days and are accounted for as available for sale securities. Interest on our short-term investments is recognized as interest income in our Statement of Operations. We had \$217.3 million of short-term investments as of December 31, 2022. We did not have any short-term investments as of June 30, 2023.

Purchase Price Accounting

We assess all of our property acquisitions under ASC 805 - *Business Combinations* ("ASC 805") to determine if such acquisitions should be accounted for as a business combination or an asset acquisition. Under ASC 805, an acquisition does not qualify as a business combination when (i) substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets, (ii) the acquisition does not include a substantive process in the form of an acquired workforce, or (iii) an acquired contract that cannot be replaced without significant cost, effort or delay. Generally, and to date, all of our acquisitions have been determined to be asset acquisitions and, in accordance with ASC 805-50, all applicable transaction costs are capitalized as part of the purchase price of the acquisition.

We allocate the purchase price to the identifiable assets acquired and liabilities assumed, as applicable, using their relative fair value. Generally, with the exception of the MGP Transactions and the MGM Grand/Mandalay Bay JV Interest Acquisition (each as further described in [Note 3 - Real Estate Transactions](#)), our acquisitions consist of properties without existing leases or debt and, accordingly, the assets acquired are comprised of land, building and site improvements. Further, since all the components of our leases are classified as sales-type leases or financing receivables, as further described below, the assets acquired are transferred into the net investment in lease or financing receivable, as applicable.

Investments in Leases - Sales-type, Net

We account for our investments in leases under ASC 842 "Leases" ("ASC 842"). Upon lease inception or lease modification, we assess lease classification to determine whether the lease should be classified as a direct financing, sales-type or operating lease. As required by ASC 842, we separately assess the land and building components of the property to determine the classification of each component. If the lease component is determined to be a direct financing or sales-type lease, we record a net investment in the lease, which is equal to the sum of the lease receivable and the unguaranteed residual asset, discounted at the rate implicit in the lease. Any difference between the fair value of the asset and the net investment in the lease is considered selling profit or loss and is either recognized upon execution of the lease or deferred and recognized over the life of the lease, depending on the classification of the lease. Since we purchase properties and simultaneously enter into new leases directly with the tenants, the net investment in the lease is generally equal to the purchase price of the asset, and, due to the long-term nature of our leases, the land and building components of an investment generally have the same lease classification.

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We have determined that the land and building components of all of the Caesars Leases (excluding the Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City components (the "Harrah's Call Properties") of the Caesars Regional Master Lease), Century Master Lease, Hard Rock Cincinnati Lease, MGM Grand/Mandalay Bay Lease, PENN Entertainment Leases, Southern Indiana Lease and Venetian Lease meet the definition of a sales-type lease under ASC 842.

Investments in Leases - Financing Receivables, Net

In accordance with ASC 842, for transactions in which we enter into a contract to acquire an asset and lease it back to the seller under a lease classified as a sales-type lease (i.e., a sale leaseback transaction), control of the asset is not considered to have transferred to us. As a result, we do not recognize the net investment in the lease but instead recognize a financial asset in accordance with ASC 310 "Receivables" ("ASC 310"); however, the accounting for the financing receivable under ASC 310 is materially consistent with the accounting for our investments in leases - sales-type under ASC 842.

We determined that the land and building components of the Foundation Master Lease, Harrah's Call Properties components of the Caesars Regional Master Lease, Gold Strike Lease, JACK Master Lease, MGM Master Lease, Mirage Lease and PURE Master Lease meet the definition of a sales-type lease and, since we purchased and leased the assets back to the sellers under sale leaseback transactions, control is not considered to have transferred to us under GAAP. Accordingly, such leases are accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Lease Term

We assess the noncancelable lease term under ASC 842, which includes any reasonably assured renewal periods. All of our Lease Agreements provide for an initial term, with multiple tenant renewal options. We have individually assessed all of our Lease Agreements and concluded that the lease term includes all of the periods covered by extension options as it is reasonably certain our tenants will renew the Lease Agreements. We believe our tenants are economically compelled to renew the Lease Agreements due to the importance of our real estate to the operation of their business, the significant capital they have invested and are required to invest in our properties under the terms of the Lease Agreements and the lack of suitable replacement assets.

Income from Leases and Lease Financing Receivables

We recognize the related income from our sales-type leases and lease financing receivables on an effective interest basis at a constant rate of return over the terms of the applicable leases. As a result, the cash payments accounted for under sales-type leases and lease financing receivables will not equal income from our Lease Agreements. Rather, a portion of the cash rent we receive is recorded as Income from sales-type leases or Income from lease financing receivables and loans, as applicable, in our Statement of Operations and a portion is recorded as a change to Investments in leases - sales-type, net or Investments in leases - financing receivables, net, as applicable.

Initial direct costs incurred in connection with entering into investments classified as sales-type leases are included in the balance of the net investment in lease. Such amounts will be recognized as a reduction to Income from investments in leases over the life of the lease using the effective interest method. Costs that would have been incurred regardless of whether the lease was signed, such as legal fees and certain other third-party fees, are expensed as incurred to Transaction and acquisition expenses in our Statement of Operations.

Loan origination fees and costs incurred in connection with entering into investments classified as lease financing receivables are included in the balance of the net investment and such amounts will be recognized as a reduction to Income from investments in loans and lease financing receivables over the life of the lease using the effective interest method.

Investments in Loans and Securities, net

Investments in loans are held-for-investment and are carried at historical cost, inclusive of unamortized loan origination costs and fees and allowances for credit losses. Income is recognized on an effective interest basis at a constant rate of return over the life of the related loan.

We classify our investments in securities on the date of acquisition of the investment as either trading, available-for-sale or held-to-maturity. We classify our debt securities as held-to-maturity, as we have the intent and ability to hold this security until maturity, the accounting of which is materially consistent with that of our Investments in loans.

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Allowance for Credit Losses

ASC 326 “Financial Instruments-Credit Losses” (“ASC 326”) requires that we measure and record current expected credit losses (“CECL”) for the majority of our investments, the scope of which includes our Investments in leases - sales-type, Investments in leases - financing receivables and Investments in loans and securities.

We have elected to use a discounted cash flow model to estimate the allowance for credit losses, or CECL allowance for our Investments in leases - sales-type, Investments in leases - financing receivables and certain of our loans and securities, which comprise the substantial majority of our CECL allowance. This model requires us to develop cash flows which project estimated credit losses over the life of the lease, loan or security and discount these cash flows at the asset’s effective interest rate. We then record a CECL allowance equal to the difference between the amortized cost basis of the asset and the present value of the expected credit loss cash flows.

Expected losses within our cash flows are determined by estimating the probability of default (“PD”) and loss given default (“LGD”) of our tenants and borrowers and their parent guarantors, as applicable, over the life of each individual lease or financial asset. We have engaged a nationally recognized data analytics firm to assist us with estimating both the PD and LGD of our tenants and borrowers and their parent guarantors, as applicable. The PD and LGD are estimated during a reasonable and supportable period for which we believe we are able to estimate future economic conditions (the “R&S Period”) and a long-term period for which we revert to long-term historical averages (the “Long-Term Period”). The PD and LGD estimates for the R&S Period are developed using the current financial condition of the tenant or borrower and parent guarantor, as applicable, and applied to a projection of economic conditions over a two-year term. The PD and LGD for the Long-Term Period are estimated using the average historical default rates and historical loss rates, respectively, of public companies over approximately the past 40 years that have similar credit profiles or characteristics to our tenants, borrowers and their parent guarantors, as applicable. We are unable to use our historical data to estimate losses as we have no loss history to date.

The CECL allowance is recorded as a reduction to our net Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and securities and Sales-type sub-leases (included in Other assets) on our Balance Sheet. We are required to update our CECL allowance on a quarterly basis with the resulting change being recorded in the Statement of Operations for the relevant period. Finally, each time we make a new investment in an asset subject to ASC 326, we are required to record an initial CECL allowance for such asset, which will result in a non-cash charge to the Statement of Operations for the relevant period.

We are required to estimate a CECL allowance related to contractual commitments to extend credit, such as future funding commitments under a revolving credit facility, delayed draw term loan, construction loan or through commitments made to our tenants to fund the development and construction of improvements at our properties through the Partner Property Growth Fund. We estimate the amount that we will fund for each contractual commitment based on (i) discussions with our borrowers and tenants, (ii) our borrowers’ and tenants’ business plans and financial condition and (iii) other relevant factors. Based on these considerations, we apply a CECL allowance to the estimated amount of credit we expect to extend. The CECL allowance for unfunded commitments is calculated using the same methodology as the allowance for all of our other investments subject to the CECL model. The CECL allowance related to these future commitments is recorded as a component of Other liabilities on our Balance Sheet.

Charge-offs are deducted from the allowance in the period in which they are deemed uncollectible. Recoveries previously written off are recorded when received. There were no charge-offs or recoveries for the three and six months ended June 30, 2023 and 2022.

Refer to [Note 5 - Allowance for Credit Losses](#) for further information.

Foreign Currency Translation and Remeasurement

Our investment in the PURE Portfolio is denominated in Canadian Dollars (“CAD” or “C\$”), and accordingly, we translate the financial statements of the subsidiaries that own the PURE Portfolio into U.S. Dollars (“USD” or “US\$”) when we consolidate their financial results and position. Generally, assets and liabilities are translated at the exchange rate in effect at the date of the Balance Sheet and the resulting translation adjustments are included in Accumulated other comprehensive income in the Balance Sheets. Certain balance sheet items, primarily equity and capital-related accounts, are reflected at the historical exchange rate. Income Statement accounts are translated using the average exchange rate for the period.

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We and certain of our consolidated subsidiaries have intercompany and third-party debt that is denominated CAD, which is not our and our consolidated subsidiaries functional currency of USD. When the debt and related operating receivables and/or payables are remeasured to the functional currency of the entity, a gain or loss can result. The resulting adjustment is reflected in Other gains (losses), net in the Statement of Operations.

Other Income and Other Expenses

Other income primarily represents sub-lease income related to certain ground and use leases. Under the Lease Agreements, the tenants are required to pay all costs associated with such ground and use leases and provides for their direct payment to the landlord. This income and the related expense are recorded on a gross basis in our Statement of Operations as required under GAAP as we are the primary obligor under these certain ground and use leases.

Fair Value Measurements

We measure the fair value of financial instruments based on assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. In accordance with the fair value hierarchy, Level 1 assets/liabilities are valued based on quoted prices for identical instruments in active markets, Level 2 assets/liabilities are valued based on quoted prices in active markets for similar instruments, on quoted prices in less active or inactive markets or on other "observable" market inputs, and Level 3 assets/liabilities are valued based significantly on "unobservable" market inputs.

Refer to [Note 9 - Fair Value](#) for further information.

Derivative Financial Instruments

We record our derivative financial instruments as either Other assets or Other liabilities on our Balance Sheet at fair value.

The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows are considered cash flow hedges. We formally document our hedge relationships and designation at the contract's inception. This documentation includes the identification of the hedging instruments and the hedged items, its risk management objectives, strategy for undertaking the hedge transaction and our evaluation of the effectiveness of its hedged transaction.

On a quarterly basis, we also assess whether the derivative we designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in the value or cash flows of the hedged transactions. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued and the changes in fair value of the instrument are included in Net income prospectively. If the hedge relationship is terminated, then the value of the derivative previously recorded in Accumulated other comprehensive income (loss) is recognized in earnings when the hedged transactions affect earnings. Changes in the fair value of our derivative instruments that qualify as hedges are reported as a component of Accumulated other comprehensive income (loss) in our Balance Sheet with a corresponding change in Unrealized gain (loss) in cash flows hedges within Other comprehensive income on our Statement of Operations.

We use derivative instruments to mitigate the effects of interest rate volatility, whether from variable rate debt or future forecasted transactions, which could unfavorably impact our future earnings and forecasted cash flows. We do not use derivative instruments for speculative or trading purposes.

Concentrations of Credit Risk

Caesars and MGM are the guarantors of all the lease payment obligations of the tenants under the applicable leases of the properties that they each respectively lease from us. Revenue from the Caesars Leases represented 37% and 38% of our lease revenues for the three and six months ended June 30, 2023, respectively, and 45% and 57% of our lease revenues for the three and six months ended June 30, 2022, respectively. Revenue from the MGM Leases represented 40% and 39% of our lease revenues for the three and six months ended June 30, 2023, respectively, and 34% and 21% of our lease revenues for the three and six months ended June 30, 2022, respectively. Additionally, our properties on the Las Vegas Strip generated approximately

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49% of our lease revenues for the three and six months ended June 30, 2023, and 46% and 43% of our lease revenues for the three and six months ended June 30, 2022, respectively. Other than having two tenants from which we derive and will continue to derive a substantial portion of our revenue and our concentration in the Las Vegas market, we do not believe there are any other significant concentrations of credit risk.

Note 3 — Real Estate Transactions

2023 Activity

Property Acquisitions

Rocky Gap Casino Transaction

Subsequent to quarter-end, on July 25, 2023, we closed on the previously announced acquisition of the Rocky Gap Casino Resort, located in Flintstone, Maryland (“Rocky Gap Casino”) with Century Casinos, from Golden Entertainment, Inc. for an aggregate purchase price of \$260.0 million. Pursuant to the transaction agreements, we acquired the leasehold interest in the land and buildings associated with the Rocky Gap Casino for approximately \$203.9 million and Century Casinos acquired the operating assets of the property for approximately \$56.1 million. Simultaneous with the closing of the transaction, the Century Master Lease was amended to include Rocky Gap Casino, and annual rent under the Century Master Lease increased by \$15.5 million. Additionally, the term of the Century Master Lease was extended such that, upon closing of the transaction, the lease has a full 15-year initial base lease term remaining. Century Casinos previously exercised one 5-year tenant renewal option and three additional 5-year tenant renewal options are remaining. The tenants’ obligations under the Century Master Lease continue to be guaranteed by Century Casinos.

Century Canadian Portfolio Transaction

On May 16, 2023, we entered into definitive agreements to acquire the real estate assets of Century Casino & Hotel Edmonton, Century Casino St. Albert and Century Mile Racetrack and Casino, each in Edmonton, Alberta, and Century Downs Racetrack and Casino in Calgary, Alberta, (collectively the “Century Canadian Portfolio”) from Century Casinos for an aggregate purchase price in cash of C\$221.7 million (approximately US\$164.7 million based on the exchange rate at the time of the announcement) in cash. Simultaneous with the closing of the transaction, the Century Canadian Portfolio will be added to the Century Master Lease and annual rent will increase by C\$17.3 million (approximately US\$12.8 million based on the exchange rate at the time of the announcement). Additionally, the term of the Century Master Lease will be extended such that, upon closing of the transaction, the lease will have a full 15-year initial base lease term, with three 5-year tenant renewal options. Century Casinos previously exercised one 5-year tenant renewal option. The tenants’ obligations under the Century Master Lease will continue to be guaranteed by Century Casinos. The transaction is subject to customary regulatory approvals and closing conditions and is expected to close in the second half of 2023.

MGM Grand/Mandalay Bay JV Interest Acquisition

On January 9, 2023, we closed on the previously announced acquisition of the remaining 49.9% interest in the MGM Grand/Mandalay Bay JV (previously referred to as the “BREIT JV”) from Blackstone Real Estate Income Trust, Inc. (“BREIT”) for cash consideration of \$1,261.9 million (the “MGM Grand/Mandalay Bay JV Interest Acquisition”). We also assumed BREIT’s \$1,497.0 million pro rata share of an aggregate \$3.0 billion of property-level debt, which matures in 2032 and bears interest at a fixed rate of 3.558% per annum through March 2030. The cash consideration was funded through a combination of cash on hand and proceeds from the settlement of certain forward sale agreements. The MGM Grand/Mandalay Bay Lease currently has an annual rent of \$309.9 million, all of which we are entitled to following the closing of the MGM Grand/Mandalay Bay JV Interest Acquisition. The MGM Grand/Mandalay Bay Lease has a remaining initial lease term of approximately 27 years (expiring in 2050), with two ten-year tenant renewal options. Rent under the MGM Grand/Mandalay Bay Lease escalates annually at 2.0% through 2035 (year 15 of the initial lease term) and thereafter at the greater of 2.0% or the Consumer Price Index (“CPI”) (subject to a 3.0% ceiling). As of December 31, 2022, the MGM Grand/Mandalay Bay JV was accounted for as an equity method investment under the voting interest model within Investment in unconsolidated affiliate on our Balance Sheets.

Simultaneously with closing of the MGM Grand/Mandalay Bay JV Interest Acquisition, as a result of acquiring full ownership, we consolidated the joint venture and determined that the consolidation should be accounted for as an asset acquisition under ASC 805-50. In application of the asset acquisition guidance, we retained the prior cost basis of our 50.1% interest, which we

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previously acquired in connection with the MGP Transaction, and combined such basis to the purchase price of the MGM Grand/Mandalay Bay JV Interest Acquisition.

The following is a summary of our net assets acquired upon consolidation of the MGM Grand/Mandalay Bay JV:

<i>(In thousands)</i>	Amount
Carrying value of prior 50.1% interest acquired in connection with the MGP Transactions	\$ 1,458,782
Consideration paid for MGM Grand/Mandalay Bay JV Interest Acquisition	1,261,882
Transaction costs	14,630
Total net assets acquired	\$ 2,735,294

Under ASC 805-50, we allocated the net assets acquired by major categories of assets acquired and liabilities assumed using relative fair value. The following is a summary of the allocated relative fair values of the assets acquired and liabilities assumed in the consolidation of the MGM Grand/Mandalay Bay JV:

<i>(In thousands)</i>	Amount
Investments in leases - sales-type	\$ 5,494,351
Cash and cash equivalents ⁽¹⁾	9,607
Debt, net ⁽²⁾	(2,747,877)
Accrued expenses and deferred revenue ⁽¹⁾	(20,787)
Total net assets acquired	\$ 2,735,294

⁽¹⁾ Amount represents their current carrying value, which is equal to fair value.

⁽²⁾ Amount represents the fair value of the \$3.0 billion principal amount of CMBS debt as of January 9, 2023, which was estimated as a \$252.1 million discount to principal value. The fair value of the debt was estimated by modeling the contractual cash flows and discounting them back to the present value using an estimated market yield. Additionally, we considered current market rates and conditions by evaluating similar borrowing agreements with comparable loan-to-value ratios and credit profiles. The inputs used in determining the fair value measurement are considered Level 3 of the fair value hierarchy.

Concurrent with the closing of the MGM Grand/Mandalay Bay JV Interest Acquisition and consolidation of the MGM Grand/Mandalay Bay Lease, we assessed the lease classification of the MGM Grand/Mandalay Bay Lease and determined that it met the definition of a sales-type lease. Accordingly, the relative fair value of the MGM Grand/Mandalay Bay Lease of \$5.5 billion was recorded as an Investment in leases - sales-type on our Balance Sheet, net of an initial allowance for estimated credit losses in the amount of \$210.0 million.

PURE Canadian Gaming Transaction

On January 6, 2023, we acquired the real estate assets of PURE Casino Edmonton, PURE Casino Yellowhead, PURE Casino Calgary, and PURE Casino Lethbridge, all of which are located in Alberta, Canada, from PURE Canadian Gaming for an aggregate purchase price in cash of approximately C\$271.9 million (approximately US\$200.8 million based on the exchange rate at the time of the acquisition) (the "PURE Canadian Gaming Transaction"). We financed the PURE Canadian Gaming Transaction with a combination of cash on hand and a C\$140.0 million (approximately US\$103.4 million based on the exchange rate at the time of the acquisition) draw under our Revolving Credit Facility. Simultaneous with the acquisition, we entered into the PURE Master Lease. The PURE Master Lease has an initial total annual rent of approximately C\$21.8 million (approximately US\$16.1 million based on the exchange rate at the time of the acquisition), an initial term of 25 years, with four 5-year tenant renewal options, escalation of 1.25% per annum in lease years two and three (and thereafter at the greater of 1.5% and the Canadian Consumer Price Index, capped at 2.5%) and minimum capital expenditure requirements of 1.0% of annual net revenue (excluding gaming equipment). The tenant's obligations under the PURE Master Lease are guaranteed by the parent entity of PURE Canadian Gaming. We determined that the PURE Canadian Gaming Transaction should be accounted for as an asset acquisition under ASC 805-50 and further, that the land and building components of the PURE Master Lease meet the definition of a sales-type lease. Since we purchased and leased the assets back to the seller under a sale leaseback transaction, control is not considered to have transferred to us under GAAP. Accordingly, the PURE Master Lease is accounted for as Investments in leases - financing receivables on our Balance Sheet, net of an initial allowance for estimated credit losses in the amount of \$19.6 million.

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Leasing*Gold Strike Severance Lease*

On February 15, 2023, in connection with the closing of MGM's sale of the operations of Gold Strike, we entered into the Gold Strike Lease with CNB related to the land and real estate assets of Gold Strike, and entered into an amendment to the MGM Master Lease in order to account for MGM's divestiture of the operations of Gold Strike and to reduce the annual base rent by \$40.0 million. The Gold Strike Lease has initial annual base rent of \$40.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. The tenant's obligations under the Gold Strike Lease are guaranteed by CNB.

Loan, Security and Preferred Equity Investments*Canyon Ranch Transactions*

Subsequent to quarter-end, on July 26, 2023, we committed to an up to \$150.0 million preferred equity investment into the controlling entity of Canyon Ranch, a leading provider of holistic, integrative health and wellness guest experiences ("Canyon Ranch"). The preferred equity has a term of 10 years and may be redeemed by Canyon Ranch at any time, subject to a redemption premium in the first three years. In connection with this investment, we entered into (i) a call right agreement whereby we will have the option to call the real estate assets of each of the Canyon Ranch facility in Tucson, Arizona ("Canyon Ranch Tucson") and the Canyon Ranch facility in Lenox, Massachusetts ("Canyon Ranch Lenox") subject to certain conditions, and (ii) a right of first financing agreement pursuant to which we will have the right, but not the obligation, to serve as the real estate capital financing partner for Canyon Ranch with respect to the acquisition, build-out and redevelopment of future wellness resorts. If the call right(s) are exercised, Canyon Ranch would continue to operate the applicable wellness resort(s) subject to a long-term triple net master lease with the Company.

In addition, we intend to provide approximately \$150.0 million of mortgage financing to a subsidiary of Canyon Ranch secured by Canyon Ranch Tucson and Canyon Ranch Lenox. Proceeds of the mortgage financing would be used to refinance Canyon Ranch's existing CMBS debt secured by these two assets. The mortgage financing will have an initial term of two years with three one-year extensions, exercisable at Canyon Ranch's option, subject to satisfying certain customary extension conditions. The Company expects the mortgage financing to close in the third quarter of 2023.

Hard Rock Ottawa Secured Notes

On March 28, 2023, we purchased \$85.0 million of senior secured notes issued by H.R. Ottawa, L.P. ("Hard Rock Ottawa Notes"), which owns and operates the Hard Rock Ottawa Casino. H.R. Ottawa, L.P. intends to use the proceeds of the Hard Rock Ottawa Notes to fund a portion of (i) the redevelopment and rebrand of the existing Rideau Carleton Raceway Casino, located in Ottawa, Canada, (ii) the development of an integrated "Hard Rock" branded hotel with approximately 150 rooms, and (iii) the repayment of existing debt. The Hard Rock Ottawa Notes are denominated and issued in USD.

Significant 2022 Transactions***MGP Transactions***

On April 29, 2022, we closed on the previously announced MGP Transactions governed by the MGP Master Transaction Agreement, pursuant to which we acquired MGP for total consideration of \$11.6 billion, plus the assumption of approximately \$5.7 billion principal amount of debt, inclusive of a 50.1% share of the MGM Grand/Mandalay Bay JV CMBS debt, at the time. Upon closing, the MGP Transactions added \$1,012.2 million of annualized rent to our portfolio from 15 Class A entertainment casino resort properties spread across nine regions and comprising 36,000 hotel rooms, 3.6 million square feet of meeting and convention space and hundreds of food, beverage and entertainment venues. Under the terms of the MGP Master Transaction Agreement, each outstanding MGP Class A common share was converted into 1.366 (the "Exchange Ratio") shares of VICI common stock. The fixed Exchange Ratio represented an agreed upon price of \$43.00 per share of MGP Class A common shares based on VICI's trailing 5-day volume weighted average price of \$31.47 as of July 30, 2021. MGM received \$43.00 per unit in cash for the redemption of the majority of its MGP OP units that it held for total cash consideration of approximately \$4.404 billion and also acquired approximately 12.2 million units in VICI OP. The MGP Class B share that was held by MGM was cancelled and ceased to exist simultaneous with closing.

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The number of MGP Class A common shares converted to shares of VICI common stock was determined as follows:

MGP Class A common shares outstanding as of April 29, 2022	156,757,773
Exchange Ratio	1.366
VICI common stock issued ⁽¹⁾	214,131,064
VICI common stock issued for MGP stock-based compensation awards	421,468
Total VICI common stock issued	214,552,532

⁽¹⁾ Amount excludes the cash paid in lieu of approximately 54 fractional MGP Class A common shares.

Simultaneous with the closing of the MGP Transactions on April 29, 2022, we entered into the MGM Master Lease. The MGM Master Lease has an initial term of 25 years, with three 10-year tenant renewal options and had an initial total annual rent of \$860.0 million. Rent under the MGM Master Lease escalates at a rate of 2.0% per annum for the first 10 years and thereafter at the greater of 2.0% per annum or the increase in CPI, subject to a 3.0% cap. The total annual rent under the MGM Master Lease was reduced by \$90.0 million upon the close of MGM's sale of the operations of the Mirage to Hard Rock and entrance into the Mirage Lease on December 19, 2022, and further reduced by \$40.0 million upon the close of MGM's sale of the operations of Gold Strike on February 15, 2023. Additionally, we retained a 50.1% ownership stake in the MGM Grand/Mandalay Bay JV, which owns the real estate assets of MGM Grand Las Vegas and Mandalay Bay. At the time of acquisition, the MGM Grand/Mandalay Bay Lease provided for total annual base rent of approximately \$303.8 million, and had an initial term of thirty years with two 10-year tenant renewal options. Rent under the MGM Grand/Mandalay Bay Lease escalates at a rate of 2.0% per annum for the first 15 years and thereafter at the greater of 2.0% per annum or CPI, subject to a 3.0% cap. On January 9, 2023, we closed on the MGM Grand/Mandalay Bay JV Interest Acquisition and accordingly own 100% of the interest in the MGM Grand/Mandalay Bay JV, including the full \$3.0 billion of CMBS debt held by the joint venture.

We assessed the MGP Transactions in accordance with ASC 805, and determined that the acquisition of MGP did not meet the definition of a business as substantially all the assets were concentrated in a group of similarly identifiable acquired assets, and did not include a substantive process in the form of an acquired workforce. Accordingly, the MGP Transactions were accounted for as an asset acquisition under ASC 805-50 and we determined the consideration transferred under the MGP Transactions was \$11.6 billion, comprised of the following:

<i>(In thousands)</i>	Amount
REIT Merger Consideration ⁽¹⁾	\$ 6,568,480
Redemption payment to MGM	4,404,000
VICI OP Units retained by MGM ⁽²⁾	374,769
Repayment of MGP revolving credit facility ⁽³⁾	90,000
Transactions costs ⁽⁴⁾	119,741
Total consideration transferred	\$ 11,556,990
Assumption of MGP OP Notes and Exchange Notes, at principal value	4,200,000
Assumption of our proportionate share of the MGM Grand/Mandalay Bay JV CMBS debt, at principal value	1,503,000
Total purchase price	\$ 17,259,990

⁽¹⁾ Amount represents the dollar value of 214,375,990 shares of VICI common stock, multiplied by the VICI stock price at the time of closing of \$30.64 per share, which were issued in exchange for the MGP Class A common shares outstanding immediately prior to the REIT Merger and certain of the MGP stock-based compensation awards, converted to shares of VICI common stock.

⁽²⁾ Amount represents 12,231,373 VICI OP Units retained by MGM as non-controlling interest in VICI OP, multiplied by the VICI stock price at the time of closing of \$30.64 per share.

⁽³⁾ Represents the total amount outstanding under MGP's revolving credit facility as of April 29, 2022. In connection with the MGP Transactions, such amount was repaid in full and the related credit agreement was terminated.

⁽⁴⁾ In accordance with ASC 805-50, all direct and incremental costs related to the MGP Transactions, primarily related to success-based fees and third-party advisory fees, were included in the consideration transferred.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Under ASC 805-50, we allocated the purchase price by major categories of assets acquired and liabilities assumed using relative fair value. The following is a summary of the allocated relative fair values of the assets acquired and liabilities assumed in the MGP Transactions valued as of April 29, 2022:

<i>(In thousands)</i>	Amount
Investments in leases - financing receivables ^{(1) (2)}	\$ 14,245,868
Investment in unconsolidated affiliate ^{(2) (3)}	1,465,814
Cash and cash equivalents ⁽⁴⁾	25,387
Other assets ⁽⁴⁾	338,212
Debt, net ⁽⁵⁾	(4,106,082)
Accrued expenses and deferred revenue ⁽⁴⁾	(79,482)
Other liabilities ⁽⁴⁾	(332,727)
Total net assets acquired	\$ 11,556,990

(1) We valued the real estate portfolio at relative fair value using rent multiples taking into consideration a variety of factors, including (i) asset quality and location, (ii) property and lease-level operating performance and (iii) supply and demand dynamics of each property's respective market. The multiples used ranged from 15.0x - 18.5x with a weighted average rent multiple of 16.7x, as determined using relative fair value.

(2) The fair value of these assets is based on significant "unobservable" market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy.

(3) We value the Investment in unconsolidated affiliate at relative fair based on our percentage ownership of the net assets of the MGM Grand/Mandalay Bay JV.

(4) Amounts represent their current carrying value which is equal to fair value. The Other assets and Other liabilities amounts include the gross presentation of certain MGP ground leases which we assumed in connection with the MGP Transactions.

(5) Amount represents the fair value of debt as of April 29, 2022, which was estimated as a \$93.9 million discount to the notional value. The fair value of our debt instruments was estimated using quoted prices for identical or similar liabilities in markets that are not active and, as such, these fair value measurements are considered Level 2 of the fair value hierarchy.

Concurrent with the closing of the MGP Transactions and entry into the MGM Master Lease, we assessed the lease classification of the MGM Master Lease and determined that it met the definition of a sales-type lease. Further, since MGM controlled and consolidated MGP prior to the MGP Transactions, the lease was assessed under the sale-leaseback guidance and determined to be a failed sale-leaseback under which the lease is accounted for as a financing receivable under ASC 310.

In relation to the MGM Grand/Mandalay Bay JV, we determined that such investment should be accounted for as an equity method investment and, accordingly, recorded the relative fair value as an Investment in unconsolidated affiliate on our Balance Sheet. The requirement to record our investment in the MGM Grand/Mandalay Bay JV at relative fair value under ASC 805 resulted in a difference in our acquired basis from that of the underlying records, or historical cost basis, of the MGM Grand/Mandalay Bay JV. Accordingly, we compared our proportionate share of the historical cost basis of the MGM Grand/Mandalay Bay JV as of April 29, 2022 to our proportionate share of the relative fair value, the difference of which was amortized through Income from unconsolidated affiliate over the life of the related asset or liability. On January 9, 2023, we acquired the remaining 49.9% interest in the MGM Grand/Mandalay Bay JV from BREIT and consolidated the operations of the joint venture. Refer to "MGM Grand/Mandalay Bay JV Interest Acquisition" above for further details.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
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Note 4 — Real Estate Portfolio

As of June 30, 2023, our real estate portfolio consisted of the following:

- Investments in leases - sales-type, representing our investment in 25 casino assets leased on a triple-net basis to our tenants, Apollo, Caesars, Century Casinos, EBCI, Hard Rock, MGM and PENN Entertainment under ten separate lease agreements;
- Investments in leases - financing receivables, representing our investment in 24 casino assets leased on a triple-net basis to our tenants, Caesars, CNB, Foundation Gaming, Hard Rock, JACK Entertainment, MGM and PURE Canadian Gaming under seven separate lease agreements;
- Investments in loans and securities, representing our investments in eleven senior secured and mezzanine loans and the Hard Rock Ottawa Notes; and
- Land, representing our investment in certain underdeveloped or undeveloped land adjacent to the Las Vegas strip and non-operating, vacant land parcels.

The following is a summary of the balances of our real estate portfolio as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023	December 31, 2022
Investments in leases - sales-type, net ⁽¹⁾	\$ 22,655,164	\$ 17,172,325
Investments in leases - financing receivables, net ⁽¹⁾	17,144,528	16,740,770
Total investments in leases, net	39,799,692	33,913,095
Investments in loans and securities, net	627,259	685,793
Investment in unconsolidated affiliate ⁽²⁾	—	1,460,775
Land	150,727	153,560
Total real estate portfolio	<u>\$ 40,577,678</u>	<u>\$ 36,213,223</u>

⁽¹⁾ At lease inception (or upon modification), we determine the estimated residual values of the leased property (not guaranteed) under the respective Lease Agreements, which has a material impact on the determination of the rate implicit in the lease and the lease classification. As of June 30, 2023 and December 31, 2022, the estimated residual values of the leased properties under our Lease Agreements were \$15.6 billion and \$11.5 billion, respectively.

⁽²⁾ Represents our 50.1% investment in the MGM Grand/Mandalay Bay JV prior to the MGM Grand/Mandalay Bay JV Interest Acquisition on January 9, 2023, which was accounted for as an equity method investment.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
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Investments in Leases

The following table details the components of our income from sales-type leases and lease financing receivables:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Income from sales-type leases, fixed rent	\$ 472,783	\$ 370,663	\$ 932,273	\$ 692,921
Income from sales-type leases - contingent rent ⁽¹⁾	22,572	4,506	41,476	8,983
Income from lease financing receivables - fixed rent ⁽²⁾	353,974	251,345	706,303	314,364
Income from lease financing receivables - contingent rent ⁽¹⁾⁽²⁾	2,511	—	5,021	—
Total lease revenue	851,840	626,514	1,685,073	1,016,268
Non-cash adjustment ⁽³⁾	(129,543)	(86,408)	(252,383)	(121,961)
Total contractual lease revenue	\$ 722,297	\$ 540,106	\$ 1,432,690	\$ 894,307

⁽¹⁾ At lease inception (or upon modification), we determine the minimum lease payments under ASC 842, which exclude amounts determined to be contingent rent. Contingent rent is generally amounts in excess of specified floors or the variable rent portion of our leases. The minimum lease payments are recognized on an effective interest basis at a constant rate of return over the life of the lease and the contingent rent portion of the lease payments are recognized as earned, both in accordance with ASC 842. As of June 30, 2023, we have recognized contingent rent from our Margaritaville Lease and Greentown Lease in relation to the variable rent portion of the respective leases and from the Caesars Las Vegas Master Lease, Caesars Regional Master Lease, Joliet Lease, Century Master Lease, and Venetian Lease in relation to the CPI portion of the annual escalator.

⁽²⁾ Represents the MGM Master Lease, Harrah's Call Properties, JACK Master Lease, Mirage Lease, Foundation Master Lease, PURE Master Lease and Gold Strike Lease. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have been transferred to us, such lease agreements are accounted for as financings under ASC 310.

⁽³⁾ Amounts represent the non-cash adjustment to the minimum lease payments from sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

At June 30, 2023, minimum lease payments owed to us for each of the five succeeding years under sales-type leases and our leases accounted for as financing receivables, are as follows:

<i>(In thousands)</i>	Minimum Lease Payments ⁽¹⁾⁽²⁾			
	Investments in Leases			Total
	Sales-Type	Financing Receivables		
2023 (remaining)	\$ 828,585	\$ 574,111	\$	1,402,696
2024	1,681,165	1,164,419	\$	2,845,584
2025	1,710,838	1,185,993	\$	2,896,831
2026	1,736,954	1,208,151	\$	2,945,105
2027	1,763,846	1,230,797	\$	2,994,643
2028	1,791,939	1,254,139	\$	3,046,078
Thereafter	77,198,760	87,214,137	\$	164,412,897
Total	\$ 86,712,087	\$ 93,831,747	\$	180,543,834
Weighted Average Lease Term ⁽²⁾	38.4 years	50.1 years		43.5 years

⁽¹⁾ Minimum lease payments do not include contingent rent, as discussed above, that may be received under the Lease Agreements.

⁽²⁾ The minimum lease payments and weighted average remaining lease term assumes the exercise of all tenant renewal options, consistent with our conclusions under ASC 842 and ASC 310.

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Lease Provisions

As of June 30, 2023, we owned 49 properties leased under 16 separate Lease Agreements, certain of which are master lease agreements governing multiple properties and certain of which are for single assets. Our Lease Agreements are generally long-term in nature with initial terms ranging from 15 to 30 years and are structured with several tenant renewal options extending the term of the lease for another 5 to 30 years. All of our Lease Agreements provide for annual base rent escalations, which range from 1% in the earlier years to the greater of 2% or CPI in later years, with certain of our leases providing for a cap with respect to the maximum CPI-based increase. Additionally, certain of our Lease Agreements provide for a variable rent component in which a portion of the annual rent, generally 20%, is subject to adjustment based on the revenues of the underlying asset in specified periods.

The following is a summary of the material lease provisions of our Caesars Leases and MGM Leases, our two most significant tenants:

<i>(\$ In thousands)</i>				
Lease Provision	MGM Master Lease	Caesars Regional Master Lease and Joliet Lease	Caesars Las Vegas Master Lease	MGM Grand/Mandalay Bay Lease ⁽¹⁾
Initial term	25 years	18 years	18 years	30 years
Initial term maturity	4/30/2047	7/31/2035	7/31/2035	2/28/2050
Renewal terms	Three, ten-year terms	Four, five-year terms	Four, five-year terms	Two, ten-year terms
Current lease year	5/1/23-4/30/24 (Lease Year 2)	11/1/22 - 10/31/23 (Lease Year 6)	11/1/22 - 10/31/23 (Lease Year 6)	3/1/23 - 2/29/24 (Lease Year 4)
Current annual rent	\$744,600	\$703,678 ⁽²⁾	\$454,478	\$309,873
Annual escalator ⁽³⁾	Lease years 2-10 - 2% Lease years 11-end of term - >2% / change in CPI (capped at 3%)	Lease years 2-5 - 1.5% Lease years 6-end of term - CPI subject to 2.0% floor	> 2% / change in CPI	Lease years 2-15 - 2% Lease years 16-end of term - >2% / change in CPI (capped at 3%)
Variable rent adjustment ⁽⁴⁾	None	Year 8: 70% base rent / 30% variable rent Years 11 & 16: 80% base rent / 20% variable rent	Years 8, 11 & 16: 80% base rent / 20% variable rent	None
Variable rent adjustment calculation	None	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7 Year 16: Avg. of years 13-15 less avg. of years 8-10	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7 Year 16: Avg. of years 13-15 less avg. of years 8-10	None

(1) On January 9, 2023, we closed on the MGM Grand/Mandalay Bay JV Interest Acquisition and acquired the remaining 49.9% interest in the MGM Grand/Mandalay Bay JV and accordingly, the amounts set forth above reflect our consolidated interest.

(2) Current annual rent with respect to the Joliet Lease is presented prior to accounting for the non-controlling interest, or rent payable, to the 20% third-party ownership of Harrah's Joliet LandCo LLC. After adjusting for the 20% non-controlling interest, combined current annual rent under the Caesars Regional Master Lease and Joliet Lease is \$694.6 million.

(3) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP.

(4) Variable rent is not subject to the Escalator.

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Capital Expenditure Requirements

We manage our residual asset risk through protective covenants in our Lease Agreements, which require the tenant to, among other things, hold specific insurance coverage, engage in ongoing maintenance of the property and invest in capital improvements. With respect to the capital improvements, the Lease Agreements specify certain minimum amounts that our tenants must spend on capital expenditures that constitute installation, restoration and repair or other improvements of items with respect to the leased properties. The following table summarizes the capital expenditure requirements of our tenants under their respective Lease Agreements:

Provision	Caesars Regional Master Lease and Joliet Lease	Caesars Las Vegas Master Lease	MGM Grand/ Mandalay Bay Lease	Venetian Lease	All Other Leases ⁽¹⁾
Yearly minimum expenditure	1% of net revenues ⁽²⁾	1% of net revenues ⁽²⁾	3.5% of net revenues based on 5-year rolling test, 1.5% monthly reserves	2% of net revenues based on rolling three-year basis	1% of net revenues
Rolling three-year minimum ⁽³⁾	\$286 million	\$84 million	N/A	N/A	N/A

⁽¹⁾ Represents the tenants under our other Lease Agreements not specifically outlined in the table, as specified in the respective Lease Agreements.

⁽²⁾ The Caesars Leases require a \$107.5 million floor on annual capital expenditures for Caesars Palace Las Vegas, Joliet and the Regional Master Lease properties in the aggregate. Additionally, annual building & improvement capital improvements must be equal to or greater than 1% of prior year net revenues.

⁽³⁾ Certain tenants under the Caesars Leases, as applicable, are required to spend \$380.3 million on capital expenditures (excluding gaming equipment) over a rolling three-year period, with \$286.0 million allocated to the regional assets, \$84.0 million allocated to Caesars Palace Las Vegas and the remaining balance of \$10.3 million to facilities (other than the Harrah's Las Vegas Facility) covered by any Caesars Lease in such proportion as such tenants may elect. Additionally, the tenants under the Regional Master Lease and Joliet Lease are required to expend a minimum of \$531.9 million on capital expenditures (including gaming equipment) across certain of its affiliates and other assets, together with the \$380.3 million requirement.

Investments in Loans and Securities

The following is a summary of our investments in loans and securities as of June 30, 2023 and December 31, 2022:

June 30, 2023					
Investment Type	Principal Balance	Carrying Value ⁽¹⁾	Future Funding Commitments ⁽²⁾	Weighted Average Interest Rate ⁽³⁾	Weighted Average Term ⁽⁴⁾
Senior Secured Notes ⁽⁵⁾	\$ 85,000	\$ 77,692	\$ —	11.0 %	7.8 years
Senior Secured Loans ⁽⁶⁾	155,373	153,604	620,547	7.2 %	5.4 years
Mezzanine Loans	402,742	395,963	212,767	10.1 %	4.2 years
Total	\$ 643,115	\$ 627,259	\$ 833,314	9.5 %	4.9 years

December 31, 2022					
Investment Type	Principal Balance	Carrying Value ⁽¹⁾	Future Funding Commitments ⁽²⁾	Weighted Average Interest Rate ⁽³⁾	Weighted Average Term ⁽⁴⁾
Senior Secured Loans	\$ 495,901	\$ 492,895	\$ 584,049	7.8 %	3.2 years
Mezzanine Loans	196,597	192,898	514,882	9.1 %	4.3 years
Total	\$ 692,498	\$ 685,793	\$ 1,098,931	8.2 %	3.5 years

⁽¹⁾ Carrying value includes unamortized loan origination costs and are net of allowance for credit losses.

⁽²⁾ Our future funding commitments are subject to our borrowers' compliance with the financial covenants and other applicable provisions of each respective loan agreement.

⁽³⁾ The weighted average interest rate is based on current outstanding principal balance and SOFR, as applicable for floating rate loans, as of June 30, 2023.

⁽⁴⁾ Assumes all extension options are exercised; however, our loans may be repaid, subject to certain conditions, prior to such date.

⁽⁵⁾ Represents our investment in the Hard Rock Ottawa Notes, which are accounted for as held-to-maturity securities.

⁽⁶⁾ On May 1, 2023, the Forum Convention Center Mortgage Loan, representing \$400.0 million in principal balance of our senior secured loans, was repaid in full.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
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Note 5 — Allowance for Credit Losses

Under ASC 326, we are required to estimate and record non-cash credit losses related to our historical and any future investments in sales-type leases, lease financing receivables, loans and securities classified as held-to-maturity.

During the three months ended June 30, 2023, we recognized a \$41.4 million decrease in our allowance for credit losses primarily driven by (i) a decrease in the reasonable and supportable period, or R&S Period, probability of default, or PD, of our tenants and their parent guarantors as a result of their market performance during the current quarter and (ii) changes in the macroeconomic forecast used to scenario condition our R&S Period PD.

During the six months ended June 30, 2023, we recognized a \$70.1 million increase in our allowance for credit losses primarily driven by (i) initial CECL allowances in relation to (a) the consolidation of the MGM Grand/Mandalay Bay JV in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition and related classification of the MGM Grand/Mandalay Bay Lease as a sales-type lease, (b) the PURE Canadian Gaming Transaction and related classification of the PURE Master Lease as a lease financing receivable and (c) the purchase of the Hard Rock Ottawa Notes, and (ii) an increase in the Long-Term Period PD as a result of a standard annual update made to the Long-Term PD default study we utilize to estimate our CECL allowance. This increase was partially offset by (i) a decrease in the R&S Period PD of our tenants and their parent guarantors as a result of their market performance during the six-month period and (ii) changes in the macroeconomic forecast used to scenario condition our R&S Period PD.

During the three and six months ended June 30, 2022, we recognized a \$551.9 million and \$632.7 million increase, respectively, in our allowance for credit losses primarily driven by initial CECL allowances on our acquisition activity during such periods, in the amount of \$439.7 million and \$515.7 million, respectively, representing 79.9% and 81.5% of the total allowance for three and six months ended June 30, 2022, respectively. The initial CECL allowances were in relation to (i) the closing of the MGP Transactions on April 29, 2022, which included the (a) classification of the MGM Master Lease as a lease financing receivable and (b) the sales-type sub-lease agreements we assumed in connection with the closing of the MGP Transactions and are required to present gross, (ii) the closing of the Venetian Acquisition on February 23, 2022, which included (a) the classification of the Venetian Lease as a sales-type lease, (b) the estimated future funding commitments under our Partner Property Growth Fund Agreement with the Venetian Tenant and (c) the sales-type sub-lease agreements we assumed in connection with the closing of the Venetian Acquisition and are required to present gross, and (iii) the future funding commitments related to certain development loans executed during the six months ended June 30, 2022. Additional increases were attributable to the increase in the R&S Period PD of our tenants and their parent guarantors as a result of market volatility during the first and second quarters of 2022. This was partially offset by a decrease in the Long-Term Period PD as a result of standard annual updates that were made to the Long-Term PD default study we utilize to estimate our CECL allowance.

As of June 30, 2023 and December 31, 2022, and since our formation on October 6, 2017, all of our Lease Agreements and loan and security investments are current in payment of their obligations to us and no investments are on non-accrual status.

The following tables detail the allowance for credit losses as of June 30, 2023 and December 31, 2022:

<i>(\$ In thousands)</i>	June 30, 2023			
	Amortized Cost	Allowance ⁽¹⁾	Net Investment	Allowance as a % of Amortized Cost
Investments in leases - sales-type	\$ 23,366,404	\$ (711,240)	\$ 22,655,164	3.04 %
Investments in leases - financing receivables	17,814,514	(669,986)	17,144,528	3.76 %
Investments in loans and securities	640,789	(13,530)	627,259	2.11 %
Other assets - sales-type sub-leases	784,556	(16,267)	768,289	2.07 %
Totals	<u>\$ 42,606,263</u>	<u>\$ (1,411,023)</u>	<u>\$ 41,195,240</u>	<u>3.31 %</u>

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	December 31, 2022			
(\$ In thousands)	Amortized Cost	Allowance ⁽¹⁾	Net Investment	Allowance as a % of Amortized Cost
Investments in leases - sales-type	\$ 17,742,712	\$ (570,387)	\$ 17,172,325	3.21 %
Investments in leases - financing receivables	17,467,477	(726,707)	16,740,770	4.16 %
Investments in loans and securities	692,658	(6,865)	685,793	0.99 %
Other assets - sales-type sub-leases	784,259	(19,750)	764,509	2.52 %
Totals	\$ 36,687,106	\$ (1,323,709)	\$ 35,363,397	3.61 %

(1) The total allowance excludes the CECL allowance for unfunded commitments of our senior secured and mezzanine loans and for unfunded commitments of our Partner Property Growth Fund. As of June 30, 2023 and December 31, 2022, such allowance is \$28.1 million and \$45.1 million, respectively, and is recorded in Other liabilities.

The following chart reflects the roll-forward of the allowance for credit losses on our real estate portfolio for the six months ended June 30, 2023 and 2022:

(In thousands)	Six Months Ended June 30,	
	2023	2022
Beginning Balance December 31,	\$ 1,368,819	\$ 534,326
Initial allowance from current period investments	234,064	515,697
Current period change in credit allowance	(163,715)	116,999
Charge-offs	—	—
Recoveries	—	—
Ending Balance June 30,	\$ 1,439,168	\$ 1,167,022

Credit Quality Indicators

We assess the credit quality of our investments through the credit ratings of the senior secured debt of the guarantors of our leases, as we believe that our Lease Agreements have a similar credit profile to a senior secured debt instrument. The credit quality indicators are reviewed by us on a quarterly basis as of quarter-end. In instances where the guarantor of one of our Lease Agreements does not have senior secured debt with a credit rating, we use either a comparable proxy company or the overall corporate credit rating, as applicable. We also use this credit rating to determine the Long-Term Period PD when estimating credit losses for each investment.

The following tables detail the amortized cost basis of our investments by the credit quality indicator we assigned to each lease or loan guarantor as of June 30, 2023 and 2022:

(In thousands)	June 30, 2023						
	Ba2	Ba3	B1	B2	B3	N/A ⁽²⁾	Total
Investments in leases - sales-type and financing receivable, Investments in loans and securities and Other assets ⁽¹⁾	\$ 4,281,667	\$ 32,778,498	\$ 3,217,992	\$ 878,810	\$ 891,024	\$ 558,272	\$ 42,606,263

(In thousands)	June 30, 2022						
	Ba2	Ba3	B1	B2	B3	N/A ⁽²⁾	Total
Investments in leases - sales-type and financing receivable, Investments in loans and securities and Other assets ⁽¹⁾	\$ 4,214,233	\$ 15,566,631	\$ 14,948,277	\$ 872,396	\$ 279,906	\$ 145,986	\$ 36,027,428

(1) Excludes the CECL allowance for unfunded commitments recorded in Other liabilities as such commitments are not currently reflected on our Balance Sheet, rather the CECL allowance is based on our current best estimate of future funding commitments.

(2) We estimate the CECL allowance for our senior secured and mezzanine loans using a traditional commercial real estate model based on standardized credit metrics to estimate potential losses.

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Note 6 — Other Assets and Other Liabilities

Other Assets

The following table details the components of our other assets as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023	December 31, 2022
Sales-type sub-leases, net ⁽¹⁾	\$ 768,289	\$ 764,509
Property and equipment used in operations, net	66,826	67,209
Right of use assets and sub-lease right of use assets	41,727	45,008
Deferred acquisition costs	13,621	12,834
Debt financing costs	13,277	18,646
Tenant receivables	9,271	5,498
Other receivables	7,321	6,474
Interest receivable	5,885	6,911
Prepaid expenses	5,172	7,348
Forward-starting interest rate swaps	1,310	—
Other	1,440	1,891
Total other assets	<u>\$ 934,139</u>	<u>\$ 936,328</u>

⁽¹⁾ As of June 30, 2023 and December 31, 2022, sales-type sub-leases are net of \$16.3 million and \$19.8 million of allowance for credit losses, respectively. Refer to [Note 5 - Allowance for Credit Losses](#) for further details.

Property and equipment used in operations, included within other assets, is primarily attributable to the land, building and improvements of our golf operations and consists of the following as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023	December 31, 2022
Land and land improvements	\$ 60,367	\$ 60,332
Buildings and improvements	15,299	15,125
Furniture and equipment	10,672	9,563
Total property and equipment used in operations	86,338	85,020
Less: accumulated depreciation	(19,512)	(17,811)
Total property and equipment used in operations, net	<u>\$ 66,826</u>	<u>\$ 67,209</u>

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Depreciation expense	\$ 887	\$ 779	\$ 1,701	\$ 1,555

Other Liabilities

The following table details the components of our other liabilities as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023	December 31, 2022
Finance sub-lease liabilities	\$ 784,556	\$ 784,259
Deferred financing liabilities	73,600	73,600
Lease liabilities and sub-lease liabilities	41,727	45,039
CECL allowance for unfunded commitments	28,145	45,110
Deferred income taxes	4,416	4,339
Derivative liability	1,130	—
Other	250	125
Total other liabilities	<u>\$ 933,824</u>	<u>\$ 952,472</u>

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Note 7— Debt

The following tables detail our debt obligations as of June 30, 2023 and December 31, 2022:

<i>(\$ In thousands)</i> Description of Debt	June 30, 2023			
	Maturity	Interest Rate	Principal Amount	Carrying Value ⁽¹⁾
Revolving Credit Facility				
USD Borrowings ⁽²⁾	2026	SOFR + 1.05%	\$ —	\$ —
CAD Borrowings ⁽²⁾⁽³⁾	2026	CDOR + 1.05%	105,728	105,728
MGM Grand/Mandalay Bay CMBS Debt ⁽⁴⁾	2032	3.558%	3,000,000	2,760,388
November 2019 Notes ⁽⁵⁾				
2026 Maturity	2026	4.250%	1,250,000	1,240,252
2029 Maturity	2029	4.625%	1,000,000	989,731
February 2020 Notes ⁽⁵⁾				
2025 Maturity	2025	3.500%	750,000	746,192
2027 Maturity	2027	3.750%	750,000	743,924
2030 Maturity	2030	4.125%	1,000,000	989,372
April 2022 Notes ⁽⁵⁾				
2025 Maturity	2025	4.375%	500,000	497,088
2028 Maturity	2028	4.516% ⁽⁶⁾	1,250,000	1,238,337
2030 Maturity	2030	4.541% ⁽⁶⁾	1,000,000	988,482
2032 Maturity	2032	3.980% ⁽⁶⁾	1,500,000	1,481,817
2052 Maturity	2052	5.625%	750,000	735,607
Exchange Notes ⁽⁵⁾				
2024 Maturity	2024	5.625%	1,024,169	1,027,327
2025 Maturity	2025	4.625%	799,368	786,832
2026 Maturity	2026	4.500%	480,524	465,367
2027 Maturity	2027	5.750%	729,466	737,387
2028 Maturity	2028	4.500%	349,325	337,792
2029 Maturity	2029	3.875%	727,114	665,693
MGP OP Notes ⁽⁵⁾				
2024 Maturity	2024	5.625%	25,831	25,875
2025 Maturity	2025	4.625%	632	618
2026 Maturity	2026	4.500%	19,476	18,667
2027 Maturity	2027	5.750%	20,534	20,522
2028 Maturity	2028	4.500%	675	643
2029 Maturity	2029	3.875%	22,886	20,556
Total Debt		<u>4.342% ⁽⁷⁾</u>	<u>\$ 17,055,728</u>	<u>\$ 16,624,197</u>

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(\$ In thousands)

	December 31, 2022			
Description of Debt	Maturity	Interest Rate	Principal Amount	Carrying Value ⁽¹⁾
Revolving Credit Facility ⁽²⁾	2026	SOFR + 1.05%	\$ —	\$ —
Delayed Draw Term Loan ⁽³⁾	2025	SOFR + 1.20%	—	—
November 2019 Notes ⁽⁵⁾				
2026 Maturity	2026	4.250%	1,250,000	1,238,825
2029 Maturity	2029	4.625%	1,000,000	988,931
February 2020 Notes ⁽⁵⁾				
2025 Maturity	2025	3.500%	750,000	745,020
2027 Maturity	2027	3.750%	750,000	743,086
2030 Maturity	2030	4.125%	1,000,000	988,626
April 2022 Notes ⁽⁵⁾				
2025 Maturity	2025	4.375%	500,000	496,314
2028 Maturity	2028	4.516% ⁽⁶⁾	1,250,000	1,237,082
2030 Maturity	2030	4.541% ⁽⁶⁾	1,000,000	987,618
2032 Maturity	2032	3.980% ⁽⁶⁾	1,500,000	1,480,799
2052 Maturity	2052	5.625%	750,000	735,360
Exchange Notes ⁽⁵⁾				
2024 Maturity	2024	5.625%	1,024,169	1,029,226
2025 Maturity	2025	4.625%	799,368	783,659
2026 Maturity	2026	4.500%	480,524	463,018
2027 Maturity	2027	5.750%	729,466	738,499
2028 Maturity	2028	4.500%	349,325	336,545
2029 Maturity	2029	3.875%	727,114	660,489
MGP OP Notes ⁽⁵⁾				
2024 Maturity	2024	5.625%	25,831	25,901
2025 Maturity	2025	4.625%	632	615
2026 Maturity	2026	4.500%	19,476	18,542
2027 Maturity	2027	5.750%	20,534	20,520
2028 Maturity	2028	4.500%	675	639
2029 Maturity	2029	3.875%	22,886	20,361
Total Debt		4.496% ⁽⁷⁾	\$ 13,950,000	\$ 13,739,675

(1) Carrying value is net of unamortized original issue discount and unamortized debt issuance costs incurred in conjunction with debt.

(2) Interest on any outstanding balance is payable monthly. Borrowings under the Revolving Credit Facility bear interest at a rate based on a credit rating-based pricing grid with a range of 0.775% to 1.325% margin plus SOFR (or CDOR, as applicable) with an additional 0.10% adjustment for SOFR loans, as applicable. Additionally, the commitment fees under the Revolving Credit Facility are calculated on a credit rating-based pricing grid with a range of 0.15% to 0.375%, depending on our credit ratings. For the three and six months ended June 30, 2023, the commitment fee for the Revolving Credit Facility was 0.250%.

(3) On January 3, 2023, we drew on the Revolving Credit Facility in the amount of C\$140.0 million to fund a portion of the purchase price of the PURE Canadian Gaming Transaction. The balance above is inclusive of foreign currency remeasurement.

(4) Interest is payable monthly.

(5) Interest is payable semi-annually.

(6) Interest rates represent the contractual interest rates adjusted to account for the impact of the forward-starting interest rate swaps and treasury locks (as further described in [Note 8 - Derivatives](#)). The contractual interest rates on the April 2022 Notes maturing 2028, 2030 and 2032 are 4.750%, 4.950% and 5.125%, respectively.

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- (7) The interest rate represents the weighted average interest rates of the Senior Unsecured Notes adjusted to account for the impact of the forward-starting interest rate swaps and treasury locks (as further described in [Note 8 - Derivatives](#)), as applicable. The contractual weighted average interest rate as of June 30, 2023, which excludes the impact of the forward-starting interest rate swaps and treasury locks, is 4.48%.
- (8) The Delayed Draw Term Loan was available to be drawn up to 12 months following the effective date of February 8, 2022. On February 8, 2023, the Delayed Draw Term Loan facility expired undrawn in accordance with its terms.

The following table is a schedule of future minimum principal payments of our debt obligations as of June 30, 2023:

<i>(In thousands)</i>	Future Minimum Principal Payments
2023 (remaining)	\$ —
2024	1,050,000
2025	2,050,000
2026	1,855,728
2027	1,500,000
2028	1,600,000
Thereafter	9,000,000
Total minimum principal payments	<u>\$ 17,055,728</u>

Senior Unsecured Notes

Exchange Notes

On September 13, 2021, we announced that the VICI Issuers commenced (i) private exchange offers to certain eligible holders (collectively, the “Exchange Offers”) for any and all of each series of the MGP OP Notes for up to an aggregate principal amount of \$4.2 billion of new notes issued by the VICI Issuers and (ii) consent solicitations with respect to each series of MGP OP Notes (collectively, the “Consent Solicitations”) to adopt certain proposed amendments to each of the indentures governing the MGP OP Notes (collectively, the “MGP OP Notes Indentures”), which, among other things, eliminated or modified certain of the covenants, restrictions, provisions and events of default in each of the MGP OP Notes Indentures. Upon settlement of the Exchange Offers and Consent Solicitations on April 29, 2022, supplemental indentures to each of the MGP OP Notes Indentures that effected the proposed amendments became operative.

On April 29, 2022, the VICI Issuers issued \$1,024.2 million in aggregate principal amount of 5.625% Senior Notes due May 1, 2024, \$799.4 million in aggregate principal amount of 4.625% Senior Notes due June 15, 2025, \$480.5 million in aggregate principal amount of 4.500% Senior Notes due September 1, 2026, \$729.5 million in aggregate principal amount of 5.750% Senior Notes due February 1, 2027, \$349.3 million in aggregate principal amount of 4.500% Senior Notes due January 15, 2028 and \$727.1 million in aggregate principal amount of 3.875% Senior Notes due February 15, 2029 in exchange for the validly tendered and not validly withdrawn MGP OP Notes, originally issued by the MGP Issuers, pursuant to the settlement of the Exchange Offers and Consent Solicitations in connection with the closing of the MGP Transactions. The Exchange Notes were issued with the same interest rate, maturity date and redemption terms as the corresponding series of MGP OP Notes, in each case under a supplemental indenture dated as of April 29, 2022, between the VICI Issuers and UMB Bank, National Association, as trustee (the “Trustee”).

The Exchange Notes due 2025, 2026, 2027, 2028, and 2029 are redeemable at our option, in whole or in part, at any time on or after February 1, 2024, March 15, 2025, June 1, 2026, November 1, 2026, October 15, 2027 and November 15, 2028, respectively, at the redemption prices set forth in the respective indenture governing such Exchange Notes. We may redeem some or all of such notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a “make-whole” premium.

MGP OP Notes

Following the issuance of the Exchange Notes pursuant to the settlement of the Exchange Offers and Consent Solicitations, \$25.8 million in aggregate principal amount of MGP OP Notes due 2024, \$0.6 million in aggregate principal amount of MGP OP Notes due 2025, \$19.5 million in aggregate principal amount of MGP OP Notes due 2026, \$20.5 million in aggregate principal amount of MGP OP Notes due 2027, \$0.7 million in aggregate principal amount of MGP OP Notes due 2028 and \$22.9 million in aggregate principal amount of MGP OP Notes due 2029 remain outstanding.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
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Each series of the MGP OP Notes is redeemable at our option, in whole or in part, at any time on or after the same dates as set forth above with respect to the corresponding maturity series of the Exchange Notes. We may redeem some or all of such notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a “make-whole” premium.

April 2022 Notes

On April 29, 2022, VICI LP, our wholly owned subsidiary, issued (i) \$500.0 million in aggregate principal amount of 4.375% Senior Notes due 2025, which mature on May 15, 2025, (ii) \$1,250.0 million in aggregate principal amount of 4.750% Senior Notes due 2028, which mature on February 15, 2028, (iii) \$1,000.0 million in aggregate principal amount of 4.950% Senior Notes due 2030, which mature on February 15, 2030, (iv) \$1,500.0 million in aggregate principal amount of 5.125% Senior Notes due 2032, which mature on May 15, 2032, and (v) \$750.0 million in aggregate principal amount of 5.625% Senior Notes due 2052, which mature on May 15, 2052, (collectively, the “April 2022 Notes”) in each case under a supplemental indenture dated as of April 29, 2022, between VICI LP and the Trustee. We used the net proceeds of the offering to (i) fund the consideration for the redemption of a majority of the VICI OP Units received by MGM in the Partnership Merger for \$4,404.0 million in cash in connection with the closing of the MGP Transactions on April 29, 2022, and (ii) pay down the outstanding \$600.0 million balance on our Revolving Credit Facility.

Prior to their maturity date, in the case of the April 2022 Notes due 2025, and January 15, 2028 (one month prior to the maturity date of the April 2022 Notes due 2028), December 15, 2029 (two months prior to the maturity date of the April 2022 Notes due 2030), February 15, 2032 (three months prior to the maturity date of the April 2022 Notes due 2032) and November 15, 2051 (six months prior to the maturity date of the April 2022 Notes due 2052), respectively, in the case of the April 2022 Notes due 2028, 2030, 2032 and 2052, we may redeem the April 2022 Notes at our option, in whole or in part, at any time and from time to time, at a price equal to 100% of the principal amount thereof plus a “make-whole” premium. On or after January 15, 2028, December 15, 2029, February 15, 2032 and November 15, 2051, respectively, we may redeem the April 2022 Notes due 2028, 2030, 2032 and 2052 at a redemption price equal to 100% of the principal amount of such Notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date.

February 2020 Notes

On February 5, 2020, the VICI Issuers issued (i) \$750.0 million in aggregate principal amount of 3.500% Senior Notes due 2025, which mature on February 15, 2025, (ii) \$750.0 million in aggregate principal amount of 3.750% Senior Notes due 2027, which mature on February 15, 2027, and (iii) \$1,000.0 million in aggregate principal amount of 4.125% Senior Notes due 2030, which mature on August 15, 2030 (collectively, the “February 2020 Notes”), under separate indentures, each dated as of February 5, 2020, among the VICI Issuers, the subsidiary guarantors party thereto and the Trustee.

The February 2020 Notes due 2025, 2027 and 2030 are redeemable at our option, in whole or in part, at any time on or after February 15, 2022, February 15, 2023, and February 15, 2025, respectively, at the redemption prices set forth in the respective indenture. We may redeem some or all of the February 2020 Notes due 2025, 2027 and 2030 prior to such respective dates at a price equal to 100% of the principal amount thereof plus a “make-whole” premium. Prior to February 15, 2022, with respect to the February 2020 Notes due 2025, and February 15, 2023, with respect to the February 2020 Notes due 2027 and 2030, we may redeem up to 40% of the aggregate principal amount of the February 2020 Notes due 2025, 2027 and 2030 using the proceeds of certain equity offerings at the redemption price set forth in the respective indenture.

November 2019 Notes

On November 26, 2019, the VICI Issuers issued (i) \$1,250.0 million in aggregate principal amount of 4.250% Senior Notes due 2026, which mature on December 1, 2026, and (ii) \$1,000.0 million in aggregate principal amount of 4.625% Senior Notes due 2029, which mature on December 1, 2029 (collectively, the “November 2019 Notes”), under separate indentures, each dated as of November 26, 2019, among the VICI Issuers, the subsidiary guarantors party thereto and the Trustee.

The November 2019 Notes due 2026 and 2029 are redeemable at our option, in whole or in part, at any time on or after December 1, 2022 and December 1, 2024, respectively, at the redemption prices set forth in the respective indenture. We may redeem some or all of the November 2019 Notes due 2026 or 2029 prior to such respective dates at a price equal to 100% of the principal amount thereof plus a “make-whole” premium. Prior to December 1, 2022, we may redeem up to 40% of the aggregate principal amount of the November 2019 Notes due 2026 or 2029 using the proceeds of certain equity offerings at the redemption price set forth in the respective indenture.

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Guarantee and Financial Covenants

None of the Senior Unsecured Notes are guaranteed by any subsidiaries of VICI LP. The Exchange Notes, the MGP OP Notes and the April 2022 Notes benefit from a pledge of the limited partnership interests of VICI LP directly owned by VICI OP (the “Limited Equity Pledge”). The Limited Equity Pledge has also been granted in favor of (i) the administrative agent and the lenders under the Credit Agreement and (ii) the trustee under the indentures governing, and the holders of, the November 2019 Notes and the February 2020 Notes.

Pursuant to the terms of the respective indentures, in the event that the November 2019 Notes, February 2020 Notes and Exchange Notes (i) are rated investment grade by at least two of S&P, Moody’s and Fitch and (ii) no default or event of default has occurred and is continuing under the respective indentures, VICI LP and its restricted subsidiaries will no longer be subject to certain of the restrictive covenants under such indentures. On April 18, 2022, the November 2019 Notes, February 2020 Notes and Exchange Notes were rated investment grade by each of S&P and Fitch and VICI LP notified the Trustee of such Suspension Date (as defined in the indentures). Accordingly, VICI LP and its restricted subsidiaries are no longer subject to certain of the restrictive covenants under such indentures, but are subject to a maintenance covenant requiring VICI LP and its restricted subsidiaries to maintain a certain total unencumbered assets to unsecured debt ratio. In the event that the November 2019 Notes, February 2020 Notes and Exchange Notes are no longer rated investment grade by at least two of S&P, Moody’s and Fitch, then VICI LP and its restricted subsidiaries will again be subject to all of the covenants of the respective indentures, as applicable, but will no longer be subject to the maintenance covenant.

The indenture governing the April 2022 Notes contains certain covenants that limit the ability of VICI LP and its subsidiaries to incur secured and unsecured indebtedness and VICI LP to consummate a merger, consolidation or sale of all or substantially all of its assets. In addition, VICI LP is required to maintain total unencumbered assets of at least 150% of total unsecured indebtedness. These covenants are subject to a number of important exceptions and qualifications.

Unsecured Credit Facilities

On February 8, 2022, VICI LP entered into the Credit Agreement providing for (i) the Revolving Credit Facility in the amount of \$2.5 billion scheduled to mature on March 31, 2026 and (ii) the Delayed Draw Term Loan in the amount of \$1.0 billion scheduled to mature on March 31, 2025. The Delayed Draw Term Loan was available to be drawn for up to 12 months following the effective date and, accordingly, expired undrawn in accordance with its terms on February 8, 2023.

The Revolving Credit Facility includes two six-month maturity extension options the exercise of which is subject to customary conditions and the payment of an extension fee of 0.0625% on the extended commitments. Additionally, the Revolving Credit Facility includes the option to increase the revolving loan commitments by up to \$1.0 billion to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions. On July 15, 2022, the Credit Agreement was amended pursuant to a First Amendment among VICI LP and the lenders party to the Credit Agreement, in order to permit borrowings under the Revolving Credit Facility in certain foreign currencies in an aggregate principal amount of up to the equivalent of \$1.25 billion.

Borrowings under the Revolving Credit Facility will bear interest, at VICI LP’s option, at a rate based on SOFR (or CDOR for Canadian dollars) (including a credit spread adjustment for SOFR) plus a margin ranging from 0.775% to 1.325% or a base rate (or Canadian prime rate for Canadian dollars) plus a margin ranging from 0.00% to 0.325%, in each case, with the actual margin determined according to VICI LP’s debt ratings. The base rate for USD is the highest of (i) the prime rate of interest last quoted by the Wall Street Journal in the U.S. then in effect, (ii) the NYFRB rate from time to time plus 0.5% and (iii) the SOFR rate for a one-month interest period plus 1.0%, subject in each case to a floor of 1.0%. The Canadian prime rate is the highest of (i) the PRIMCAN Index rate and (ii) the average rate for thirty day Canadian Dollar bankers’ acceptance quoted by Reuters plus 1.0%, subject in each case to a floor of 1.0%. In addition, the Revolving Credit Facility requires the payment of a facility fee ranging from 0.15% to 0.375% (depending on VICI LP’s debt rating) of total revolving commitments.

Pursuant to the terms of the Credit Agreement, VICI LP is subject to, among other things, customary covenants and the maintenance of various financial covenants. The Credit Agreement is consistent with certain tax-related requirements related to security for the Company’s debt.

On January 3, 2023, we drew on the Revolving Credit Facility in the amount of C\$140.0 million to fund a portion of the purchase price of the PURE Canadian Gaming Transaction.

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MGM Grand/Mandalay Bay CMBS Debt

On January 9, 2023, as a result of the MGM Grand/Mandalay Bay JV Interest Acquisition, we consolidated the assets and liabilities of the MGM Grand/Mandalay Bay JV, which includes the \$3.0 billion in principal amount of outstanding CMBS debt (the “MGM Grand/ Mandalay Bay CMBS Debt”). The MGM Grand/Mandalay Bay CMBS Debt was originally incurred on February 14, 2020 pursuant to a loan agreement (as amended from time to time, the “MGM Grand/Mandalay Bay CMBS Loan Agreement”), and is secured primarily by mortgages on certain affiliates of the MGM Grand/Mandalay Bay JV’s fee interest in the real estate assets related to the MGM Grand Las Vegas and the Mandalay Bay Resort and Casino. The MGM Grand/Mandalay Bay CMBS Debt matures in March 2032 and bears interest at 3.558% per annum until March 2030 at which time the rate can change in accordance with the terms of the MGM Grand Mandalay Bay CMBS Loan Agreement until maturity. The MGM Grand/Mandalay Bay CMBS Loan Agreement contains certain customary affirmative and negative covenants and events of default, including, among other things, restrictions on the ability of the MGM Grand/Mandalay Bay JV and certain of its affiliates to incur additional debt and transfer, pledge or assign certain equity interests or its assets, and covenants requiring certain affiliates of the MGM Grand/Mandalay Bay JV to exist as “special purpose entities,” maintain certain ongoing reserve funds and comply with other customary obligations for commercial mortgage-backed securities loan financings.

Bridge Facilities

On March 2, 2021 and August 4, 2021, in connection with the completion of the Venetian Acquisition and MGP Transactions, respectively, VICI PropCo entered into Commitment Letters with certain lenders pursuant to which they provided commitments in an amount up to \$4.0 billion and \$9.3 billion, respectively, in the aggregate, each consisting of a 364-day first lien secured bridge facility (the “Venetian Acquisition Bridge Facility” and the “MGP Transactions Bridge Facility,” respectively), for the purpose of providing a portion of the financing necessary in connection with the closing of the Venetian Acquisition and MGP Transactions, as applicable. In each case the commitments were subject to a tiered commitment fee based on the period the respective commitment was outstanding and a structuring fee. During the three and six months ended June 30, 2022, we recognized \$3.8 million and \$16.3 million, respectively, in such fees, which were recorded in Interest expense in our Statement of Operations. We did not recognize any such fees during the three and six months ended June 30, 2023, since the Venetian Acquisition Bridge Facility and MGP Transactions Bridge Facility were fully terminated on February 23, 2022 and April 29, 2022, respectively, in connection with such closings.

Financial Covenants

As described above, our debt obligations are subject to certain customary financial and protective covenants that restrict VICI LP, VICI PropCo and its subsidiaries’ ability to incur additional debt, sell certain asset and restrict certain payments, among other things. These covenants are subject to a number of exceptions and qualifications, including the ability to make restricted payments to maintain our REIT status. At June 30, 2023, we were in compliance with all financial covenants under our debt obligations.

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Note 8 — Derivatives

Forward-Starting Derivatives

In March 2023, we entered into two forward-starting interest rate swap agreements with an aggregate notional amount of \$250.0 million to hedge against changes in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance of \$250.0 million of senior unsecured notes. Subsequent to quarter-end, we entered into one forward-starting interest rate swap agreement for an additional aggregate notional amount of \$50.0 million. We hedged our exposure to the variability in future cash flows for a forecasted issuance of long-term debt over a maximum period ending December 2024. The forward-starting interest rate swaps are designated as cash-flow hedges.

The following table details our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk as of June 30, 2023. As of December 31, 2022, there were no derivative instruments outstanding.

(\$ In thousands)

Instrument	June 30, 2023				
	Number of Instruments	Fixed Rate	Notional	Index	Maturity
Forward-starting interest rate swap	1	3.4565%	\$ 200,000	USD-SOFR-COMPOUND	March 6, 2034
Forward-starting interest rate swap	1	3.0615%	\$ 50,000	USD-SOFR-COMPOUND	March 6, 2034

From December 2021 through April 2022, we entered into five forward-starting interest rate swap agreements with an aggregate notional amount of \$2.5 billion and two U.S. Treasury Rate Lock agreements with an aggregate notional amount of \$500.0 million to hedge against changes in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of \$3.0 billion of long-term debt. The forward-starting interest rate swaps and treasury locks were designated as cash-flow hedges. In April 2022 in connection with the April 2022 Notes offering, we settled the outstanding forward-starting interest rate swaps for total net proceeds of \$202.3 million and the treasury locks for total net proceeds of \$4.5 million. Since the forward-starting swaps and treasury locks were hedging the interest rate risk on the April 2022 Notes, the unrealized gain in Accumulated other comprehensive income will be amortized over the term of the respective derivative instruments, which matches that of the underlying note, as a reduction in interest expense.

The following table presents the effect of our forward-starting derivative financial instruments on our Statement of Operations:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Unrealized gain recorded in other comprehensive income	\$ 7,573	\$ 91,939	\$ 180	\$ 200,550
Reduction in interest expense related to the amortization of the forward-starting interest rate swaps and treasury locks	(6,037)	(4,159)	(12,074)	(4,159)

Net Investment Hedges

The C\$140.0 million draw on the Revolving Credit Facility in connection with the PURE Canadian Gaming Transaction reduces the impact of exchange rate variations associated with our investment in the PURE Canadian Gaming entities and, accordingly, has been designated as a hedge of the net investment in the PURE Canadian Gaming entities. As a non-derivative net investment hedge, the impact of changes in foreign currency exchange rates on the principal balance are recognized as a cumulative translation adjustment within accumulated other comprehensive income. For the three and six months ended June 30, 2023, we recognized \$2.2 million and \$4.6 million, respectively, in unrealized losses related to such net investment hedge, which were recorded as a component of Foreign currency translation adjustments in the Statement of Operations.

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Note 9 — Fair Value

The following table summarizes our assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Derivative instruments - forward-starting interest rate swaps ⁽¹⁾	\$ 1,310	\$ —	\$ 1,310	\$ —
Financial liabilities:				
Derivative instruments - forward-starting interest rate swaps ⁽¹⁾	1,130	—	1,130	—
December 31, 2022				
<i>(In thousands)</i>	December 31, 2022			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Short-term investments ⁽²⁾	\$ 217,342	\$ —	\$ 217,342	\$ —

(1) The fair values of our interest rate swap derivative instruments were estimated using advice from a third-party derivative specialist, based on contractual cash flows and observable inputs comprising interest rate curves and credit spreads, which are Level 2 measurements as defined under ASC 820.

(2) The carrying value of these investments is equal to their fair value due to the short-term nature of the investments as well as their credit quality.

The estimated fair values of our financial instruments as of June 30, 2023 and December 31, 2022 for which fair value is only disclosed are as follows:

<i>(In thousands)</i>	June 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets:			
Investments in leases - financing receivables ⁽¹⁾	\$ 17,144,528	\$ 17,797,191	\$ 16,740,770	\$ 17,871,771
Investments in loans and securities ⁽²⁾	627,259	606,108	685,793	675,456
Cash and cash equivalents	738,793	738,793	208,933	208,933
Financial liabilities:				
Debt ⁽³⁾				
Revolving Credit Facility	105,728	105,728	—	—
MGM Grand/Mandalay Bay CMBS Debt	2,760,388	2,747,877	—	—
Senior Unsecured Notes	13,758,081	13,073,694	13,739,675	13,020,636

(1) These investments represent the JACK Master Lease, the Harrah's Call Properties, the MGM Master Lease, the Foundation Master Lease, Mirage Lease, Gold Strike Lease and the PURE Master Lease. In relation to the Harrah's Call Properties, JACK Master Lease, Mirage Lease, Gold Strike Lease and MGM Master Lease the fair value of these assets is based on significant "unobservable" market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy. In relation to the Foundation Master Lease and PURE Master Lease, given the proximity of the date of our investment to the date of the financial statements, we determined that the fair value materially approximates the purchase price of the acquisition of these financial assets.

(2) These investments represent our investments in eleven senior secured and mezzanine loans and one series of senior secured notes. The fair value of investments in loans is based on significant "unobservable" market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy. The fair value of our senior secured notes was estimated using quoted prices for identical or similar liabilities in markets that are not active and, as such, these fair value measurements are considered Level 2 of the fair value hierarchy.

(3) The fair value of our debt instruments was estimated using quoted prices for identical or similar liabilities in markets that are not active and, as such, these fair value measurements are considered Level 2 of the fair value hierarchy.

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Note 10 — Commitments and Contingent Liabilities

Litigation

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of June 30, 2023, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Lease Commitments

- **Operating Lease Commitments.** We are liable under various operating leases for: (i) land at the Cascata golf course, which expires in 2038 and has three 10-year extension options and (ii) certain corporate offices, the most material of which is our corporate headquarters in New York, NY, which expires in 2030 and has one five-year renewal option.
- **Sub-Lease Commitments.** Certain of our acquisitions necessitate that we assume, as the lessee, ground and use leases that are integral to the operations of the property, the cost of which is passed to our tenants through the Lease Agreements, which require the tenants to pay all costs associated with such ground and use leases and provide for their direct payment to the landlord.

We have determined we are the primary obligor of certain of such ground and use leases and, accordingly, have presented these leases on a gross basis on our Balance Sheet and Statement of Operations.

For the ground and use leases determined to be operating leases, we recorded a sub-lease right-of-use assets in Other assets and sub-lease liabilities in Other liabilities. For ground and lease uses determined to be finance leases, we recorded a sales-type sub-lease in Other assets and finance sub-lease liability in Other liabilities.

The following table details the balance and location in our Balance Sheet of the ground and use sub-leases as of June 30, 2023 and December 31, 2022:

<i>(In thousands)</i>	June 30, 2023	December 31, 2022
Others assets (operating lease and sub-leases)	\$ 26,076	\$ 28,953
Other liabilities (operating lease and sub-lease liabilities)	26,076	28,953
Others assets (sales-type sub-leases, net) ⁽¹⁾	768,289	764,509
Other liabilities (finance sub-lease liabilities)	784,556	784,259

⁽¹⁾ As of June 30, 2023 and December 31, 2022, sales-type sub-leases are net of \$16.3 million and \$19.8 million of allowance for credit losses, respectively. Refer to [Note 5 - Allowance for Credit Losses](#) for further details.

Total rental expense for operating lease commitments and total rental income and rental expense for operating and Finance sub-lease commitments and contractual rent expense under these agreements were as follows:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating leases				
Rent expense ⁽¹⁾	\$ 508	\$ 503	\$ 1,006	\$ 1,002
Contractual rent	483	475	956	949
Operating sub-leases				
Rental income and expense ⁽²⁾	1,712	1,712	3,424	2,283
Contractual rent	1,637	1,590	3,268	2,118
Finance sub-leases				
Rental income and expense ⁽²⁾	14,430	12,442	28,859	18,926
Contractual rent	14,281	12,307	28,562	18,985

⁽¹⁾ Total rental expense is included in golf operations and general and administrative expenses in our Statement of Operations.

⁽²⁾ Total rental income and rental expense for operating and finance sub-lease commitments are presented gross and included in Other income and Other expenses in our Statement of Operations.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases and ground and use sub-leases at June 30, 2023 are as follows:

<i>(In thousands)</i>	Operating Lease Commitments		Operating Sub-Lease Commitments		Financing Sub-Lease Commitments	
2023 (remaining)	\$	946	\$	3,316	\$	30,206
2024		1,847		6,553		59,039
2025		1,908		5,129		59,174
2026		1,958		3,934		59,174
2027		1,979		4,010		59,174
2028		2,000		3,034		59,174
Thereafter		13,138		2,094		2,496,361
Total minimum lease commitments	\$	23,776	\$	28,070	\$	2,822,302
Discounting factor		8,125		1,994		2,037,746
Lease liability	\$	15,651	\$	26,076	\$	784,556
Discount rates ⁽¹⁾		5.3% - 5.5%		2.6% - 2.9%		6.0% - 8.0%
Weighted average remaining lease term		13.2 years		5.0 years		54.3 years

⁽¹⁾ The discount rates for the leases were determined based on the yield of our then current secured borrowings, adjusted to match borrowings of similar terms.

Note 11 — Stockholders' Equity

Stock

Authorized

As of June 30, 2023, we have the authority to issue 1,400,000,000 shares of stock, consisting of 1,350,000,000 shares of common stock, \$0.01 par value per share, and 50,000,000 shares of preferred stock, \$0.01 par value per share.

Public Offerings

From time to time, we offer shares of our common stock through public offerings registered with the SEC. In connection with such offerings, we may issue and sell the offered shares of common stock upon settlement of the offering or, alternatively, enter into forward sale agreements with respect to all or a portion of the shares of common stock sold in such public offerings, pursuant to which the offered shares are borrowed by the forward sale purchasers and the issuance of such shares takes place upon settlement of the applicable forward sale agreement in accordance with its terms.

Forward Offerings

The following table summarizes the terms of the forward sale agreements outstanding as of June 30, 2023:

<i>(In thousands, except share and per share data)</i>	Effective Date ⁽¹⁾	Total Shares Sold ⁽²⁾	Public Offering Price Per Share	Aggregate Offering Value	Initial Forward Sale Price Per Share	Initial Net Value
January 2023 Forward Sale Agreements ⁽³⁾⁽⁴⁾	January 18, 2023	27,102,500	\$ 33.00	\$ 894,383	\$ 31.85	\$ 862,529

⁽¹⁾ The forward sale agreements generally require settlement within twelve months of the trade date, which is January 16, 2024 with respect to the January 2023 Forward Sale Agreements.

⁽²⁾ The amount is inclusive of 3,952,500 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock.

⁽³⁾ As of June 30, 2023, the net forward sales price per share under the January 2023 Forward Sale Agreements was \$31.64 and would result in us receiving approximately \$857.5 million in net cash proceeds if we were to physically settle the shares. Alternatively, if we were to cash settle the shares under the January 2023 Forward Sale Agreements, it would result in a cash inflow of \$5.7 million, or, if we were to net share settle the shares under the January 2023 Forward Sale Agreements, it would result in us receiving approximately 181,000 shares.

⁽⁴⁾ Subsequent to quarter-end, on July 20, 2023, we physically settled 6,000,000 shares under the January 2023 Forward Sale Agreements at a forward share price of \$31.71 per share, in exchange for total net proceeds of approximately \$190.3 million.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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We did not receive any proceeds from the sale of shares at the time we entered into each of the respective forward sale agreements. We determined that the forward sale agreements meet the criteria for equity classification and, therefore, are exempt from derivative accounting. We recorded the forward sale agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

The following table summarizes settlement activity of the outstanding forward sale agreements during the six months ended June 30, 2023:

<i>(In thousands, except share and per share data)</i>	Settlement Date	Settlement Type	Number of Shares Settled	Forward Share Price Upon Settlement	Total Net Proceeds
January 2023 Forward Sale Agreements	April 4, 2023	Physical	3,200,000	\$ 31.71	\$ 101,467
November 2022 Forward Sale Agreements	January 6, 2023	Physical	18,975,000	\$ 30.34	\$ 575,628

The following table summarizes settlement activity of the outstanding forward sale agreements during the six months ended June 30, 2022:

<i>(In thousands, except share and per share data)</i>	Settlement Date	Settlement Type	Number of Shares Settled	Forward Share Price Upon Settlement	Total Net Proceeds
September 2021 Forward Sale Agreements	February 18, 2022	Physical	50,000,000	\$ 27.81	\$ 1,390,600
March 2021 Forward Sale Agreements	February 18, 2022	Physical	69,000,000	\$ 26.50	\$ 1,828,600

At-the-Market Offering Program

On February 28, 2023, we entered into an equity distribution agreement, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$1,500.0 million of our common stock and terminated our prior equity distribution agreement, pursuant to which we previously sold, from time to time, shares of our common stock (collectively, the “ATM Program”). Sales of common stock, if any, made pursuant to the ATM Program may be sold in negotiated transactions or transactions that are deemed to be “at the market” offerings, as defined in Rule 415 of the Securities Act. The equity distribution agreement also provides that the Company may sell shares of its common stock under the ATM Program through forward sale contracts. Actual sales under the ATM Program will depend on a variety of factors including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs.

The following table summarizes our activity under the ATM Program during the six months ended June 30, 2023 and 2022, all of which were sold subject to forward sale agreements.

<i>(In thousands, except share and per share data)</i>	Number of Shares	Weighted Average Share Price	Aggregate Value	Initial Forward Sales Price Per Share	Aggregate Net Value
June 2022 ATM Forward Sale Agreement	11,380,980	\$ 32.28	\$ 367,400	\$ 31.64	\$ 360,000
June 2023 ATM Forward Sale Agreement ⁽¹⁾	327,306	\$ 32.36	\$ 10,600	\$ 31.71	\$ 10,400

⁽¹⁾ As of June 30, 2023, the net forward sales price per share under the June 2023 ATM Forward Sale Agreement was \$31.69 and would result in us receiving approximately \$10.4 million in net cash proceeds if we were to physically settle the shares. Alternatively, if we were to cash settle the shares under the June 2023 ATM Forward Sale Agreements, it would result in a cash inflow of \$0.1 million, or, if we were to net share settle the shares under the June 2023 ATM Forward Sale Agreements, it would result in us receiving approximately 3,000 shares.

We did not receive any proceeds from the sale of shares at the time we entered into each of the respective ATM Program forward sale agreements. We determined that the ATM Program forward sale agreements meet the criteria for equity classification and, therefore, are exempt from derivative accounting. We recorded the ATM Program forward sale agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table summarizes our settlement activity of the outstanding forward shares under the ATM Program, all of which were sold subject to the ATM Program forward sale agreements and the previous equity distribution agreement, as applicable, during the six months ended June 30, 2023. As of June 30, 2023, we have 327,306 forward shares outstanding under the ATM Program. There was no settlement activity of the outstanding forward shares under the ATM Program during the six months ended June 30, 2022.

<i>(In thousands, except share and per share data)</i>	Settlement Date	Settlement Type	Number of Shares Settled	Forward Share Price Upon Settlement	Total Net Proceeds
December 2022 ATM Forward Sale Agreement	January 6, 2023	Physical	6,317,805	\$ 32.99	\$ 208,402
August 2022 ATM Forward Sale Agreement	January 6, 2023	Physical	3,918,807	33.96	133,073
June 2022 ATM Forward Sale Agreement	January 3, 2023	Physical	11,380,980	31.20	355,168

Common Stock Outstanding

The following table details the issuance of outstanding shares of common stock, including restricted common stock:

Common Stock Outstanding	Six Months Ended June 30,	
	2023	2022
Beginning Balance January 1,	963,096,563	628,942,092
Issuance of common stock upon physical settlement of forward sale agreements	43,792,592	119,000,000
Issuance of common stock in connection with the REIT Mergers	—	214,552,532
Issuance of restricted and unrestricted common stock under the stock incentive program, net of forfeitures	537,355	596,361
Ending Balance June 30,	1,007,426,510	963,090,985

Distributions

Dividends declared (on a per share basis) during the six months ended June 30, 2023 and 2022 were as follows:

Six Months Ended June 30, 2023					
Declaration Date	Record Date	Payment Date	Period	Dividend	
March 9, 2023	March 23, 2023	April 6, 2023	January 1, 2023 - March 31, 2023	\$ 0.3900	
June 8, 2023	June 22, 2023	July 6, 2023	April 1, 2023 - June 30, 2023	\$ 0.3900	
Six Months Ended June 30, 2022					
Declaration Date	Record Date	Payment Date	Period	Dividend	
March 10, 2022	March 24, 2022	April 7, 2022	January 1, 2022 - March 31, 2022	\$ 0.3600	
June 9, 2022	June 23, 2022	July 7, 2022	April 1, 2022 - June 30, 2022	\$ 0.3600	

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 12 — Earnings Per Share and Earnings Per Unit
Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted earnings per share reflects the additional dilution for all potentially dilutive securities such as stock options, unvested restricted shares, unvested performance-based restricted shares and the shares to be issued by us upon settlement of any outstanding forward sale agreements for the period such dilutive security is outstanding. The shares issuable upon settlement of any outstanding forward sale agreements, as described in [Note 11 - Stockholders' Equity](#), are reflected in the diluted earnings per share calculations using the treasury stock method for the period outstanding prior to settlement. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the shares under any outstanding forward sale agreements for the period prior to settlement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period prior to settlement) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price immediately prior to settlement).

The following tables reconcile the weighted-average shares of common stock outstanding used in the calculation of basic earnings per share to the weighted-average shares of common stock outstanding used in the calculation of diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Determination of shares:				
Weighted-average shares of common stock outstanding	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Assumed conversion of restricted stock ⁽¹⁾	696,046	—	884,292	698,797
Assumed settlement of forward sale agreements	378,566	—	805,359	1,496,376
Diluted weighted-average shares of common stock outstanding	<u>1,007,968,422</u>	<u>896,545,880</u>	<u>1,005,879,395</u>	<u>793,224,837</u>
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<i>(In thousands, except per share data)</i>				
Basic:				
Net income (loss) attributable to common stockholders	\$ 690,702	\$ (57,706)	\$ 1,209,442	\$ 182,677
Weighted-average shares of common stock outstanding	1,006,894	896,546	1,004,190	791,030
Basic EPS	<u>\$ 0.69</u>	<u>\$ (0.06)</u>	<u>\$ 1.20</u>	<u>\$ 0.23</u>
Diluted:				
Net income (loss) attributable to common stockholders	\$ 690,702	\$ (57,706)	\$ 1,209,442	\$ 182,677
Diluted weighted-average shares of common stock outstanding	1,007,968	896,546	1,005,879	793,225
Diluted EPS	<u>\$ 0.69</u>	<u>\$ (0.06)</u>	<u>\$ 1.20</u>	<u>\$ 0.23</u>

(1) For the three months ended June 30, 2022, any such amounts have been excluded from the diluted weighted average number of shares of common stock as we were in a net loss position and the effect of inclusion would have been anti-dilutive. Assuming we had net income for the quarter, using the treasury stock method, the assumed conversion of our restricted stock would have been in the amount of 816,708 shares.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Earnings Per Unit

The following section presents the basic earnings per unit (“EPU”) and diluted EPU of VICI OP, our operating partnership and the direct parent and 100% interest holder in VICI LP. VICI LP’s interests are not expressed in units. However, given that VICI OP has a unit ownership structure and the financial information of VICI OP is substantially identical with that of VICI LP, we have elected to present the EPU of VICI OP. Basic EPU is computed by dividing net income attributable to partners’ capital by the weighted-average number of units outstanding during the period. In accordance with the VICI OP limited liability company agreement, for each share of common stock issued at VICI, a corresponding unit is issued by VICI OP. Accordingly, diluted EPU reflects the additional dilution for all potentially dilutive units resulting from potentially dilutive VICI stock issuances, such as options, unvested restricted stock awards, unvested performance-based restricted stock unit awards and the units to be issued by us upon settlement of any outstanding forward sale agreements of VICI for the period such dilutive security is outstanding. The units issuable upon settlement of any outstanding forward sale agreements of VICI are reflected in the diluted EPU calculations using the treasury stock method for the period outstanding prior to settlement. Under this method, the number of units used in calculating diluted EPU is deemed to be increased by the excess, if any, of the number of units that would be issued upon full physical settlement of the units under any outstanding forward sale agreements for the period prior to settlement over the number of shares of VICI common stock that could be purchased by us in the market (based on the average market price during the period prior to settlement) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price immediately prior to settlement). Upon VICI’s physical settlement of the shares of VICI common stock under the outstanding forward sale agreement, the delivery of shares of VICI common stock resulted in an increase in the number of VICI OP units outstanding and resulting dilution to EPU.

The following tables reconcile the weighted-average units outstanding used in the calculation of basic EPU to the weighted-average units outstanding used in the calculation of diluted EPU:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Determination of units:				
Weighted-average units outstanding	1,019,125	905,014	1,016,421	795,287
Assumed conversion of VICI restricted stock ⁽¹⁾	696	—	884	699
Assumed settlement of VICI forward sale agreements	379	—	805	1,496
Diluted weighted-average units outstanding	<u>1,020,200</u>	<u>905,014</u>	<u>1,018,111</u>	<u>797,482</u>

<i>(In thousands, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Basic:				
Net income (loss) attributable to partners	\$ 695,482	\$ (63,035)	\$ 1,217,558	\$ 175,312
Weighted-average units outstanding	1,019,125	905,014	1,016,421	795,287
Basic EPU	<u>\$ 0.68</u>	<u>\$ (0.07)</u>	<u>\$ 1.20</u>	<u>\$ 0.22</u>
Diluted:				
Net income (loss) attributable to partners	\$ 695,482	\$ (63,035)	\$ 1,217,558	\$ 175,312
Weighted-average units outstanding	1,020,200	905,014	1,018,111	797,482
Diluted EPU	<u>\$ 0.68</u>	<u>\$ (0.07)</u>	<u>\$ 1.20</u>	<u>\$ 0.22</u>

(1) For the three months ended June 30, 2022, any such amounts have been excluded from the diluted weighted average number of units as we were in a net loss position and the effect of inclusion would have been anti-dilutive. Assuming we had net income for the quarter, using the treasury stock method, the assumed conversion of VICI restricted stock to units would have been in the amount of 816,708 shares.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 13 — Stock-Based Compensation

The 2017 Stock Incentive Plan (the “Plan”) is designed to provide long-term equity-based compensation to our directors and employees. The Plan is administered by the Compensation Committee of the Board of Directors. Awards under the Plan may be granted with respect to an aggregate of 12,750,000 shares of common stock and may be issued in the form of: (a) incentive stock options, (b) non-qualified stock options, (c) stock appreciation rights, (d) dividend equivalent rights, (e) restricted stock, (f) restricted stock units or (g) unrestricted stock. In addition, the Plan limits the total number of shares of common stock with respect to which awards may be granted to any employee or director during any one calendar year. At June 30, 2023, 10.2 million shares of common stock remained available for issuance by us as equity awards under the Plan.

The following table details the stock-based compensation expense recorded as General and administrative expense in the Statement of Operations:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Stock-based compensation expense	\$ 4,031	\$ 3,236	\$ 7,498	\$ 5,866

The following table details the activity of our time-based restricted stock and performance-based restricted stock units:

	Six Months Ended June 30, 2023			
	Incentive and Time-Based Restricted Stock		Performance-Based Restricted Stock Units	
	Shares	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	507,339	\$ 27.47	769,589	\$ 22.88
Granted	206,539	28.68	474,867	28.59
Vested	(208,049)	28.08	(363,267)	19.90
Forfeited	(32,451)	28.40	(115,607)	19.90
Canceled	—	—	—	—
Outstanding at end of period	473,378	\$ 27.67	765,582	\$ 28.28

	Six Months Ended June 30, 2022			
	Incentive and Time-Based Restricted Stock		Performance-Based Restricted Stock Units	
	Shares	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	300,031	\$ 24.72	588,134	\$ 19.32
Granted	382,852	28.79	488,252	27.03
Vested	(155,346)	25.73	(227,166)	22.68
Forfeited	(13,657)	25.26	(80,586)	22.68
Canceled	—	—	—	—
Outstanding at end of period	513,880	\$ 27.44	768,634	\$ 22.87

As of June 30, 2023, there was \$26.1 million of unrecognized compensation cost related to non-vested stock-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 2.0 years.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial position and operating results of VICI Properties Inc. and VICI Properties L.P. for the three and six months ended June 30, 2023 should be read in conjunction with the Financial Statements and related notes thereto and other financial information contained elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes for the year ended December 31, 2022, which were included in our [Annual Report on Form 10-K for the year ended December 31, 2022](#). All defined terms included herein have the same meaning as those set forth in the [Notes to the Consolidated Financial Statements](#) contained within this Quarterly Report on Form 10-Q.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q, including statements such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “target,” “can,” “could,” “may,” “should,” “will,” “would” or similar expressions, which constitute “forward-looking statements” within the meaning of federal securities law. Forward-looking statements are based on our current plans, expectations and projections about future events. We therefore caution you therefore against relying on any of these forward-looking statements. They give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed in or implied by such forward-looking statements.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results, performance and achievements could differ materially from those set forth in the forward-looking statements and may be affected by a variety of risks and other factors, including, among others: the impact of changes in general economic conditions and market developments, including inflation, interest rate changes, foreign currency exchange rate fluctuations, supply chain disruptions, consumer confidence levels, changes in consumer spending, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy; the impact of recent and potential future interest rate increases on us, including our ability to successfully pursue investments in, and acquisitions of, additional properties and to obtain debt financing for such investments at attractive interest rates, or at all; risks associated with our pending and recently closed transactions, including our ability or failure to realize the anticipated benefits thereof; our dependence on our tenants at our properties, including their financial condition, results of operations, cash flows and performance, and their affiliates that serve as guarantors of the lease payments, and the negative consequences any material adverse effect on their respective businesses could have on us; the possibility that our pending transactions may not be consummated on the terms or timeframes contemplated, or at all; the ability of the parties to our pending transactions and any future transactions to satisfy the conditions set forth in the definitive transaction documents, including the ability to receive, or delays in obtaining, the governmental and regulatory approvals and consents required to consummate the pending transactions, or other delays or impediments to completing the transactions; our ability to obtain the financing necessary to complete any acquisitions on the terms we expect in a timely manner, or at all; the anticipated benefits of certain arrangements with certain tenants in connection with our Partner Property Growth Fund; our ability to exercise our purchase rights under our put-call agreements, call agreements, right of first refusal agreements and right of first offer agreements; our borrowers’ ability to repay their outstanding loan obligations to us; our dependence on the gaming industry; our ability to pursue our business and growth strategies may be limited by the requirement that we distribute 90% of our REIT taxable income in order to qualify for taxation as a REIT and that we distribute 100% of our REIT taxable income in order to avoid current entity-level U.S. federal income taxes; the impact of extensive regulation from gaming and other regulatory authorities; the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties, or the imposition of conditions to such regulatory approvals; the possibility that our tenants may choose not to renew their respective Lease Agreements following the initial or subsequent terms of the leases; restrictions on our ability to sell our properties subject to the Lease Agreements; our tenants and any guarantors’ historical results may not be a reliable indicator of their future results; our substantial amount of indebtedness, and ability to service, refinance and otherwise fulfill our obligations under such indebtedness; our historical financial information may not be reliable indicators of our future results of operations, financial condition and cash flows; our inability to successfully pursue investments in, and acquisitions of, additional properties; the possibility that we identify significant environmental, tax, legal or other issues that materially and adversely impact the value of assets acquired or secured as collateral (or other benefits we

expect to receive) in any of our pending or recently completed transactions; the impact of changes to the U.S. federal income tax laws; the possibility of adverse tax consequences as a result of our pending or recently completed transactions, including tax protection agreements to which we are a party; increased volatility in our stock price, including as a result of our pending or recently completed transactions; our inability to maintain our qualification for taxation as a REIT; the impact of climate change, natural disasters, war, political and public health conditions or uncertainty or civil unrest, violence or terrorist activities or threats on our properties and changes in economic conditions or heightened travel security and health measures instituted in response to these events; the loss of the services of key personnel; the inability to attract, retain and motivate employees; the costs and liabilities associated with environmental compliance; failure to establish and maintain an effective system of integrated internal controls; our reliance on distributions received from our subsidiaries, including VICI OP, to make distributions to our stockholders; the potential impact on the amount of our cash distributions if we were to sell any of our properties in the future; our ability to continue to make distributions to holders of our common stock or maintain anticipated levels of distributions over time; competition for transaction opportunities, including from other REITs, investment companies, private equity firms and hedge funds, sovereign funds, lenders, gaming companies and other investors that may have greater resources and access to capital and a lower cost of capital or different investment parameters than us; and additional factors discussed herein and listed from time to time as “Risk Factors” in our filings with the SEC, including without limitation, in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements. All forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q and the risk that actual results, performance and achievements will differ materially from the expectations expressed herein will increase with the passage of time. Except as otherwise required by the Federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in forward-looking statements, the inclusion of such forward-looking statements should not be regarded as a representation by us.

OVERVIEW

We are a Maryland corporation that is primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations, subject to long-term triple net leases. Our geographically diverse portfolio currently consists of 50 gaming facilities in the United States and Canada, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort, three of the most iconic entertainment facilities on the Las Vegas Strip. Our entertainment facilities are leased to leading brands that seek to drive consumer loyalty and value with guests through superior services, experiences, products and continuous innovation. Across approximately 124 million square feet, our well-maintained properties are currently located across urban, destination and drive-to markets in fifteen states and Canada, contain approximately 60,300 hotel rooms and feature over 450 restaurants, bars, nightclubs and sportsbooks.

Our portfolio also includes certain real estate debt investments that we have originated for strategic reasons, primarily in connection with transactions that either do or may provide the potential to convert our investment into the ownership of certain of the underlying real estate in the future. In addition, we own approximately 34 acres of undeveloped or underdeveloped land on and adjacent to the Las Vegas Strip that is leased to Caesars, which we may look to monetize as appropriate. VICI also owns four championship golf courses located near certain of our properties, two of which are in close proximity to the Las Vegas Strip.

We lease our properties to subsidiaries of, or entities managed by, Apollo, Caesars, Century Casinos, CNB, EBCI, Foundation Gaming, JACK Entertainment, MGM, PENN Entertainment, PURE Canadian Gaming and Seminole Hard Rock, with Caesars and MGM being our largest tenants. We believe we have a mutually beneficial relationship with each of our tenants, all of which are leading owners and operators of gaming, entertainment and leisure properties. Our long-term triple-net Lease Agreements with our tenants provide us with a highly predictable revenue stream with embedded growth potential. We believe our geographic diversification limits the effect of changes in any one market on our overall performance. We are focused on driving long-term total returns through managing experiential asset growth and allocating capital diligently, maintaining a highly productive tenant base, and optimizing our capital structure to support external growth. As a growth focused public real estate investment trust with long-term investments, we expect our relationship with our partners will position us for the acquisition of additional properties across leisure and hospitality over the long-term.

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which require our tenants to invest in our properties, and in line with our tenants’ commitment to build guest loyalty, we anticipate our tenants will continue to make strategic value-enhancing investments in our properties over time, helping to maintain their competitive position. Our long-term triple-net leases provide our tenants with complete control over management at our leased properties,

including sole responsibility for all operations and related expenses, including property taxes, insurance and maintenance, repair, improvement and other capital expenditures, as well as over the implementation of environmental sustainability and other initiatives. Given our scale and deep industry knowledge, we believe we are well-positioned to execute highly complementary single-asset and portfolio acquisitions, as well as other investments, to augment growth as market conditions allow, with a focus on disciplined capital allocation.

We conduct our operations as a real estate investment trust (“REIT”) for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We believe VICI’s election of REIT status, combined with the income generation from the Lease Agreements and loans, will enhance our ability to make distributions to our stockholders, providing investors with current income as well as long-term growth, subject to the macroeconomic environment, other global events and market conditions more broadly. We conduct our real property business through VICI OP and our golf course business through a taxable REIT subsidiary (a “TRS”), VICI Golf.

The financial information included in this Quarterly Report on Form 10-Q is our consolidated results (including the real property business and the golf course business) for the three and six months ended June 30, 2023.

Impact of Material Trends on Our Business

Recent macroeconomic volatility has introduced significant uncertainty and heightened risk for businesses, including us and our tenants, as a result of the current inflationary environment, including the impact of recent and potential future interest rate increases and increased cost of capital. Our tenants also face additional challenges, including potential changes in consumer confidence levels, behavior and spending, and increased operational expenses, such as with respect to labor or energy costs. As a triple-net lessor, increased operational expenses at our leased properties are borne by our tenants and do not directly impact their rent obligations (other than with respect to underlying inflation as applied to the CPI-based escalators) or other obligations under our Lease Agreements. As a triple-net lessor, we believe we are generally in a strong creditor position and structurally insulated from operational and performance impacts of our tenants, both positive and negative. However, the full extent to which these trends adversely affect our tenants and/or ultimately impact us depends on future developments that cannot be predicted with confidence, including our tenants’ financial performance, the direct and indirect effects of such trends (including among other things, interest rate changes, inflation, economic recessions, consumer confidence levels and general conditions in the capital and credit markets) and the impact of any future measures taken in response to such trends on our tenants.

For more information, refer to the sections entitled “Key Trends That May Affect Our Business” and “Risk Factors” in our [Annual Report on Form 10-K for the year ended December 31, 2022](#) and as updated from time to time in our other filings with the SEC.

SIGNIFICANT ACTIVITIES DURING 2023

Acquisition Activity

- **Rocky Gap Casino Transaction.** Subsequent to quarter-end, on July 25, 2023, we closed on the previously announced acquisition of the Rocky Gap Casino, located in Flintstone, Maryland with Century Casinos, Maryland, from Golden Entertainment, Inc. for an aggregate purchase price of \$260.0 million. Pursuant to the transaction agreements, we acquired the leasehold interest in the land and buildings associated with the Rocky Gap Casino for approximately \$203.9 million, and Century Casinos acquired the operating assets of the property for approximately \$56.1 million. Simultaneous with the closing of the transaction, the Century Master Lease was amended to include Rocky Gap Casino, and annual rent under the Century Master Lease was increased by \$15.5 million. Additionally, the term of the Century Master Lease was extended such that, upon closing of the transaction, the lease has a full 15-year initial base lease term remaining. Century Casinos previously exercised one 5-year tenant renewal option and three additional 5-year tenant renewal options are remaining. The tenants’ obligations under the Century Master Lease continue to be guaranteed by Century Casinos.
- **Century Canadian Portfolio Transaction.** On May 16, 2023, we entered into definitive agreements to acquire the real estate assets of Century Casino & Hotel Edmonton, Century Casino St. Albert and Century Mile Racetrack and Casino, each in Edmonton, Alberta and Century Downs Racetrack and Casino in Calgary, Alberta, (collectively the “Century Canadian Portfolio”) from Century Casinos for an aggregate purchase price in cash of C\$221.7 million (approximately US\$164.7 million based on the exchange rate at the time of the announcement) in cash. Simultaneous with the closing of the transaction, the Century Canadian Portfolio will be added to the Century Master Lease and annual rent will increase by C\$17.3 million (approximately US\$12.8 million based on the exchange rate at the time of

the announcement). Additionally, the term of the Century Master Lease will be extended such that, upon closing of the transaction, the lease will have a full 15-year initial base lease term, with three 5-year tenant renewal options. Century Casinos previously exercised one 5-year tenant renewal option. The tenants' obligations under the Century Master Lease will continue to be guaranteed by Century Casinos. The transaction is subject to customary regulatory approvals and closing conditions and is expected to close in the second half of 2023.

- **MGM Grand/Mandalay Bay JV Interest Acquisition.** On January 9, 2023, we closed on the previously announced acquisition of the remaining 49.9% interest in the MGM Grand/Mandalay Bay JV from BREIT (the "MGM Grand/Mandalay Bay JV Interest Acquisition") for cash consideration of \$1,261.9 million. We also assumed the remaining \$1,497.0 million pro rata share of an aggregate \$3.0 billion of property-level debt, which matures in 2032 and bears interest at a fixed rate of 3.558% per annum through March 2030. The cash consideration was funded through a combination of cash on hand and proceeds from the settlement of certain forward sale agreements. The MGM Grand/Mandalay Bay Lease currently has an annual rent of \$309.9 million, all of which we are entitled to following the closing of the MGM Grand/Mandalay Bay JV Interest Acquisition. The MGM Grand/Mandalay Bay Lease has a remaining initial lease term of approximately 27 years (expiring in 2050), with two 10-year tenant renewal options. Rent under the MGM Grand/Mandalay Bay Lease escalates annually at 2.0% through 2035 (year 15 of the initial lease term) and thereafter at the greater of 2.0% or CPI (subject to a 3.0% ceiling). As of December 31, 2022, the MGM Grand/Mandalay Bay JV was accounted for as an equity method investment within Investment in unconsolidated affiliate on our Balance Sheet. Simultaneous with closing of the MGM Grand/Mandalay Bay JV Interest Acquisition, as a result of acquiring full ownership of the joint venture, we consolidated the net assets and operations of the MGM Grand/Mandalay Bay JV.
- **PURE Canadian Gaming Transaction.** On January 6, 2023, we acquired the real estate assets of PURE Casino Edmonton, PURE Casino Yellowhead, PURE Casino Calgary, and PURE Casino Lethbridge, all of which are located in Alberta, Canada, from PURE Canadian Gaming for an aggregate purchase price in cash of approximately C\$271.9 million (approximately US\$200.8 million based on the exchange rate at the time of the acquisition) (the "PURE Canadian Gaming Transaction"). We financed the PURE Canadian Gaming Transaction with a combination of cash on hand and drawing down C\$140.0 million (approximately US\$103.4 million based on the exchange rate at the time of the acquisition) under our Revolving Credit Facility. Simultaneous with the acquisition, we entered into the PURE Master Lease. The PURE Master Lease has an initial total annual rent of approximately C\$21.8 million (approximately US\$16.1 million based on the exchange rate at the time of the acquisition), an initial term of 25 years, with 4 5-year tenant renewal options, escalation of 1.25% per annum in lease years two and three (and thereafter at the greater of 1.5% and Canadian Consumer Price Index, capped at 2.5%) and minimum capital expenditure requirements of 1.0% of annual net revenue (excluding gaming equipment). The tenant's obligations under the PURE Master Lease are guaranteed by the parent entity of PURE Canadian Gaming.

Leasing Activity

- **Gold Strike Severance Lease.** On February 15, 2023, in connection with the closing of MGM's sale of the operations of Gold Strike, we entered into the Gold Strike Lease with CNB related to the land and real estate assets of Gold Strike, and entered into an amendment to the MGM Master Lease in order to account for MGM's divestiture of the operations of Gold Strike and to reduce the annual base rent by \$40.0 million. The Gold Strike Lease has initial annual base rent of \$40.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. The Gold Strike Lease is guaranteed by CNB.

Loan, Security and Preferred Equity Investment Activity

- **Canyon Ranch Transactions.** Subsequent to quarter-end, on July 26, 2023, we committed to an up to \$150.0 million preferred equity investment into the controlling entity of Canyon Ranch, a leading provider of holistic, integrative health and wellness guest experiences. The preferred equity has a term of 10 years and may be redeemed by Canyon Ranch at any time, subject to a redemption premium in the first three years. In connection with this investment, we entered into (i) a call right agreement whereby we will have the option to call the real estate assets of each of Canyon Ranch Tucson and Canyon Ranch Lenox, subject to certain conditions, and (ii) a right of first financing agreement pursuant to which we will have the right, but not the obligation, to serve as the real estate capital financing partner for Canyon Ranch with respect to the acquisition, build-out and redevelopment of future wellness resorts. If the call right(s) are exercised, Canyon Ranch would continue to operate the applicable wellness resort(s) subject to a long-term

triple net master lease with the Company.

In addition, we intend to provide approximately \$150.0 million of mortgage financing to a subsidiary of Canyon Ranch secured by Canyon Ranch Tucson and Canyon Ranch Lenox. Proceeds of the mortgage financing would be used to refinance Canyon Ranch's existing CMBS debt secured by these two assets. The mortgage financing will have an initial term of two years with three one-year extensions, exercisable at Canyon Ranch's option, subject to satisfying certain customary extension conditions. The Company expects the mortgage financing to close in the third quarter of 2023.

- **Hard Rock Ottawa Secured Notes.** On March 28, 2023, we purchased \$85.0 million principal amount of senior secured notes from H.R. Ottawa, L.P., which owns and operates the Hard Rock Ottawa Casino. H.R. Ottawa, L.P. intends to use the proceeds of the Hard Rock Ottawa Notes to fund a portion of (i) the redevelopment and rebrand of the existing Rideau Carleton Raceway Casino, located in Ottawa, Canada, (ii) the development of an integrated "Hard Rock" branded hotel with approximately 150 rooms, and (iii) the repayment of existing debt.

Financing and Capital Markets Activity

- **January 2023 Offering.** On January 12, 2023, we completed a primary forward offering of 30,302,500 shares of common stock (inclusive of 3,952,500 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional shares of common stock) at a public offering price of \$33.00 per share for an aggregate offering value of \$1,000.0 million, resulting in net proceeds, after deduction of the underwriting discount and expenses, of \$964.4 million. The shares are subject to forward sale agreements (the "January 2023 Forward Sale Agreements"), which require settlement by January 16, 2024. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchasers or their respective affiliates and remain subject to settlement in accordance with the terms of the January 2023 Forward Sale Agreements. On April 4, 2023, we physically settled 3,200,000 shares under the January 2023 Forward Sale Agreements at a forward sale price of \$31.71 per share in exchange for total net proceeds of approximately \$101.5 million. Subsequent to quarter-end, on July 20, 2023, we physically settled 6,000,000 shares under the January 2023 Forward Sale Agreements at a forward sale price of \$31.71 per share in exchange for total net proceeds of approximately \$190.3 million. Following such settlement, 21,102,500 shares of common stock remain available for settlement under the January 2023 Forward Sale Agreements.
- **Settlement of ATM Forward Sale Agreements and November 2022 Forward Sale Agreements.** In January 2023, we physically settled certain outstanding ATM Program forward sale agreements and all of the November 2022 Forward Sale Agreements in exchange for total net proceeds of approximately \$1,272.3 million, which were used to pay for a portion of the purchase price of the MGM Grand/Mandalay Bay JV Interest Acquisition. See [Note 11 - Stockholders Equity](#) for additional information.

RESULTS OF OPERATIONS

The results of operations discussion of VICI and VICI LP are presented combined as there are no material differences between the two reporting entities. Further, Golf revenues and Golf expenses, which are wholly attributable to VICI and not VICI LP, are shown as separate line items in the Statement of Operations of VICI.

<i>(In thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Variance	2023	2022	Variance
Revenues						
Income from sales-type leases	\$ 495,355	\$ 375,169	\$ 120,186	\$ 973,749	\$ 701,904	\$ 271,845
Income from lease financing receivables, loans and securities	373,132	261,721	111,411	744,201	334,599	409,602
Other income	18,525	15,563	2,962	36,864	23,949	12,915
Golf revenues	11,146	10,170	976	20,991	18,796	2,195
Total revenues	898,158	662,623	235,535	1,775,805	1,079,248	696,557
Operating expenses						
General and administrative	14,920	11,782	3,138	29,925	21,248	8,677
Depreciation	887	779	108	1,701	1,555	146
Other expenses	18,525	15,563	2,962	36,864	23,949	12,915
Golf expenses	6,590	5,859	731	12,542	11,144	1,398
Change in allowance for credit losses	(41,355)	551,876	(593,231)	70,122	632,696	(562,574)
Transaction and acquisition expenses	777	16,664	(15,887)	(181)	17,419	(17,600)
Total operating expenses	344	602,523	(602,179)	150,973	708,011	(557,038)
Income from unconsolidated affiliate	—	15,134	(15,134)	1,280	15,134	(13,854)
Interest expense	(203,594)	(133,128)	(70,466)	(407,954)	(201,270)	(206,684)
Interest income	5,806	780	5,026	8,853	873	7,980
Other gains (losses)	3,454	—	3,454	5,417	—	5,417
Income (loss) before income taxes	703,480	(57,114)	760,594	1,232,428	185,974	1,046,454
Income tax expense	(1,899)	(1,027)	(872)	(2,986)	(1,427)	(1,559)
Net income (loss)	701,581	(58,141)	759,722	1,229,442	184,547	1,044,895
Less: Net (income) loss attributable to non-controlling interests	(10,879)	435	(11,314)	(20,000)	(1,870)	(18,130)
Net income (loss) attributable to common stockholders	\$ 690,702	\$ (57,706)	\$ 748,408	\$ 1,209,442	\$ 182,677	\$ 1,026,765

Revenue

For the three and six months ended June 30, 2023 and 2022, our revenue was comprised of the following items:

<i>(In thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Variance	2023	2022	Variance
Leasing revenue	\$ 851,840	\$ 626,514	\$ 225,326	\$ 1,685,073	\$ 1,016,268	\$ 668,805
Income from loans and securities	16,647	10,376	6,271	32,877	20,235	12,642
Other income	18,525	15,563	2,962	36,864	23,949	12,915
Golf revenues	11,146	10,170	976	20,991	18,796	2,195
Total revenues	<u>\$ 898,158</u>	<u>\$ 662,623</u>	<u>\$ 235,535</u>	<u>\$ 1,775,805</u>	<u>\$ 1,079,248</u>	<u>\$ 696,557</u>

Leasing Revenue

The following table details the components of our income from sales-type and financing receivables leases:

<i>(In thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Variance	2023	2022	Variance
Income from sales-type leases	\$ 495,355	\$ 375,169	\$ 120,186	\$ 973,749	\$ 701,904	\$ 271,845
Income from lease financing receivables ⁽¹⁾	356,485	251,345	105,140	711,324	314,364	396,960
Total leasing revenue	851,840	626,514	225,326	1,685,073	1,016,268	668,805
Non-cash adjustment ⁽²⁾	(129,543)	(86,408)	(43,135)	(252,383)	(121,961)	(130,422)
Total contractual leasing revenue	<u>\$ 722,297</u>	<u>\$ 540,106</u>	<u>\$ 182,191</u>	<u>\$ 1,432,690</u>	<u>\$ 894,307</u>	<u>\$ 538,383</u>

⁽¹⁾ Represents the MGM Master Lease, Harrah's Call Properties (as defined in [Note 2 - Summary of Significant Accounting Policies](#)), the JACK Master Lease, the Foundation Master Lease, the Mirage Lease, the PURE Master Lease and the Gold Strike Lease. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have transferred to us, such lease agreements are accounted for as financings under ASC 310.

⁽²⁾ Amounts represent the non-cash adjustment to income from sales-type leases, direct financing leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

Leasing revenue is generated from rent from our Lease Agreements. Total leasing revenue increased \$225.3 million and \$668.8 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. Total contractual leasing revenue increased \$182.2 million and \$538.4 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. The increases were primarily driven by the addition to our portfolio of the Venetian Lease in February 2022, MGM Master Lease in April 2022, Foundation Master Lease in December 2022 and PURE Master Lease and MGM Grand/Mandalay Bay Lease in January 2023, as well as the annual rent escalators from certain of our other Lease Agreements.

Income From Loans and Securities

Income from loans and securities increased \$6.3 million and \$12.6 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. The increases were driven by the origination and subsequent funding, as applicable, of our senior secured and mezzanine loans and securities and the related interest income from the increased principal balance outstanding.

Other Income

Other income increased \$3.0 million and \$12.9 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. The increases were driven primarily by the additional income and offsetting expense as a result of the assumption of certain sub-leases in connection with the closing of the Venetian Acquisition in February 2022 and MGP Transactions in April 2022. The Lease Agreements require the tenants to pay all costs associated with such ground and use sub-leases and provide for their direct payment to the landlord.

Operating Expenses

For the three and six months ended June 30, 2023 and 2022, our operating expenses were comprised of the following items:

<i>(In thousands)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Variance	2023	2022	Variance
General and administrative	\$ 14,920	\$ 11,782	\$ 3,138	\$ 29,925	\$ 21,248	\$ 8,677
Depreciation	887	779	108	1,701	1,555	146
Other expenses	18,525	15,563	2,962	36,864	23,949	12,915
Golf expenses	6,590	5,859	731	12,542	11,144	1,398
Change in allowance for credit losses	(41,355)	551,876	(593,231)	70,122	632,696	(562,574)
Transaction and acquisition expenses	777	16,664	(15,887)	(181)	17,419	(17,600)
Total operating expenses	\$ 344	\$ 602,523	\$ (602,179)	\$ 150,973	\$ 708,011	\$ (557,038)

General and Administrative Expenses

General and administrative expenses increased \$3.1 million and \$8.7 million for the three and six months ended June 30, 2023, respectively, as compared to the three and six months ended June 30, 2022, respectively. The increase was primarily driven by an increase in compensation, including stock-based compensation and the addition of new employees and additional expenses related to the growth of our business in 2023.

Other Expenses

Other expenses increased \$3.0 million and \$12.9 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively, driven primarily by the additional income and offsetting expense as a result of the assumption of certain sub-leases in connection with the Venetian Acquisition and MGP Transactions. The Lease Agreements require the tenants to pay all costs associated with such ground and use sub-leases and provide for their direct payment to the landlord.

Change in Allowance for Credit Losses

During the three months ended June 30, 2023, we recognized a \$41.4 million decrease in our allowance for credit losses, primarily driven by a decrease in Short-Term PD due to a decrease in asset volatility and increase in equity value for certain of our tenants' guarantors, partially offset by changes in the macroeconomic forecast used to scenario condition our reasonable and supportable period, R&S Period, probability of default, or PD.

During the six months ended June 30, 2023, we recognized a \$70.1 million increase in our allowance for credit losses, primarily driven by (i) initial CECL allowances in relation to (a) the consolidation of the MGM Grand/Mandalay Bay JV in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition and related classification of the MGM Grand/Mandalay Bay Lease as a sales-type lease, (b) the PURE Canadian Gaming Transaction and related classification of the PURE Master Lease as a lease financing receivable, and (c) the purchase of the Hard Rock Ottawa Notes, and (ii) an increase in the Long-Term Period PD, as a result of a standard annual update made to the Long-Term PD default study we utilize to estimate our CECL allowance. This increase was partially offset by (i) a decrease in the R&S Period PD of our tenants and their parent guarantors as a result of their market performance, and (ii) changes in the macroeconomic forecast used to scenario condition our R&S Period PD.

During the three and six months ended June 30, 2022, we recognized a \$551.9 million and \$632.7 million increase, respectively, in our allowance for credit losses primarily driven by initial CECL allowances on our acquisition activity during such periods in the amount of \$439.7 million and \$515.7 million, respectively, representing 79.9% and 81.5% of the total allowance for three and six months ended June 30, 2022, respectively. The initial CECL allowances were in relation to (i) the closing of the MGP Transactions on April 29, 2022, which included the (a) classification of the MGM Master Lease as a lease financing receivable, and (b) the sales-type sub-lease agreements we assumed in connection with the closing of the MGP Transactions and are required to present gross, (ii) the closing of the Venetian Acquisition on February 23, 2022, which included (a) the classification of the Venetian Lease as a sales-type lease, (b) the estimated future funding commitments under our Partner Property Growth Fund with Venetian Tenant and (c) the sales-type sub-lease agreements we assumed in connection with the closing of the Venetian Acquisition and are required to present gross, and (iii) the future funding commitments related

to certain development loans executed during the six months ended June 30, 2022. Additional increases were attributable to the increase in the R&S Period PD of our tenants and their parent guarantors as a result of market volatility during the first and second quarters of 2022. This was partially offset by a decrease in the Long-Term Period PD as a result of standard annual updates that were made to the Long-Term PD default study we utilize to estimate our CECL allowance.

Transaction and Acquisition Expenses

Transaction and acquisition expenses decreased \$15.9 million and \$17.6 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. Changes in transaction and acquisition expenses are related to fluctuations in (i) costs incurred for investments during the period that are not capitalizable under GAAP, and (ii) costs incurred for investments that we are no longer pursuing.

Non-Operating Income and Expenses

For the three and six months ended June 30, 2023 and 2022, our non-operating income and expenses were comprised of the following items:

<i>(In thousands)</i>	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Income from unconsolidated affiliate	\$ —	\$ 15,134	\$ (15,134)	\$ 1,280	\$ 15,134	\$ (13,854)
Interest expense	(203,594)	(133,128)	(70,466)	(407,954)	(201,270)	(206,684)
Interest income	5,806	780	5,026	8,853	873	7,980
Other gains (losses)	3,454	—	3,454	5,417	—	5,417

Income from Unconsolidated Affiliate

Income from unconsolidated affiliate during the six months ended June 30, 2023 represents our 50.1% share of the income of the MGM Grand/Mandalay Bay JV for the period from January 1, 2023 through January 8, 2023, immediately prior to the closing of the MGM Grand/Mandalay Bay JV Interest Acquisition. Beginning on January 9, 2023, upon the closing of the MGM Grand/Mandalay Bay JV Interest Acquisition, we consolidated the operations of the MGM Grand/Mandalay Bay JV, and subsequently, such income is included in Income from sales-type lease on our Statement of Operations and, accordingly, no Income from unconsolidated affiliate was recognized for the three months ended June 30, 2023.

Income from unconsolidated affiliate during the three and six months ended June 30, 2022, represents our 50.1% share of the income of the MGM Grand/Mandalay Bay JV beginning in April 2022 in connection with and upon the closing of the MGP Transactions.

Interest Expense

Interest expense increased \$70.5 million and \$206.7 million during the three and six months ended June 30, 2023, respectively, as compared to the three and six months ended June 30, 2022, respectively. The increases during the three and six months ended June 30, 2023 were primarily related to the increase in debt from the (i) issuance of the April 2022 Notes, (ii) issuance of the Exchange Notes, (iii) assumption of the MGP OP Notes, (iv) C\$140.0 million draw on the Revolving Credit Facility to finance the PURE Canadian Gaming Transaction, and (v) assumption of \$3.0 billion aggregate principal of CMBS debt in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition, the combination of which resulted in an additional \$12.3 billion in notional amount of debt at a weighted average interest rate of 4.52% and 4.59% during the three and six months ended June 30, 2023, respectively, net of the impact of the forward-starting interest rate swaps and treasury locks. The increases were partially offset by certain interest expense recorded during the three and six months ended June 30, 2022 with no corresponding expense during the three and six months ended June 30, 2023 and include (i) the amortization of the commitment fees associated with the Venetian Acquisition Bridge Facility and the MGP Transactions Bridge Facility and (ii) additional interest on the \$600.0 million draw on the Revolving Credit Facility in February 2022 (which was repaid in full on April 29, 2022).

Additionally, the weighted average annualized interest rate of our debt, net of the impact of the forward-starting interest rate swaps and treasury locks, decreased to 4.32% from 4.38% for the three months ended June 30, 2023 compared to three months ended June 30, 2022, respectively, as a result of the lower interest rate on the MGM Grand/Mandalay Bay JV CMBS debt. The weighted average annualized interest rate of our debt, net of the impact of the forward-starting interest rate swaps and treasury

locks, increased to 4.33% from 4.25%, during the six months ended June 30, 2023 compared to the six months ended June 30, 2022, respectively, as a result of a higher weighted average effective interest rate on the April 2022 Notes, Exchange Notes and MGP OP Notes as compared to our outstanding debt during such earlier periods, partially offset by the lower interest rate on the MGM Grand/Mandalay Bay JV CMBS debt.

Interest Income

Interest income increased \$5.0 million and \$8.0 million during the three and six months ended June 30, 2023, respectively, compared to the three and six months ended June 30, 2022, respectively. The increase was primarily driven by a significant increase in the interest rates and income earned on our excess cash, coupled with an overall increase in our cash on hand throughout the current period as compared to the prior period.

Other Gains (Losses)

During the three and six months ended June 30, 2023, we recognized \$3.5 million and \$5.4 million of Other gains (losses), respectively, which primarily relate to the sale of excess land in April 2023 and foreign currency remeasurement adjustments associated with our investment in Canada. In connection with the PURE Canadian Gaming Transaction, we entered into intercompany debt and drew C\$140.0 on the Revolving Credit Facility, both of which are denominated in CAD and, since such debt is held at entities with USD as their functional currency, certain of the related assets and liabilities are remeasured through the Statement of Operations. There is no comparable amount during the three and six months ended June 30, 2022, as we did not have any foreign investments or sales of land during such time.

RECONCILIATION OF NON-GAAP MEASURES

We present VICI's Funds From Operations ("FFO"), FFO per share, Adjusted Funds From Operations ("AFFO"), AFFO per share, and Adjusted EBITDA, which are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). These are non-GAAP financial measures and should not be construed as alternatives to net income or as an indicator of operating performance (as determined in accordance with GAAP). We believe FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of VICI's business.

FFO is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. Consistent with the definition used by the National Association of Real Estate Investment Trusts (NAREIT), we define FFO as VICI's net income (or loss) attributable to common stockholders (computed in accordance with GAAP) excluding (i) gains (or losses) from sales of certain real estate assets, (ii) depreciation and amortization related to real estate, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) our proportionate share of such adjustments from our investment in unconsolidated affiliate.

AFFO is a non-GAAP financial measure that we use as a supplemental operating measure to evaluate VICI's performance. We calculate VICI's AFFO by adding or subtracting from FFO non-cash leasing and financing adjustments, non-cash change in allowance for credit losses, non-cash stock-based compensation expense, transaction costs incurred in connection with the acquisition of real estate investments, amortization of debt issuance costs and original issue discount, other non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), capital expenditures (which are comprised of additions to property, plant and equipment related to our golf course operations), impairment charges related to non-depreciable real estate, gains (or losses) on debt extinguishment and interest rate swap settlements, other gains (losses), other non-recurring non-cash transactions, our proportionate share of non-cash adjustments from our investment in unconsolidated affiliate (including the amortization of any basis differences) with respect to certain of the foregoing and non-cash adjustments attributable to non-controlling interest with respect to certain of the foregoing.

We calculate VICI's Adjusted EBITDA by adding or subtracting from AFFO contractual interest expense (including the impact of the forward-starting interest rate swaps and treasury locks) and interest income (collectively, interest expense, net), income tax expense and our proportionate share of such adjustments from our investment in unconsolidated affiliate.

These non-GAAP financial measures: (i) do not represent VICI's cash flow from operations as defined by GAAP; (ii) should not be considered as an alternative to VICI's net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to VICI's cash flow as a measure of liquidity. In addition, these measures should not be viewed as measures of liquidity, nor do they measure our ability to fund all of our cash needs, including our ability to make cash distributions to our stockholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs, due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of VICI's financial results in accordance with GAAP.

Reconciliation of VICI's Net Income to FFO, FFO per Share, AFFO, AFFO per Share and Adjusted EBITDA

<i>(In thousands, except share data and per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss) attributable to common stockholders	\$ 690,702	\$ (57,706)	\$ 1,209,442	\$ 182,677
Real estate depreciation	—	—	—	—
Joint venture depreciation and non-controlling interest adjustments	—	7,310	1,426	7,310
FFO attributable to common stockholders	690,702	(50,396)	1,210,868	189,987
Non-cash leasing and financing adjustments	(129,510)	(86,405)	(252,344)	(121,969)
Non-cash change in allowance for credit losses	(41,355)	551,876	70,122	632,696
Non-cash stock-based compensation	4,031	3,236	7,498	5,866
Transaction and acquisition expenses	777	16,664	(181)	17,419
Amortization of debt issuance costs and original issue discount	16,680	11,991	36,362	27,968
Other depreciation	826	749	1,609	1,495
Capital expenditures	(330)	(202)	(1,318)	(656)
(Gain) loss on extinguishment of debt and interest rate swap settlements	—	(5,405)	—	(5,405)
Other (gains) losses ⁽¹⁾	(3,454)	—	(5,417)	—
Joint venture non-cash adjustments and non-controlling interest adjustments	2,040	(12,058)	1,813	(11,856)
AFFO attributable to common stockholders	540,407	430,050	1,069,012	735,545
Interest expense, net	181,108	125,762	362,739	177,834
Income tax expense	1,899	1,027	2,986	1,427
Joint venture interest expense and non-controlling interest adjustments	—	7,651	(1,021)	7,651
Adjusted EBITDA attributable to common stockholders	\$ 723,414	\$ 564,490	\$ 1,433,716	\$ 922,457
Net (loss) income per common share				
Basic	\$ 0.69	\$ (0.06)	\$ 1.20	\$ 0.23
Diluted	\$ 0.69	\$ (0.06)	\$ 1.20	\$ 0.23
FFO per common share				
Basic	\$ 0.69	\$ (0.06)	\$ 1.21	\$ 0.24
Diluted	\$ 0.69	\$ (0.06)	\$ 1.20	\$ 0.24
Weighted average number of shares of common stock outstanding - Net Income and FFO ⁽²⁾				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted	1,007,968,422	896,545,880	1,005,879,395	793,224,837
AFFO per common share				
Basic	\$ 0.54	\$ 0.48	\$ 1.06	\$ 0.93
Diluted	\$ 0.54	\$ 0.48	\$ 1.06	\$ 0.93
Weighted average number of shares of common stock outstanding - AFFO ⁽²⁾				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted	1,007,968,422	897,362,588	1,005,879,395	793,224,837

(1) Represents non-cash foreign currency remeasurement adjustments and gain on sale of land.

(2) For the three months ended June 30, 2022, the diluted weighted average number of shares of common stock outstanding in relation to AFFO is adjusted to include the dilutive effect, using the treasury stock method, of the assumed conversion of our restricted stock in the amount of 816,708 shares. For the three months ended June 30, 2022, such amounts have been excluded from the diluted weighted average number of shares of common stock in relation to net (loss) income and FFO as these were in loss positions and the effect of inclusion would have been anti-dilutive.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of June 30, 2023, our available cash balances, capacity under our Revolving Credit Facility and proceeds available from outstanding forward sale agreements were as follows:

<i>(In thousands)</i>	June 30, 2023	
Cash and cash equivalents	\$	738,793
Capacity under Revolving Credit Facility ⁽¹⁾		2,394,272
Proceeds available from settlement of Forward Sale Agreements ⁽²⁾		867,883
Total	\$	4,000,948

(1) In addition, the Revolving Credit Facility includes the option to increase the revolving loan commitments by up to \$1.0 billion to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions.

(2) Assumes the physical settlement of the 27,102,500 shares under the January 2023 Forward Sale Agreement and 327,306 under the June 2023 ATM Forward Sale Agreement at the forward sale price per share of \$31.64 and \$31.69, respectively, each as calculated as of June 30, 2023.

We believe that we have sufficient liquidity to meet our material cash requirements, including our contractual obligations, debt maturities and commitments as well as our additional funding requirements, primarily through currently available cash and cash equivalents, cash received under our Lease Agreements, existing borrowings from banks, including our undrawn capacity under our Revolving Credit Facility, and proceeds from future issuances of debt and equity securities (including issuances under the ATM Program) for the next 12 months and in future periods.

All of the Lease Agreements call for an initial term of between fifteen and thirty years with additional tenant renewal options and are designed to provide us with a reliable and predictable long-term revenue stream. Our cash flows from operations and our ability to access capital resources could be adversely affected due to uncertain economic factors and volatility in the financial and credit markets, including as a result of the current inflationary environment, sustained rising interest rates, equity market volatility, changes in consumer behavior and spending. In particular, we can provide no assurances that our tenants will not default on their leases or fail to make full rental payments if their businesses become challenged due to, among other things, current or future adverse economic conditions. See “Overview — Impact of Material Trends on our Business” above for additional detail. In the event our tenants are unable to make all of their contractual rent payments as provided by the Lease Agreements, we believe we have sufficient liquidity from the other sources discussed above to meet all of our contractual obligations for a significant period of time. Additionally, we do not have any debt maturities until May 2024. For more information, refer to the risk factors incorporated by reference into [Part II, Item 1A, Risk Factors](#) herein from our [Annual Report on Form 10-K for the year ended December 31, 2022](#).

Our ability to raise funds through the issuance of debt and equity securities and access to other third-party sources of capital in the future will be dependent on, among other things, general economic conditions, general market conditions for REITs and investment grade issuers, market perceptions, the trading price of our stock and uncertainties related to the macroeconomic environment. We will continue to analyze which sources of capital are most advantageous to us at any particular point in time, but financing through the capital markets may not be consistently available on terms we deem attractive, or at all.

Material Cash Requirements

Contractual Obligations

Our short-term obligations consist primarily of regular interest payments on our debt obligations, dividends to our common stockholders, distributions to the VICI OP unit holders, normal recurring operating expenses, recurring expenditures for corporate and administrative needs, certain lease and other contractual commitments related to our golf operations and certain non-recurring expenditures. For more information on our material contractual commitments, refer to [Note 10 - Commitments and Contingent Liabilities](#).

Our long-term obligations consist primarily of principal payments on our outstanding debt obligations and future funding commitments under our lease and loan agreements. As of June 30, 2023, we have \$17.1 billion of debt obligations outstanding. We have \$1.1 billion of debt that matures on May 1, 2024. For a summary of principal debt balances and their maturity dates and principal terms, refer to [Note 7 - Debt](#). For a summary of our future funding commitments under our loan portfolio, refer to [Note 4 - Real Estate Portfolio](#).

Pursuant to our Lease Agreements, capital expenditures for properties under the Lease Agreements are the responsibility of the tenants. Minimum capital expenditure spending requirements of the tenants pursuant to the Lease Agreements are described in [Note 4 - Real Estate Portfolio](#).

Information concerning our material contractual obligations and commitments to make future payments under contracts such as our indebtedness, future funding commitments under our loans and Partner Property Growth Fund and future contractual operating commitments (such as future lease payments under our corporate lease) are included in the following table as of June 30, 2023. Amounts in this table omit, among other things, non-contractual commitments and items such as dividends and recurring or non-recurring operating expenses and other expenditures, including acquisitions and other investments:

<i>(In thousands)</i>	Payments Due By Period					
	Total	2023 (remaining)	2024	2025	2026	2027 and Thereafter
Long-term debt, principal						
Senior Unsecured Notes	\$ 13,950,000	\$ —	\$ 1,050,000	\$ 2,050,000	\$ 1,750,000	\$ 9,100,000
MGM Grand/Mandalay Bay JV CMBS Debt	3,000,000	—	—	—	—	3,000,000
Revolving Credit Facility	105,728	—	—	—	105,728	—
Scheduled interest payments ⁽¹⁾	5,181,216	386,384	738,557	670,931	620,687	2,764,657
Total debt contractual obligations	22,236,944	386,384	1,788,557	2,720,931	2,476,415	14,864,657
Leases and contracts						
Future funding commitments – loan investments and Partner Property Growth Fund ⁽²⁾	865,414	363,834	446,272	46,808	—	8,500
Golf course operating lease and contractual commitments	43,156	1,036	2,112	2,153	2,197	35,658
Corporate office leases	6,396	460	857	899	929	3,251
Total leases and contract obligations	914,966	365,330	449,241	49,860	3,126	47,409
Total contractual commitments	\$ 23,151,910	\$ 751,714	\$ 2,237,798	\$ 2,770,791	\$ 2,479,541	\$ 14,912,066

(1) Estimated interest payments on variable interest loans are based on the CDOR rate as of June 30, 2023.

(2) The allocation of our future funding commitments is based on a construction draw schedule, commitment funding date, expiration date or other information, as applicable; however, we may be obligated to fund these commitments earlier than such applicable date.

Additional Funding Requirements

In addition to the contractual obligations and commitments set forth in the table above, we have and may enter into additional agreements that commit us to potentially acquire properties in the future, fund future property improvements or otherwise provide capital to our tenants, borrowers and other counterparties, including through our put-call agreements and Partner Property Growth Fund. As of June 30, 2023, we had \$1.0 billion of additional potential future funding commitments under our Partner Property Growth Fund agreements, the use of which are at the discretion of our tenants and will be dependent upon independent decisions made by our tenants with respect to any capital improvement projects and the source of funds for such projects, as well as the total funding ultimately provided under such arrangements.

Cash Flow Analysis

The table below summarizes our cash flows for the six months ended June 30, 2023 and 2022:

<i>(In thousands)</i>	Six Months Ended June 30,		Variance
	2023	2022	
Cash, cash equivalents and restricted cash			
Provided by operating activities	\$ 1,052,411	\$ 951,134	\$ 101,277
Used in investing activities	(1,210,762)	(8,642,356)	7,431,594
Provided by financing activities	688,019	7,565,609	(6,877,590)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	192	—	192
Net increase (decrease) in cash, cash equivalents and restricted cash	529,860	(125,613)	655,473
Cash, cash equivalents and restricted cash, beginning of period	208,933	739,614	(530,681)
Cash, cash equivalents and restricted cash, end of period	<u>\$ 738,793</u>	<u>\$ 614,001</u>	<u>\$ 124,792</u>

Cash Flows from Operating Activities

Net cash provided by operating activities increased \$101.3 million for the six months ended June 30, 2023 compared with the six months ended June 30, 2022. The increase is primarily driven by an increase in cash rental payments from the addition of the MGM Master Lease, Foundation Master Lease, MGM Grand/Mandalay Bay Lease, and PURE Master Lease to our real estate portfolio, the annual rent escalators on our Caesars Leases and certain of our other Lease Agreements and an increase in loan income as a result of an increase in the principal balance of our loan and securities portfolio.

Cash Flows from Investing Activities

Net cash used in investing activities decreased \$7,431.6 million for the six months ended June 30, 2023 compared with the six months ended June 30, 2022.

During the six months ended June 30, 2023, the primary sources and uses of cash from investing activities included:

- Net payments of \$1,266.9 million, including acquisition costs, in connection with the MGM Grand/Mandalay Bay JV Interest Acquisition;
- Principal repayment of the Forum Convention Center Mortgage Loan of \$400.0 million;
- Disbursements to fund investments in our loan and securities portfolio in the amount of \$347.5 million;
- Maturities of short-term investments of \$217.3 million;
- Payments for the PURE Canadian Gaming Transaction for a total cost of \$203.3 million, including acquisition costs;
- Payments to fund Partner Property Growth Fund investments in the amount of \$15.0 million;
- Proceeds from the sale of land of \$6.3 million;
- Acquisition of property and equipment costs of \$1.3 million; and
- Capitalized transaction costs of \$0.5 million.

During the six months ended June 30, 2022, the primary sources and uses of cash from investing activities include:

- Net payments of \$4,574.4 million in relation to the closing of the MGP Transactions, including \$4,404.0 million in connection with the redemption of the majority of the MGP units held by MGM, \$90.0 million in connection with the repayment of the outstanding MGP revolving credit facility and acquisition costs;
- Payments for the Venetian Acquisition for a total cost of \$4,012.8 million, including acquisition costs;
- Payments to fund portions of certain development loans in the amount of \$47.4 million; and
- Capitalized transaction costs of \$7.1 million.

Cash Flows from Financing Activities

Net cash provided by financing activities decreased \$6,877.6 million for the six months ended June 30, 2023, compared with the six months ended June 30, 2022.

During the six months ended June 30, 2023, the primary sources and uses of cash in financing activities included:

- Net proceeds of \$1,373.7 million from the issuance of an aggregate 43,792,592 shares of our common stock pursuant to the full physical settlement of the November 2022 Forward Sale Agreements, June 2022 ATM Forward Sale Agreement, August 2022 ATM Forward Sale Agreement, December 2022 ATM Forward Sale Agreement, and January 2023 Forward Sale Agreement;
- Dividend payments of \$778.9 million;
- Draw of \$352.7 million on our Revolving Credit Facility;
- Repayment of \$250.0 million on our Revolving Credit Facility;
- Repurchase of shares of common stock for tax withholding in connection with the vesting of employee stock compensation of \$5.0 million; and
- Distributions of \$4.6 million to non-controlling interests.

During the six months ended June 30, 2022, the primary sources and uses of cash from financing activities included:

- Net proceeds of \$3,219.1 million from the issuance of an aggregate 119,000,000 shares of our common stock pursuant to the full physical settlement of the September 2021 Forward Sale Agreements and March 2021 Forward Sale Agreements;
- Gross proceeds of \$5,000.0 million from the April 2022 Notes offering;
- Initial draw and repayment of \$600.0 million on our Revolving Credit Facility;
- Dividend payments of \$497.2 million;
- Debt issuance costs of \$146.0 million;
- Repurchase of shares of common stock for tax withholding in connection with the vesting of employee stock compensation of \$6.1 million; and
- Distributions of \$4.2 million to non-controlling interest.

Debt

For a summary of our debt obligations as of June 30, 2023, refer to [Note 7 - Debt](#).

Covenants

Our debt obligations are subject to certain customary financial and protective covenants that restrict our ability to incur additional debt, sell certain asset and restrict certain payments, among other things. In addition, these covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status. At June 30, 2023, we were in compliance with all debt-related covenants.

Distribution Policy

We intend to make regular quarterly distributions to holders of shares of our common stock. Dividends declared (on a per share basis) during the six months ended June 30, 2023 and 2022 were as follows:

Six Months Ended June 30, 2023					
Declaration Date	Record Date	Payment Date	Period		Dividend
March 9, 2023	March 23, 2023	April 6, 2023	January 1, 2023 - March 31, 2023	\$	0.3900
June 8, 2023	June 22, 2023	July 6, 2023	April 1, 2023 - June 30, 2023	\$	0.3900
Six Months Ended June 30, 2022					
Declaration Date	Record Date	Payment Date	Period		Dividend
March 10, 2022	March 24, 2022	April 7, 2022	January 1, 2022 - March 31, 2022	\$	0.3600
June 9, 2022	June 23, 2022	July 7, 2022	April 1, 2021 - June 30, 2022	\$	0.3600

Federal income tax law requires that a REIT distribute annually at least 90% of its REIT taxable income (with certain adjustments), determined without regard to the dividends paid deduction and excluding any net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains. In addition, a REIT will be required to pay a 4% nondeductible excise tax on the amount, if any, by which the distributions it makes in a calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years.

We intend to continue to make distributions to our stockholders to comply with the REIT requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and to avoid or otherwise minimize paying entity level federal income or excise tax (other than at any TRS of ours). We may generate taxable income greater than our income for financial reporting purposes prepared in accordance with GAAP. Further, we may generate REIT taxable income greater than our cash flow from operations after operating expenses and debt service as a result of differences in timing between the recognition of REIT taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments.

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our [Annual Report on Form 10-K for the year ended December 31, 2022](#). There have been no significant changes in our critical policies and estimates for the six months ended June 30, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our interest rate risk management objective is to limit the impact of future interest rate changes on our earnings and cash flows. To achieve this objective, our consolidated subsidiaries primarily borrow on a fixed-rate basis for longer-term debt issuances. As of June 30, 2023, we had \$17.1 billion aggregate principal amount of outstanding indebtedness, of which 99.4% has fixed rate interest and 0.6% has a variable interest rate, representing the US\$105.7 million (denominated in CAD) outstanding under our Revolving Credit Facility.

Additionally, we are exposed to interest rate risk between the time we enter into a transaction and the time we finance the related transaction with long-term fixed-rate debt. In addition, when that long-term debt matures, we may have to refinance such debt at a higher interest rate. In a rising interest rate environment, we have from time to time and may in the future seek to mitigate that risk by utilizing forward-starting interest rate swap agreements, treasury locks and other derivative instruments. Market interest rates are sensitive to many factors that are beyond our control.

Capital Markets Risks

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our common stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through long-term indebtedness, borrowings under credit facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to

accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

Item 4. Controls and Procedures

VICI Properties Inc.

Evaluation of Disclosure Controls and Procedures

VICI maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods, and is accumulated and communicated to VICI’s management, including VICI’s principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

VICI’s management has evaluated, under the supervision and with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based upon this evaluation, VICI’s principal executive officer and principal financial officer concluded that VICI’s disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in VICI’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2023, that have materially affected, or are reasonably likely to materially affect, VICI’s internal control over financial reporting.

VICI Properties L.P.

Evaluation of Disclosure Controls and Procedures

VICI LP maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods, and is accumulated and communicated to our management, including VICI LP’s principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

VICI LP’s management has evaluated, under the supervision and with the participation of VICI LP’s principal executive officer and principal financial officer, the effectiveness of VIC LP’s disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based upon this evaluation, VICI LP’s principal executive officer and principal financial officer concluded that VICI LP’s disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in VICI LP’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2023, that have materially affected, or are reasonably likely to materially affect, VICI LP’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information contained under the heading “Litigation” in [Note 10 - Commitments and Contingent Liabilities](#) to our Financial Statements included in this report is incorporated by reference into this Item 1.

Item 1A. Risk Factors

A description of certain factors that may affect our future results and risk factors is set forth in our [Annual Report on Form 10-K for the year ended December 31, 2022](#). There have been no material changes to those factors for the six months ended June 30, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

(b) Use of Proceeds from Registered Securities

Not applicable.

(c) Issuer Purchases of Equity Securities

VICI Properties Inc.

During the three months ended June 30, 2023, certain employees surrendered shares of common stock owned by them to VICI to satisfy their statutory minimum federal and state income tax obligations associated with the vesting of shares of restricted common stock issued under our stock incentive plan. The following table summarizes such common stock repurchases during the three months ended June 30, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased As Part Of Publicly Announced Plans Or Programs	Maximum Number Of Shares That May Yet Be Purchased Under The Plans Or Programs
April 1, 2023 through April 30, 2023	—	\$ —	—	—
May 1, 2023 through May 31, 2023	—	—	—	—
June 1, 2023 through June 30, 2023 ⁽¹⁾	11,698	30.93	—	—
Total	11,698	\$ 30.93	—	—

⁽¹⁾ All shares of common stock were surrendered by certain employees to VICI to satisfy their statutory minimum federal and state income tax obligations associated with the vesting of performance-based restricted stock units and shares of restricted common stock issued under our stock incentive plan.

VICI Properties L.P.

During the three months ended June 30, 2023, VICI LP did not repurchase any equity securities registered pursuant to Section 12 of the Exchange Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit	Filing Date
10.1	Twelfth Amendment to Regional Lease, dated as of April 7, 2023, by and among the entities listed on Schedules A and B thereto		10-Q	10.1	5/1/2023
31.1	VICI Properties Inc. Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	VICI Properties Inc. Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.3	VICI Properties L.P. Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.4	VICI Properties L.P. Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	VICI Properties Inc. Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.2	VICI Properties Inc. Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.3	VICI Properties L.P. Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.4	VICI Properties L.P. Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VICI PROPERTIES INC.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ EDWARD B. PITONIAK</u> Edward B. Pitoniak	Chief Executive Officer and Director (Principal Executive Officer)	July 26, 2023
<u>/s/ DAVID A. KIESKE</u> David A. Kieske	Chief Financial Officer (Principal Financial Officer)	July 26, 2023
<u>/s/ GABRIEL F. WASSERMAN</u> Gabriel F. Wasserman	Chief Accounting Officer (Principal Accounting Officer)	July 26, 2023

VICI PROPERTIES L.P.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ EDWARD B. PITONIAK</u> Edward B. Pitoniak	Chief Executive Officer and Director (Principal Executive Officer)	July 26, 2023
<u>/s/ DAVID A. KIESKE</u> David A. Kieske	Chief Financial Officer (Principal Financial Officer)	July 26, 2023
<u>/s/ GABRIEL F. WASSERMAN</u> Gabriel F. Wasserman	Chief Accounting Officer (Principal Accounting Officer)	July 26, 2023

I, Edward B. Pitoniak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: _____ /s/ EDWARD B. PITONIAK
Edward B. Pitoniak
Chief Executive Officer

I, David Kieske, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: _____ /s/ DAVID A. KIESKE
David A. Kieske
Chief Financial Officer

I, Edward B. Pitoniak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: _____
Edward B. Pitoniak
Chief Executive Officer

I, David Kieske, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

By: _____ /s/ DAVID A. KIESKE
David A. Kieske
Chief Financial Officer

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties Inc. (the “Company”), hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2023

By: _____ /s/ EDWARD B. PITONIAK
Edward B. Pitoniak
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties Inc. (the “Company”), hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2023

By: _____ /s/ DAVID A. KIESKE
David A. Kieske
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties L.P. (the “Partnership”), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Partnership for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: July 26, 2023

By: _____ /s/ EDWARD B. PITONIAK
Edward B. Pitoniak
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Partnership, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties L.P. (the “Partnership”), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Partnership for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: July 26, 2023

By: _____ /s/ DAVID A. KIESKE
David A. Kieske
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Partnership, whether made before or after the date hereof, regardless of any general incorporation language in such filing.