UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): November 18, 2021

VICI Properties Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland	001-38372	81-4177147
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS 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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ Emerging growth company

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

Item 8.01. Other Events.

Financial Information of MGP and MGP OP

As previously disclosed, on August 4, 2021, VICI Properties Inc., a Maryland corporation (the "Company"), MGM Growth Properties LLC, a Delaware limited liability company ("MGP"), MGM Growth Properties Operating Partnership LP, a Delaware limited partnership ("MGP OP"), VICI Properties LP, a Delaware limited partnership ("Existing VICI OP"), Venus Sub LLC, a Delaware limited liability company and a wholly owned subsidiary of Existing VICI OP ("REIT Merger Sub"), VICI Properties OP LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company ("New VICI Operating Company"), and MGM Resorts International, a Delaware corporation ("MGM"), entered into a definitive Master Transaction Agreement (the "Master Transaction Agreement"). Upon the terms and subject to the conditions set forth in the Master Transaction Agreement, prior to or on the closing date under the Master Transaction Agreement, the Company will contribute its interest in Existing VICI OP to New VICI Operating Company, which will serve as a new operating company for the Company. Following the contribution transaction, MGP will merge with and into REIT Merger Sub, with REIT Merger Sub surviving the merger (the "REIT Merger"). Immediately following consummation of the REIT Merger, REIT Merger Sub will distribute the interests of the general partner of MGP OP to Existing VICI OP and, immediately following such distribution, REIT Merger Sub will merge with and into MGP OP, with MGP OP surviving the merger (together with the REIT Merger, the "Mergers").

The Company is filing this Current Report on Form 8-K to provide certain financial information with respect to the proposed Mergers. Specifically, this Current Report on Form 8-K provides: (1) the unaudited consolidated financial statements of MGP and MGP OP as of September 30, 2021 and for the nine month periods ended September 30, 2021 and 2020, attached hereto as Exhibit 99.1 and incorporated herein by reference, and (2) the Company's unaudited pro forma condensed combined financial statements as of and for the nine month period ended September 30, 2021 and for the year ended December 31, 2020, relating to the proposed Mergers, the other transactions contemplated by the Master Transaction Agreement and certain other pending or recently closed transactions, attached hereto as Exhibit 99.2 and incorporated herein by reference. Such unaudited pro forma condensed combined financial statements have been prepared on the basis of certain assumptions and estimates and are subject to other uncertainties and do not purport to reflect what the actual results of operations or financial condition of the combined company would have been had the Mergers been consummated on the dates assumed for purposes of such pro forma financial statements or to be indicative of the financial condition or results of operations of the combined company as of or for any future date or period. For further information, see Exhibit 99.2. The information in Exhibit 99.1 was provided by MGP and MGP OP.

Forward Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the proposed transaction described herein, including statements regarding the anticipated benefits of the transaction, the anticipated timing of the transaction and the markets of each company. These forward-looking statements generally are identified by the words "anticipates," "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would" and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on our current plans, expectations and assumptions and, as a result, are subject to risks and uncertainties.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the impact of the COVID-19 pandemic on the Company's, MGP's and each company's respective tenants' financial condition, results of operations, cash flows and performance. The extent to which the COVID-19 pandemic continues to adversely affect each company's tenants, and ultimately impacts each company's business, financial condition, results of operations, cash flows and performance depends on future developments which cannot be predicted with confidence. Many additional factors could cause actual future events and results to differ materially from the forward-looking statements, including but not limited to: (i) the possibility that conditions to the closing of the proposed transaction are not satisfied or waived at all or on the anticipated timeline, (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction, (iii) the risk that MGP's business will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected, (iv) unexpected costs or liabilities relating to the proposed transaction, (v) litigation relating to the proposed transaction that has and could in the future be instituted against the Company or MGP or their respective directors or officers and the resulting expense or delay, (vi) the risk that disruptions caused by or relating to the proposed transaction will harm the Company's or MGP's business, including current plans and operations, (vii) the ability of the Company or MGP to retain and hire key personnel, (viii) potential adverse reactions by tenants or other business partners or changes to business relationships, including joint ventures, resulting from the announcement or completion of the proposed transaction, (ix) risks relating to the market value of the Company's common stock to be issued in the proposed transaction, (x) risks associated with third-party contracts containing consent and/or other provisions that may be triggered by the proposed transaction, (xi) the impact of public health crises, such as pandemics (including the COVID-19 pandemic) and epidemics and any related company or government policies and actions intended to protect the health and safety of individuals or government policies or actions intended to maintain the functioning of national or global economies and markets, (xii) general economic and market developments and conditions, including low consumer confidence, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy, (xiii) restrictions during the pendency of the proposed transaction or thereafter that may impact the Company's or MGP's ability to pursue certain business opportunities or strategic transactions, (xiv) either company's ability to maintain its status as a real estate investment trust for U.S. federal income tax purposes, and (xv) the occurrence of any event, change or other circumstances that could give rise to the termination of the Master Transaction Agreement relating to the proposed transaction. The foregoing list of factors is not exhaustive. Each of the foregoing could have a material adverse effect on our tenants' ability to satisfy their obligations under their leases with us, including their continued ability to pay rent in a timely manner, or at all, and/or to fund capital expenditures or make other payments required under their leases. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the businesses of the Company described in the "Risk Factors" section of its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Investors are cautioned to interpret many of the risks identified in the "Risk Factors" section of these filings as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. The Company gives no assurance that it will achieve its expectations.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses to be Acquired

The unaudited consolidated financial statements of MGP and MGP OP as of September 30, 2021 and for the nine month periods ended September 30, 2021 and 2020 are filed herewith as Exhibit 99.1 and incorporated in this Item 9.01(a) by reference.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial statements of the Company as of and for the nine month period ended September 30, 2021 and for the year ended December 31, 2020, giving effect to the Mergers, the other transactions contemplated by the Master Transaction Agreement and certain other pending or recently closed transactions, are filed herewith as Exhibit 99.2 and incorporated in this Item 9.01(b) by reference.

(d) *Exhibits*

Exhibit No.	Description
99.1	Unaudited consolidated financial statements of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP as of September 30, 2021 and for the nine month periods ended September 30, 2021 and 2020
99.2	Unaudited pro forma condensed combined financial statements of the Company as of and for the nine month period ended September 30, 2021 and for the year ended December 31, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

VICI PROPERTIES INC.

Date: November 18, 2021

By: /s/ Samantha S. Gallagher

Samantha S. Gallagher

Executive Vice President, General Counsel and Secretary

Exhibit 99.1

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)
(unaudited)

	September 30, 2021	December 31, 2020
ASSETS		
Real estate investments, net	$ 8,147,627	$ 8,310,737
Lease incentive asset	492,146	507,161
Investment in unconsolidated affiliate	815,399	810,066
Cash and cash equivalents	319,576	626,385
Prepaid expenses and other assets	23,873	25,525
Above market lease, asset	38,686	39,867
Operating lease right-of-use assets	280,988	280,565
Total assets	$ 10,118,295	$ 10,600,306
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt, net	$ 4,164,898	$ 4,168,959
Due to MGM Resorts International and affiliates	333	316
Accounts payable, accrued expenses and other liabilities	71,507	124,109
Accrued interest	52,007	48,505
Dividend and distribution payable	139,374	136,484
Deferred revenue	204,023	156,760
Deferred income taxes, net	33,298	33,298
Operating lease liabilities	340,270	341,133
Total liabilities	5,005,710	5,009,564
Commitments and contingencies (Note 11)		
Shareholders' equity		
Class A shares: no par value, 1,000,000,000 shares authorized, 156,653,604 and 131,459,651 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	—	—
Additional paid-in capital	3,562,123	3,114,331
Accumulated deficit	(507,469)	(422,897)
Accumulated other comprehensive loss	(47,730)	(51,197)
Total Class A shareholders' equity	3,006,924	2,640,237
Noncontrolling interest	2,105,661	2,950,505
Total shareholders' equity	5,112,585	5,590,742
Total liabilities and shareholders' equity	$ 10,118,295	$ 10,600,306

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues				
Rental revenue	$188,303	$188,303	$ 564,910	$ 580,138
Ground lease	6,039	6,039	18,116	18,116
Total Revenues	194,342	194,342	583,026	598,254
Expenses				
Depreciation	57,613	58,240	173,322	178,692
Property transactions, net	327	—	1,208	194,990
Ground lease expense	5,920	5,920	17,760	17,760
Acquisition-related expenses	6,287	—	6,565	980
General and administrative	3,895	3,476	11,860	12,089
Total Expenses	74,042	67,636	210,715	404,511
Other income (expense)				
Income from unconsolidated affiliate	25,050	25,210	75,808	64,026
Interest income	139	533	537	3,903
Interest expense	(64,225)	(59,974)	(201,412)	(164,549)
Gain (loss) on unhedged interest rate swaps, net	4,411	7,701	33,015	(2,831)
Other	(181)	(36)	(1,103)	(18,817)
	(34,806)	(26,566)	(93,155)	(118,268)
Income before income taxes	85,494	100,140	279,156	75,475
Provision for income taxes	(2,396)	(2,732)	(6,952)	(6,364)
Net income	83,098	97,408	272,204	69,111
Less: Net income attributable to noncontrolling interest	(33,130)	(54,030)	(118,749)	(34,465)
Net income attributable to Class A shareholders	$ 49,968	$ 43,378	$ 153,455	$ 34,646
Weighted average Class A shares outstanding				
Basic	156,799	131,567	149,037	128,788
Diluted	156,982	131,700	149,234	128,935
Earnings per Class A share				
Basic	$ 0.32	$ 0.34	$ 1.03	$ 0.27
Diluted	$ 0.32	$ 0.34	$ 1.03	$ 0.27

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income	$ 83,098	$ 97,408	$ 272,204	$ 69,111
Unrealized gain (loss) on cash flow hedges	7,966	729	27,369	(101,982)
Comprehensive income (loss)	91,064	98,137	299,573	(32,871)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(36,440)	(54,443)	(131,605)	27,291
Comprehensive income (loss) attributable to Class A shareholders	$ 54,624	$ 43,694	$ 167,968	$ (5,580)

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	**2020**
Cash flows from operating activities		
Net income	$ 272,204	$ 69,111
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	173,322	178,692
Property transactions, net	1,208	194,990
Amortization of financing costs	8,587	7,314
Loss on retirement of debt	—	18,129
Non-cash ground lease, net	778	778
Deemed contributions - tax sharing agreement	6,952	6,364
Straight-line rental revenues, excluding amortization of lease incentive asset	48,396	38,046
Amortization of lease incentive asset	15,015	15,015
Amortization of deferred revenue on non-normal tenant improvements	(1,134)	(1,134)
Amortization of cash flow hedges	16,805	5,784
(Gain) loss on unhedged interest rate swaps, net	(33,015)	2,831
Share-based compensation	2,290	1,996
Income from unconsolidated affiliate	(75,808)	(64,026)
Distributions from unconsolidated affiliate	70,475	58,090
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(744)	(4,781)
Due to MGM Resorts International and affiliates	(500)	(499)
Accounts payable, accrued expenses and other liabilities	(11,179)	628
Accrued interest	3,502	7,849
Net cash provided by operating activities	497,154	535,177
Cash flows from investing activities		
Proceeds from sale of Mandalay Bay real estate assets, net	—	58,615
Net cash provided by investing activities	—	58,615
Cash flows from financing activities		
Net repayments under bank credit facility	(10,000)	(1,603,750)
Proceeds from issuance of bridge loan facility	—	1,304,625
Proceeds from issuance of debt	—	800,000
Deferred financing costs	—	(11,307)
Proceeds from issuance of Class A shares, net	792,852	524,616
Redemption of Operating Partnership units	(1,181,276)	(700,000)
Dividends and distributions paid	(405,539)	(453,778)
Other	—	(1,130)
Net cash used in financing activities	(803,963)	(140,724)
Cash and cash equivalents		
Net increase (decrease) for the period	(306,809)	453,068
Balance, beginning of period	626,385	202,101
Balance, end of period	$ 319,576	$ 655,169
Supplemental cash flow disclosures		
Interest paid	$ 172,518	$ 143,604
Non-cash investing and financing activities		
Accrual of dividend and distribution payable to Class A shareholders and Operating Partnership unit holders	$ 139,374	$ 147,941
Investment in MGP BREIT Venture	$ —	$ 802,000
MGP BREIT Venture assumption of bridge loan facility	$ —	$ 1,304,625

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A							
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Class A Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance at June 30, 2021	156,646	$—	$3,554,821	$ (475,978)	$ (52,385)	$ 3,026,458	$ 2,119,659	$ 5,146,117
Net income	—	—	—	49,968	—	49,968	33,130	83,098
Issuance of Class A shares	8	—	231	—	(1)	230	53	283
Cash flow hedges	—	—	—	—	4,656	4,656	3,310	7,966
Share-based compensation	—	—	397	—	—	397	283	680
Deemed contribution - tax sharing agreement	—	—	—	—	—	—	2,396	2,396
Dividends and distributions declared ($0.5200 per Class A share)	—	—	—	(81,459)	—	(81,459)	(57,915)	(139,374)
Other	—	—	6,674	—	—	6,674	4,745	11,419
Balance at September 30, 2021	156,654	$—	$3,562,123	$ (507,469)	$ (47,730)	$ 3,006,924	$ 2,105,661	$ 5,112,585

	Class A							
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Class A Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance at December 31, 2020	131,460	$—	$3,114,331	$ (422,897)	$ (51,197)	$ 2,640,237	$ 2,950,505	$ 5,590,742
Net income	—	—	—	153,455	—	153,455	118,749	272,204
Issuance of Class A shares	25,102	—	660,533	—	(4,172)	656,361	136,491	792,852
Redemption of Operating Partnership units	—	—	(220,627)	—	(6,860)	(227,487)	(953,789)	(1,181,276)
Cash flow hedges	—	—	—	—	14,513	14,513	12,856	27,369
Share-based compensation	—	—	1,269	—	—	1,269	1,021	2,290
Deemed contribution - tax sharing agreement	—	—	—	—	—	—	6,952	6,952
Dividends and distributions declared ($1.5300 per Class A share)	—	—	—	(238,027)	—	(238,027)	(170,402)	(408,429)
Other	92	—	6,617	—	(14)	6,603	3,278	9,881
Balance at September 30, 2021	156,654	$—	$3,562,123	$ (507,469)	$ (47,730)	$ 3,006,924	$ 2,105,661	$ 5,112,585

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES LLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A							
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Class A Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance at June 30, 2020	131,455	$—	$2,987,682	$ (379,587)	$ (52,899)	$ 2,555,196	$ 3,114,250	$ 5,669,446
Net income*	—	—	—	43,378	—	43,378	45,871	89,249
Reclassification and remeasurements of temporary equity*	—	—	(17,055)	—	—	(17,055)	13,575	(3,480)
Cash flow hedges*	—	—	—	—	316	316	308	624
Share-based compensation*	—	—	277	—	—	277	308	585
Deemed contribution - tax sharing agreement*	—	—	—	—	—	—	2,335	2,335
Dividends and distributions declared ($0.4875 per Class A share)*	—	—	—	(64,085)	—	(64,085)	(71,660)	(135,745)
Other*	—	—	1	—	—	1	1	2
Balance at September 30, 2020	131,455	$—	$2,970,905	$ (400,294)	$ (52,583)	$ 2,518,028	$ 3,104,988	$ 5,623,016

(*) Excludes amounts attributable to redeemable noncontrolling interest. See Note 2.

	Class A							
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Class A Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance at December 31, 2019	113,807	$—	$2,766,325	$ (244,381)	$ (7,045)	$ 2,514,899	$ 4,383,113	$ 6,898,012
Net income*	—	—	—	34,646	—	34,646	27,865	62,511
Issuance of Class A shares*	17,524	—	443,363	—	(646)	442,717	63,481	506,198
MGP BREIT Venture Transaction*	—	—	8,228	—	59	8,287	55,617	63,904
Partial redemption of temporary equity*	—	—	(15,260)	—	(4,772)	(20,032)	12,500	(7,532)
Reclassification and remeasurements of temporary equity*	—	—	(233,913)	—	—	(233,913)	(1,177,617)	(1,411,530)
Cash flow hedges*	—	—	—	—	(40,226)	(40,226)	(47,799)	(88,025)
Share-based compensation*	—	—	816	—	—	816	933	1,749
Deemed contribution - tax sharing agreement*	—	—	—	—	—	—	5,317	5,317
Dividends and distributions declared ($1.4500 per Class A share)*	—	—	—	(190,559)	—	(190,559)	(216,924)	(407,483)
Other*	124	—	1,346	—	47	1,393	(1,498)	(105)
Balance at September 30, 2020	131,455	$—	$2,970,905	$ (400,294)	$ (52,583)	$ 2,518,028	$ 3,104,988	$ 5,623,016

(*) Excludes amounts attributable to redeemable noncontrolling interest. See Note 2.

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except unit amounts)
(unaudited)

	September 30, 2021	December 31, 2020
ASSETS		
Real estate investments, net	$ 8,147,627	$ 8,310,737
Lease incentive asset	492,146	507,161
Investment in unconsolidated affiliate	815,399	810,066
Cash and cash equivalents	319,576	626,385
Prepaid expenses and other assets	23,873	25,525
Above market lease, asset	38,686	39,867
Operating lease right-of-use assets	280,988	280,565
Total assets	$10,118,295	$10,600,306
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities		
Debt, net	$ 4,164,898	$ 4,168,959
Due to MGM Resorts International and affiliates	333	316
Accounts payable, accrued expenses and other liabilities	71,507	124,109
Accrued interest	52,007	48,505
Distribution payable	139,374	136,484
Deferred revenue	204,023	156,760
Deferred income taxes, net	33,298	33,298
Operating lease liabilities	340,270	341,133
Total liabilities	5,005,710	5,009,564
Commitments and contingencies (Note 11)		
Partners' capital		
General partner	—	—
Limited partners: 268,026,361 and 279,966,531 Operating Partnership units issued and outstanding as of September 30, 2021 and December 31, 2020, respectively.	5,112,585	5,590,742
Total partners' capital	5,112,585	5,590,742
Total liabilities and partners' capital	$10,118,295	$10,600,306

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit amounts)
(unaudited)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues				
Rental revenue	$ 188,303	$ 188,303	$ 564,910	$ 580,138
Ground lease	6,039	6,039	18,116	18,116
Total Revenues	194,342	194,342	583,026	598,254
Expenses				
Depreciation	57,613	58,240	173,322	178,692
Property transactions, net	327	—	1,208	194,990
Ground lease expense	5,920	5,920	17,760	17,760
Acquisition-related expenses	6,287	—	6,565	980
General and administrative	3,895	3,476	11,860	12,089
Total Expenses	74,042	67,636	210,715	404,511
Other income (expense)				
Income from unconsolidated affiliate	25,050	25,210	75,808	64,026
Interest income	139	533	537	3,903
Interest expense	(64,225)	(59,974)	(201,412)	(164,549)
Gain (loss) on unhedged interest rate swaps, net	4,411	7,701	33,015	(2,831)
Other	(181)	(36)	(1,103)	(18,817)
	(34,806)	(26,566)	(93,155)	(118,268)
Income before income taxes	85,494	100,140	279,156	75,475
Provision for income taxes	(2,396)	(2,732)	(6,952)	(6,364)
Net income	$ 83,098	$ 97,408	$ 272,204	$ 69,111
Weighted average units outstanding				
Basic	268,172	303,580	270,171	315,642
Diluted	268,355	303,713	270,368	315,789
Earnings per unit				
Basic	$ 0.31	$ 0.32	$ 1.01	$ 0.22
Diluted	$ 0.31	$ 0.32	$ 1.01	$ 0.22

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income	$ 83,098	$ 97,408	$ 272,204	$ 69,111
Unrealized gain (loss) on cash flow hedges	7,966	729	27,369	(101,982)
Comprehensive income (loss)	$ 91,064	$ 98,137	$ 299,573	$ (32,871)

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cash flows from operating activities		
Net income	$ 272,204	$ 69,111
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	173,322	178,692
Property transactions, net	1,208	194,990
Amortization of financing costs	8,587	7,314
Loss on retirement of debt	—	18,129
Non-cash ground lease, net	778	778
Deemed contributions - tax sharing agreement	6,952	6,364
Straight-line rental revenues, excluding amortization of lease incentive asset	48,396	38,046
Amortization of lease incentive asset	15,015	15,015
Amortization of deferred revenue on non-normal tenant improvements	(1,134)	(1,134)
Amortization of cash flow hedges	16,805	5,784
(Gain) loss on unhedged interest rate swaps, net	(33,015)	2,831
Share-based compensation	2,290	1,996
Income from unconsolidated affiliate	(75,808)	(64,026)
Distributions from unconsolidated affiliate	70,475	58,090
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(744)	(4,781)
Due to MGM Resorts International and affiliates	(500)	(499)
Accounts payable, accrued expenses and other liabilities	(11,179)	628
Accrued interest	3,502	7,849
Net cash provided by operating activities	497,154	535,177
Cash flows from investing activities		
Proceeds from sale of Mandalay Bay real estate assets, net	—	58,615
Net cash provided by investing activities	—	58,615
Cash flows from financing activities		
Net repayments under bank credit facility	(10,000)	(1,603,750)
Proceeds from issuance of bridge loan facility	—	1,304,625
Proceeds from issuance of debt	—	800,000
Deferred financing costs	—	(11,307)
Proceeds from issuance of Class A shares by MGP	792,852	524,616
Redemption of Operating Partnership units	(1,181,276)	(700,000)
Distributions paid	(405,539)	(453,778)
Other	—	(1,130)
Net cash used in financing activities	(803,963)	(140,724)
Cash and cash equivalents		
Net increase (decrease) for the period	(306,809)	453,068
Balance, beginning of period	626,385	202,101
Balance, end of period	$ 319,576	$ 655,169
Supplemental cash flow disclosures		
Interest paid	$ 172,518	$ 143,604
Non-cash investing and financing activities		
Accrual of distribution payable to Operating Partnership unit holders	$ 139,374	$ 147,941
Investment in MGP BREIT Venture	$ —	$ 802,000
MGP BREIT Venture assumption of bridge loan facility	$ —	$ 1,304,625

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands)
(unaudited)

	General Partner	Limited Partners	Total Partners' Capital
Balance at June 30, 2021	$ —	$ 5,146,117	$ 5,146,117
Net income	—	83,098	83,098
Proceeds from issuance of Class A shares by MGP	—	283	283
Cash flow hedges	—	7,966	7,966
Share-based compensation	—	680	680
Deemed contribution - tax sharing agreement	—	2,396	2,396
Distributions declared ($0.5200 per unit)	—	(139,374)	(139,374)
Other	—	11,419	11,419
Balance at September 30, 2021	$ —	$ 5,112,585	$ 5,112,585

	General Partner	Limited Partners	Total Partners' Capital
Balance at December 31, 2020	$ —	$ 5,590,742	$ 5,590,742
Net income	—	272,204	272,204
Proceeds from issuance of Class A shares by MGP	—	792,852	792,852
Redemption of Operating Partnership units	—	(1,181,276)	(1,181,276)
Cash flow hedges	—	27,369	27,369
Share-based compensation	—	2,290	2,290
Deemed contribution - tax sharing agreement	—	6,952	6,952
Distributions declared ($1.5300 per unit)	—	(408,429)	(408,429)
Other	—	9,881	9,881
Balance at September 30, 2021	$ —	$ 5,112,585	$ 5,112,585

The accompanying notes are an integral part of these condensed consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands)
(unaudited)

	General Partner	Limited Partners	Total Partners' Capital
Balance at June 30, 2020	$ —	$ 5,669,446	$ 5,669,446
Net income*	—	89,249	89,249
Reclassification and remeasurements of temporary equity*	—	(3,480)	(3,480)
Cash flow hedges*	—	624	624
Share-based compensation*	—	585	585
Deemed contribution - tax sharing agreement*	—	2,335	2,335
Distributions declared ($0.4875 per unit)*	—	(135,745)	(135,745)
Other*	—	2	2
Balance at September 30, 2020	$ —	$ 5,623,016	$ 5,623,016

(*) Excludes amounts attributable to redeemable capital. See Note 2.

	General Partner	Limited Partners	Total Partners' Capital
Balance at December 31, 2019	$ —	$ 6,898,012	$ 6,898,012
Net income*	—	62,511	62,511
Proceeds from issuance of Class A shares by MGP*	—	506,198	506,198
MGP BREIT Venture Transaction*	—	63,904	63,904
Partial redemption of temporary equity*	—	(7,532)	(7,532)
Reclassification and remeasurements of temporary equity*	—	(1,411,530)	(1,411,530)
Cash flow hedges*	—	(88,025)	(88,025)
Share-based compensation*	—	1,749	1,749
Deemed contribution - tax sharing agreement*	—	5,317	5,317
Distributions declared ($1.4500 per unit)*	—	(407,483)	(407,483)
Other*	—	(105)	(105)
Balance at September 30, 2020	$ —	$ 5,623,016	$ 5,623,016

(*) Excludes amounts attributable to redeemable capital. See Note 2.

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 — BUSINESS

Organization. MGM Growth Properties LLC ("MGP" or the "Company") is a limited liability company that was organized in Delaware in October 2015. MGP conducts its operations through MGM Growth Properties Operating Partnership LP (the "Operating Partnership"), a Delaware limited partnership that was formed in January 2016 and became a subsidiary of MGP in April 2016. The Company elected to be taxed as a real estate investment trust ("REIT") commencing with its taxable year ended December 31, 2016.

MGP is a publicly traded REIT primarily engaged through its investment in the Operating Partnership which owns, acquires, leases and invests in large-scale destination entertainment and leisure properties, whose tenants generally offer casino gaming, hotel, convention, dining, entertainment and retail and other amenities. A wholly owned subsidiary of the Operating Partnership leases its real estate properties back to a wholly owned subsidiary of MGM under a master lease agreement (the "MGM-MGP Master Lease"). In February 2020, the Operating Partnership entered into certain transactions to form a venture owned 50.1% by the Operating Partnership and 49.9% by a subsidiary of Blackstone Real Estate Income Trust, Inc. ("BREIT", such venture, the "MGP BREIT Venture"), which owns the real estate assets of MGM Grand Las Vegas and Mandalay Bay and leases such real estate properties back to a wholly owned subsidiary of MGM under a master lease agreement (the "MGP BREIT Venture lease", such formation transaction, the "MGP BREIT Venture Transaction").

As of September 30, 2021, there were approximately 268.0 million Operating Partnership units outstanding in the Operating Partnership, of which MGM owned approximately 111.4 million, or 41.6%, and MGP owned the remaining 58.4%. MGM's Operating Partnership units are exchangeable into Class A shares of MGP on a one-to-one basis, or cash at the Fair Market Value of a Class A share (as defined in the Operating Partnership's partnership agreement). The determination of settlement method is at the option of MGP's independent conflicts committee. MGM's indirect ownership of these Operating Partnership units is recognized as a noncontrolling interest in MGP's financial statements. A wholly owned subsidiary of MGP is the general partner of the Operating Partnership and operates and controls all of its business affairs. As a result, MGP consolidates the Operating Partnership and its subsidiaries. MGM also has ownership of MGP's outstanding Class B share. The Class B share is a non-economic interest in MGP which does not provide its holder any rights to profits or losses or any rights to receive distributions from the operations of MGP or upon liquidation or winding up of MGP but which represents a majority of the voting power of MGP's shares. As a result, MGP continues to be controlled by MGM through its majority voting rights and is consolidated by MGM.

In March 2021, certain subsidiaries of MGM delivered a notice of redemption to the Company covering approximately 37.1 million Operating Partnership units that they held that was satisfied with aggregate cash proceeds of approximately $1.2 billion using cash on hand together with the proceeds from the issuance of Class A shares. Refer to Note 8 for further discussion.

On August 4, 2021, the Company and the Operating Partnership entered into an agreement with VICI Properties, Inc. ("VICI") and MGM whereby VICI will acquire the Company in a stock-for-stock transaction (such transaction, the "VICI Transaction"). Pursuant to the agreement, MGP Class A shareholders will have the right to receive 1.366 shares of newly issued VICI stock in exchange for each MGP Class A share outstanding and MGM will have the right to receive 1.366 units of the new VICI operating partnership ("VICI OP") in exchange for each Operating Partnership unit held by MGM. The fixed exchange ratio represents an agreed upon price of $43 per share of MGP Class A share to the five-day volume weighted average price of VICI stock as of the close of business on July 30, 2021. In connection with the exchange, VICI OP will redeem the majority of MGM's VICI OP units for cash consideration of $4.4 billion, with MGM retaining approximately 12.2 million VICI OP units. MGP's Class B share that is held by MGM will be cancelled. The transaction is expected to close in the first half of 2022, subject to customary closing conditions, regulatory approvals, and approval by VICI stockholders (which was received on October 29, 2021).

Subsequent to quarter end, on October 29, 2021, the Company acquired the real estate assets of MGM Springfield from MGM for $400 million of cash consideration. MGM Springfield was added to the MGM-MGP Master Lease between the Company and MGM. Following the closing of the transaction, the annual rent payment under the MGM-MGP Master Lease increased by $30 million, $27.0 million of which is fixed and contractually grows at 2% per year with escalators subject to the tenant meeting an adjusted net revenue to rent ratio. Final regulatory approvals, which were not necessary for the transaction to close, are expected to be received within nine to twelve months following the close of the transaction. Until final regulatory approvals are obtained, the parties will be subject to a trust agreement, which will provide for the property to be placed into a trust (or, at MGM's option, be returned to MGM) during the interim period in the event that the regulator finds reasonable cause to believe that the Company may not be found suitable. The property will then remain in trust until a final determination regarding the Company's suitability is made.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. 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"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. All adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included.

The accompanying condensed consolidated financial statements and related notes should be read in conjunction with the audited financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K.

Reclassifications. Certain reclassifications have been made to conform the prior period presentation.

Principles of consolidation. The Company identifies entities for which control is achieved through means other than voting rights and to determine which business enterprise is the primary beneficiary of variable interest entities ("VIE"). A VIE is an entity in which either (i) the equity investors as a group, if any, lack the power through voting or similar rights to direct the activities of such entity that most significantly impact such entity's economic performance or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. The Company identifies the primary beneficiary of a VIE as the enterprise that has both of the following characteristics: (i) the power to direct the activities of the VIE that most significantly impact the entity's economic performance; and (ii) the obligation to absorb losses or receive benefits of the VIE that could potentially be significant to the entity. The Company consolidates its investment in a VIE when it determines that it is its primary beneficiary. The Company may change its original assessment of a VIE upon subsequent events such as the modification of contractual arrangements that affect the characteristics or adequacy of the entity's equity investments at risk and the disposition of all or a portion of an interest held by the primary beneficiary. The Company performs this analysis on an ongoing basis. The consolidated financial statements of MGP include the accounts of the Operating Partnership, a VIE of which the Company is the primary beneficiary, as well as its wholly owned and majority-owned subsidiaries, which represents all of MGP's assets and liabilities. As MGP holds what is deemed a majority voting interest in the Operating Partnership through its ownership of the Operating Partnership's sole general partner, it qualifies for the exemption from providing certain of the required disclosures associated with investments in VIEs. The consolidated financial statements of the Operating Partnership include the accounts of its wholly owned subsidiary, MGP Lessor LLC, which is the MGM-MGP Master Lease landlord, a VIE of which the Operating Partnership is the primary beneficiary. As of September 30, 2021, on a consolidated basis, MGP Lessor, LLC had total assets of $9.0 billion primarily related to its real estate investments, and total liabilities of $577.7 million primarily related to its deferred revenue and operating lease liabilities.

For entities determined not to be VIEs, the Company consolidates such entities in which the Company owns 100% of the equity. For entities in which the Company owns less than 100% of the equity interest, the Company consolidates the entity under the voting interest model if it has controlling financial interest based upon the terms of the respective entities' ownership agreements. If the entity does not qualify for consolidation under the voting interest model and the Company has significant influence over the operating and financial decisions of the entity, the Company accounts for the entity under the equity method, such as the Company's MGP BREIT Venture, which does not qualify for consolidation as the Company has joint control, given the entity is structured with substantive participating rights whereby both owners participate in the decision making process which prevents the Company from exerting a controlling financial interest, as defined in ASC 810.

Noncontrolling interest. MGP presents noncontrolling interest and classifies such interest as a component of consolidated shareholders' equity, separate from the Company's Class A shareholders' equity. Noncontrolling interest in MGP represents Operating Partnership units currently held by subsidiaries of MGM. Comprehensive income or loss of the Operating Partnership is allocated to its noncontrolling interest based on the noncontrolling interest's ownership percentage in the Operating Partnership except for income tax expenses. Ownership percentage is calculated by dividing the number of Operating Partnership units held by the noncontrolling interest by the total Operating Partnership units held by the noncontrolling interest and the Company. Issuance of additional Class A shares and Operating Partnership units changes the ownership interests of both the noncontrolling interest and the Company. Such transactions and the related proceeds are treated as capital transactions.

MGM may tender its Operating Partnership units for redemption in exchange for cash equal to the market price of MGP's Class A shares at the time of redemption or for unregistered Class A shares on a one-for-one basis. Such election to pay cash or issue Class A shares to satisfy an Operating Partnership unitholder's redemption request is solely within the control of MGP's independent conflicts committee.

Redeemable noncontrolling interest and redeemable capital. On January 14, 2020 the Operating Partnership agreed to waive its right following the closing of the MGP BREIT Venture Transaction to issue MGP Class A shares, in lieu of cash, to settle redemptions of Operating Partnership units held by MGM up to a maximum cash redemption amount of $1.4 billion. In connection with the waiver, the Operating Partnership and the Company reclassified, from permanent equity to temporary equity, the carrying value of Operating Partnership units that could require cash redemption and remeasured the units to their redemption value. The Operating Partnership units that comprised the $1.4 billion redemption amount were determined based on a 3% discount to the ten-day average closing price prior to the date of determination.

At each subsequent reporting period, the carrying value of temporary equity was remeasured to the greater of: (1) the carrying value of the number of units then considered redeemable, inclusive of the comprehensive income and losses attributed based on a per unit or share basis in accordance with ASC 810 or (2) the redemption value of the number of units that are then redeemable based on the remaining aggregate cash redemption amount and the per share redemption value, except that decreases in the per unit or share redemption were limited to the amount of previous increases, with the differences between the carrying value and the remeasured value being recorded as an adjustment in additional paid-in capital (in lieu of retained earnings) or limited partners' capital.

The $1.4 billion maximum cash redemption amount was completed by the $700 million redeemed on May 18, 2020 and the $700 million redeemed on December 2, 2020.

The components of equity that related to the Company's redeemable noncontrolling interest and the Operating Partnership's redeemable capital were as follows:

(in thousands)	
As of June 30, 2020	$700,000
Reclassification and remeasurement adjustments	3,480
Attribution of:	
Net income	8,159
Cash flow hedges	105
Share-based compensation	54
Deemed contribution - tax sharing agreement	397
MGP dividends and Operating Partnership distributions declared	(12,196)
Other	1
As of September 30, 2020	$700,000

(in thousands)	
As of January 14, 2020	$ —
Reclassification and remeasurement adjustments	1,411,530
Attribution of:	
Net loss	6,600
Partial redemption of temporary equity	(692,468)
Proceeds from the issuance of Class A shares by MGP	18,418
MGP BREIT Venture Transaction	16,136
Cash flow hedges	(13,957)
Share-based compensation	247
Deemed contribution - tax sharing agreement	1,047
MGP dividends and Operating Partnership distributions declared	(46,887)
Other	(666)
As of September 30, 2020	$ 700,000

Property transactions, net. Property transactions, net are comprised of transactions related to long-lived assets, such as gains and losses on the disposition of assets.

Fair value measurements. Fair value measurements are utilized in the accounting and impairment assessments of the Company's real estate investments, investment in unconsolidated affiliate, and certain of its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured according to a hierarchy that includes: Level 1 inputs, such as quoted prices in an active market; Level 2 inputs, which are observable inputs for similar assets; or Level 3 inputs, which are unobservable inputs. The Company used the following inputs in its fair value measurements:

- Level 2 inputs for its debt fair value disclosures. See Note 6; and
- Level 2 inputs when measuring the fair value of its interest rate swaps. See Note 7.

Reportable segment. The Company's operations consist of investments in real estate, both wholly-owned and through its investment in MGP BREIT Venture, for which all such real estate properties are similar to one another in that they consist of large-scale destination entertainment and leisure properties and related offerings, whose tenants generally offer casino gaming, hotel, convention, dining, entertainment and retail amenities, have similar economic characteristics and are governed by triple-net operating leases. The operating results of the Company's wholly owned and equity method real estate investments are regularly reviewed, in the aggregate, by the chief operating decision maker. As such, the Company has one reportable segment.

Income tax provision. For interim income tax reporting, the Company estimates its annual effective tax rate and applies it to its year-to-date ordinary income. The tax effects of unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, are reported in the interim period in which they occur. The Company's effective income tax rate was a provision of 2.8% and 2.5% for the three and nine months ended September 30, 2021, respectively, and 2.7% and 8.4% for the three and nine months ended September 30, 2020, respectively.

The Company and MGM join in the filing of a New Jersey consolidated corporation business tax return and have entered into a tax sharing agreement which provides for an allocation of taxes due in the consolidated New Jersey return. No amounts were due to MGM under the tax sharing agreement between the Company and MGM as of September 30, 2021 or December 31, 2020.

Recently issued accounting standards. In March 2020, the FASB issued ASC 848, “Reference Rate Reform (Topic 848)”. ASC 848 provides optional expedients for applying U.S. GAAP to reference rate reform related contracts, hedging relationships and other qualifying transactions. Application of these expedients preserve the presentation of derivative instruments consistent with past presentation. The guidance is optional and may be elected when or as reference rate reform activities occur. The Company is currently evaluating whether it will elect practical expedients if and when its hedging and related activities are impacted.

NOTE 3 — REAL ESTATE INVESTMENTS

The carrying value of real estate investments is as follows:

	September 30, 2021	December 31, 2020
	(in thousands)	
Land	$ 3,431,228	$ 3,431,228
Buildings, building improvements, land improvements and integral equipment	7,462,120	7,426,110
	10,893,348	10,857,338
Less: Accumulated depreciation	(2,745,721)	(2,546,601)
	$ 8,147,627	$ 8,310,737

NOTE 4 — INVESTMENT IN UNCONSOLIDATED AFFILIATE

As of September 30, 2021, the Operating Partnership’s investment in unconsolidated affiliate was comprised of its 50.1% interest in MGP BREIT Venture. The Operating Partnership recorded its share of income as “Income from unconsolidated affiliate” in the condensed consolidated statements of operations. The Operating Partnership received $23.5 million and $70.5 million in distributions from MGP BREIT Venture during the three and nine months ended September 30, 2021, respectively, and $22.9 million and $58.1 million in distributions from MGP BREIT Venture during the three and nine months ended September 30, 2020, respectively.

Summarized results of operations of MGP BREIT Venture are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
		(in thousands)		
Net revenues	$ 98,681	$ 98,681	$ 296,044	$ 247,800
Net income	50,001	50,320	151,314	127,799

MGP BREIT Venture guarantee. The Operating Partnership provides a guarantee for losses incurred by the lenders of the $3.0 billion indebtedness of the MGP BREIT Venture arising out of certain bad acts by the Operating Partnership, its venture partner, or the venture, such as fraud or willful misconduct, based on the party’s percentage ownership of the MGP BREIT Venture, which guarantee is capped at 10% of the principal amount outstanding at the time of the loss. The Operating Partnership and its venture partner have separately indemnified each other for the other party’s share of the overall liability exposure, if at fault. The guarantee is accounted for under ASC 460 at fair value; such value is immaterial.

MGP BREIT Venture excess cash flow guarantee. The MGP BREIT Venture loan agreement requires that the tenant EBITDAR to MGP BREIT Venture cash interest ratio is maintained above a specified level. If this ratio is not met for two consecutive fiscal quarters, then the borrowers will be unable to distribute excess cash flows to the venture partners unless and until an excess cash flow guarantee is provided. The ratio was not met for the two consecutive quarters ended December 31, 2020, and, as a result, in April 2021, the Operating Partnership and an entity affiliated with BREIT each delivered an excess cash flow guarantee to the lenders covering all distributions since January 1, 2021. The guarantee provides that the MGP BREIT Venture may distribute an aggregate amount of cash not to exceed 9.9% of the principal amount of the MGP BREIT Venture’s outstanding indebtedness under the loan agreement, after which distributions must remain at the MGP BREIT Venture in a restricted cash account until such time as the tenant EBITDAR to MGP BREIT Venture cash interest ratio is met for two consecutive quarters. In addition, in the event of a default under the loan agreement while the ratio is not met, the Company may be required to return its respective share of distributions received during the period covered by the guarantee.

NOTE 5 — LEASES

MGM-MGP Master Lease. The MGM-MGP Master Lease is accounted for as an operating lease and has an initial lease term of ten years that began on April 25, 2016 (other than with respect to MGM National Harbor, as described below) with the potential to extend the term for four additional five-year terms thereafter at the option of the tenant. The lease provides that any extension of its term must apply to all of the real estate under the lease at the time of the extension. With respect to MGM National Harbor, the initial lease term ends on August 31, 2024. Thereafter, the initial term of the lease with respect to MGM National Harbor may be renewed at the option of the tenant for an initial renewal period lasting until the earlier of the end of the then-current term of the lease or the next renewal term (depending on whether MGM elects to renew the other properties under the lease in connection with the expiration of the initial ten-year term). If, however, the tenant chooses not to renew the lease with respect to MGM National Harbor after the initial MGM National Harbor term under the lease, the tenant would also lose the right to renew the lease with respect to the rest of the properties when the initial ten-year lease term ends related to the rest of the properties in 2026. The lease has a triple-net structure, which requires the tenant to pay substantially all costs associated with the lease, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent. Additionally, the lease provides MGP with a right of first offer with respect to any future gaming development by MGM on the undeveloped land adjacent to Empire City, which MGP may exercise should MGM elect to sell such property in the future.

Rent under the lease consists of a “base rent” component and a “percentage rent” component. As of September 30, 2021, the base rent represents approximately 91% of the rent payments due under the lease and the percentage rent represents approximately 9% of the rent payments due under the lease. The base rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the lease). Thereafter, beginning on April 1, 2022, the annual escalator of 2.0% will be subject to the tenant and, without duplication, the operating subsidiary sublessees of the tenant, collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the lease (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at the tenant’s option, reimbursed cost revenue). The percentage rent will initially be a fixed amount for approximately the first six years and will then be adjusted every five years based on the average annual adjusted net revenues of the tenant and, without duplication, the operating subtenants, from the leased properties subject to the lease at such time for the trailing five calendar-year period (calculated by multiplying the average annual adjusted net revenues, excluding net revenue attributable to certain scheduled subleases and, at the tenant’s option, reimbursed cost revenue, for the trailing five calendar-year period by 1.4%).

In connection with the commencement of the sixth lease year on April 1, 2021, and the corresponding 2.0% fixed annual rent escalator that went into effect on such date, the base rent under the MGM-MGP Master Lease increased to $764.9 million, resulting in total annual rent under the MGM-MGP Master Lease of $842.8 million.

Straight-line rental revenues from the MGM-MGP Master Lease, which includes lease incentive asset amortization, were $188.3 million and $564.9 million for the three and nine months ended September 30, 2021, respectively, and were $188.3 million and $580.1 million for the three and nine months ended September 30, 2020, respectively. The Company also recognized revenue related to ground lease and other of $6.0 million for both the three months ended September 30, 2021 and 2020 and $18.1 million for both the nine months ended September 30, 2021 and 2020.

Under the MGM-MGP Master Lease, future non-cancelable minimum cash rental payments, which are the payments under the initial 10-year term through April 30, 2026 and do not include the four five-year renewal options and, with respect to MGM National Harbor, through August 31, 2024, are as follows as of September 30, 2021 (and, accordingly, does not reflect the cash rental payments of $30 million annually related to MGM Springfield, for which the related transaction closed subsequent to September 30, 2021):

Year ending December 31,	***(in thousands)***
2021 (excluding the nine months ended September 30, 2021)	$ 210,690
2022	784,336
2023	764,861
2024	733,161
2025	669,761
Thereafter	223,254
Total	$ 3,386,063

NOTE 6 — DEBT

Debt consists of the following:

	September 30, 2021	**December 31, 2020**
	(in thousands)	
Senior secured revolving credit facility	$ —	$ 10,000
5.625% senior notes, due 2024	1,050,000	1,050,000
4.625% senior notes, due 2025	800,000	800,000
4.50% senior notes, due 2026	500,000	500,000
5.75% senior notes, due 2027	750,000	750,000
4.50% senior notes, due 2028	350,000	350,000
3.875% senior notes, due 2029	750,000	750,000
	4,200,000	4,210,000
Less: Unamortized discount and debt issuance costs	(35,102)	(41,041)
	$ 4,164,898	$ 4,168,959

Operating Partnership credit agreement and bridge facility. At September 30, 2021, the Operating Partnership senior secured credit facility consisted of a $1.4 billion revolving credit facility. The Operating Partnership's senior credit facility limits the amount of letters of credit that can be issued to $75 million. No letters of credit were outstanding under the Operating Partnership senior secured credit facility at September 30, 2021. The Operating Partnership was in compliance with its financial covenants at September 30, 2021.

Refer to Note 7 for further discussion of the Company's interest rate swap agreements.

Fair value of debt. The estimated fair value of the Operating Partnership's debt was $4.6 billion at September 30, 2021 and $4.5 billion at December 31, 2020. Fair value was estimated using quoted market prices for the Operating Partnership's senior notes and senior secured credit facility.

NOTE 7 — DERIVATIVES AND HEDGING ACTIVITIES

The Operating Partnership uses derivative instruments to mitigate the effects of interest rate volatility inherent in its variable rate senior credit facility and forecasted debt issuances for the duration and amount of its interest rate swap agreements, which such variable rate could unfavorably impact future earnings and forecasted cash flows. The Operating Partnership and the Company do not use derivative instruments for speculative or trading purposes.

In May 2021, the Operating Partnership terminated interest rate swap agreements with a notional amount of $1.2 billion which resulted in a loss of less than $0.1 million. Additionally, in June 2021, the Operating Partnership modified and extended certain of its existing interest rate swaps with a combined notional amount of $900 million, effective June 30, 2022. The weighted average fixed rate paid under the modified swap agreements is 1.940% and the variable rate received resets monthly to the one-month LIBOR with no minimum floor. The maturity dates were extended to June 30, 2027.

The interest rate swaps as of September 30, 2021 are summarized in the table below.

	Notional Amount	Weighted Average Fixed Rate	Fair Value Liability	Effective Date	Maturity Date
			(in thousands, except percentages)		
Derivatives designated as hedges:					
	$ 900,000	1.940%	$ (31,114)	June 30, 2022	June 30, 2027
	$ 900,000		$ (31,114)		
Derivatives not designated as hedges:					
	$ 300,000	1.158%	$ (5,053)	September 6, 2019	December 31, 2024
	400,000	2.252%	(28,291)	October 1, 2019	December 31, 2029
	$ 700,000		$ (33,344)		
			$ (64,458)		

The interest rate swaps as of December 31, 2020 are summarized in the table below.

	Notional Amount	Weighted Average Fixed Rate	Fair Value Liability	Effective Date	Maturity Date
			(in thousands, except percentages)		
Derivatives designated as hedges:					
	$ 900,000	1.801%	$ (41,131)	November 30, 2021	December 31, 2024
	$ 900,000		$ (41,131)		
Derivatives not designated as hedges:					
	$ 1,200,000	1.844%	$ (18,889)	May 3, 2017	November 30, 2021
	300,000	1.158%	(10,451)	September 6, 2019	December 31, 2024
	400,000	2.252%	(48,453)	October 1, 2019	December 31, 2029
	$ 1,900,000		$ (77,793)		
			$ (118,924)		

As of September 30, 2021 and December 31, 2020, the Operating Partnership's interest rate swaps that are in a liability position are recorded within "Accounts payable, accrued expenses, and other liabilities".

NOTE 8 — SHAREHOLDERS' EQUITY AND PARTNERS' CAPITAL

MGP shareholders

Issuance of Class A shares - March 2021. On March 15, 2021, the Company completed an offering of 21.9 million Class A shares in a registered public offering for net proceeds of approximately $676.0 million.

"At-the-market-offering" ("ATM") Program. On May 12, 2021, the Company resumed its 2019 ATM program to offer and sell the remaining $117.7 million of Class A shares under the $300 million program through sales agents at prevailing market prices or agreed-upon prices. The Company issued less than 0.1 million and 3.3 million Class A shares for net proceeds of $0.3 million and $116.8 million during the three and nine months ended September 30, 2021, respectively, and completed its ATM program.

Operating Partnership capital

Proceeds from the issuance of Class A shares by MGP - March 2021. On March 15, 2021, in connection with the Company's registered offering of Class A shares for net proceeds of approximately $676.0 million, such proceeds were used in connection with satisfying the Company's obligations under the notice of redemption of Operating Partnership units from MGM, discussed below.

Redemption of Operating Partnership units - March 2021. In March 2021, certain subsidiaries of MGM delivered a notice of redemption to the Company covering approximately 37.1 million Operating Partnership units that they held in accordance with the terms of the Operating Partnership's partnership agreement. In accordance with the terms of such agreement, upon receipt of the notice of redemption, the Company formed a conflicts committee to determine the mix of consideration that it would provide for the Operating Partnership units. The conflicts committee determined that the Company would redeem approximately 15.3 million Operating Partnership units for cash on March 12, 2021 (with such Operating Partnership units retired upon redemption) and would satisfy its remaining obligation under that notice covering the remaining 21.9 million Operating Partnership units using the proceeds, net of underwriters' discount, from an offering of MGP's Class A shares on March 15, 2021, for aggregate cash proceeds paid of approximately $1.2 billion. As a result of these collective transactions, MGP's indirect ownership percentage in the Operating Partnership increased from 47.0% to 57.9%.

MGP Class A share issuance - ATM Program. During the three and nine months ended September 30, 2021, in connection with the Company's issuance of Class A shares under the ATM program, which completed its ATM program, the Operating Partnership issued less than 0.1 million and 3.3 million Operating Partnership units to the Company, respectively. As a result of these issuances, and as of September 30, 2021, MGP's ownership percentage in the Operating Partnership was 58.4%.

Accumulated Other Comprehensive Loss. Comprehensive income (loss) includes net income (loss) and all other non-shareholder changes in equity, or other comprehensive income (loss). Elements of the Company's accumulated other comprehensive loss are reported in the accompanying condensed consolidated statement of shareholders' equity. The following table summarizes the changes in accumulated other comprehensive loss by component:

	Cash Flow Hedges	Other	Total
		(in thousands)	
Balance at June 30, 2021	$(30,206)	$(22,179)	$(52,385)
Other comprehensive income before reclassifications	2,543	—	2,543
Amounts reclassified from accumulated other comprehensive loss to interest expense	5,423	—	5,423
Other comprehensive income	7,966	—	7,966
Other changes in accumulated other comprehensive loss:			
Issuance of Class A shares	—	(1)	(1)
Changes in accumulated other comprehensive loss:	7,966	(1)	7,965
Less: Other comprehensive income attributable to noncontrolling interest	(3,310)	—	(3,310)
Balance at September 30, 2021	$(25,550)	$(22,180)	$(47,730)
Balance at December 31, 2020	$(40,063)	$(11,134)	$(51,197)
Other comprehensive income before reclassifications	10,564	—	10,564
Amounts reclassified from accumulated other comprehensive loss to interest expense	16,805	—	16,805
Other comprehensive income	27,369	—	27,369
Other changes in accumulated other comprehensive loss:			
Issuance of Class A shares	—	(4,172)	(4,172)
Redemption of Operating Partnership Units	—	(6,860)	(6,860)
Other	—	(14)	(14)
Changes in accumulated other comprehensive loss:	27,369	(11,046)	16,323
Less: Other comprehensive income attributable to noncontrolling interest	(12,856)	—	(12,856)
Balance at September 30, 2021	$(25,550)	$(22,180)	$(47,730)

MGP dividends and Operating Partnership distributions. The Operating Partnership declares and pays distributions. MGP pays its dividends with the receipt of its share of the Operating Partnership's distributions.

On October 15, 2021, the Company paid a dividend of $0.5200 per Class A share upon receipt of its share of the Operating Partnership's distribution of $0.5200 per unit made the same day.

NOTE 9 — EARNINGS PER CLASS A SHARE

The table below provides earnings and the number of Class A shares used in the computations of "basic" earnings per share, which utilizes the weighted-average number of Class A shares outstanding without regard to dilutive potential Class A shares, and "diluted" earnings per share, which includes all such shares. Diluted earnings per Class A share does not assume conversion of the Operating Partnership units held by MGM as such conversion would be antidilutive. Earnings per share has not been presented for the Class B shareholder as the Class B share is not entitled to any economic rights in the Company.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in thousands)			
Numerator:				
Net income	$ 49,968	$ 43,378	$153,455	$ 34,646
Less: Adjustment related to redeemable noncontrolling interests	—	1,232	—	—
Net income attributable to Class A shares - basic and diluted	$ 49,968	$ 44,610	$153,455	$ 34,646
Denominator:				
Weighted average Class A shares outstanding — basic (1)	156,799	131,567	149,037	128,788
Effect of dilutive shares for diluted net income per Class A share (2)	183	133	197	147
Weighted average Class A shares outstanding — diluted (1)	156,982	131,700	149,234	128,935

(1) Includes weighted average deferred share units granted to certain members of the board of directors.

(2) Less than 0.1 million shares related to outstanding share-based compensation awards were excluded due to being antidilutive for the nine months ended September 30, 2021. There were no shares excluded due to being antidilutive for the three months ended September 30, 2021. Less than 0.1 million and 0.1 million shares related to outstanding share-based compensation awards were excluded due to being antidilutive for the three and nine months ended September 30, 2020, respectively.

NOTE 10 — EARNINGS PER OPERATING PARTNERSHIP UNIT

The table below provides earnings and the number of Operating Partnership units used in the computations of "basic" earnings per Operating Partnership unit, which utilizes the weighted-average number of Operating Partnership units outstanding without regard to dilutive potential Operating Partnership units, and "diluted" earnings per Operating Partnership units, which includes all such Operating Partnership units.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in thousands)			
Numerator:				
Net income	$ 83,098	$ 97,408	$272,204	$ 69,111
Less: Adjustment related to redeemable capital	—	1,232	—	—
Net income attributable to unitholders—basic and diluted	$ 83,098	$ 98,640	$272,204	$ 69,111
Denominator:				
Weighted average Operating Partnership units outstanding — basic (1)	268,172	303,580	270,171	315,642
Effect of dilutive shares for diluted net income per Operating Partnership unit (2)	183	133	197	147
Weighted average Operating Partnership units outstanding — diluted (1)	268,355	303,713	270,368	315,789

(1) Includes weighted average deferred share units granted to certain members of the board of directors.

(2) Less than 0.1 million units related to outstanding share-based compensation awards were excluded due to being antidilutive for the nine months ended September 30, 2021. There were no units excluded due to being antidilutive for the three months ended September 30, 2021. Less than 0.1 million units and 0.1 million units related to outstanding share-based compensation awards were excluded due to being antidilutive for the three and nine months ended September 30, 2020, respectively.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Litigation. In the ordinary course of business, from time to time, the Company expects to be subject to legal claims and administrative proceedings, none of which are currently outstanding, which the Company believes could have, individually or in the aggregate, a material adverse effect on its business, financial position, results of operations, or cash flows.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS – VICI PROPERTIES INC.

Unless otherwise stated in these pro forma condensed combined financial statements or the context otherwise requires, references in these pro forma condensed combined financial statements to:

- "2025 Notes" refers to $750.0 million aggregate principal amount of 3.500% senior unsecured notes due 2025 issued by the Operating Partnership and VICI Note Co. Inc., as co-issuer, in February 2020.
- "2027 Notes" refers to $750.0 million aggregate principal amount of 3.750% senior unsecured notes due 2027 issued by the Operating Partnership and VICI Note Co. Inc., as co-issuer, in February 2020.
- "2030 Notes" refers to $1.0 billion aggregate principal amount of 4.125% senior unsecured notes due 2030 issued by the Operating Partnership and VICI Note Co. Inc., as co-issuer, in February 2020.
- "BREIT JV" refers to the joint venture of MGP with Blackstone Real Estate Income Trust, Inc.
- "Cancelled Shares" refers to each MGP Class A Common Share held in treasury by MGP or owned by any of MGP's wholly-owned subsidiaries and the MGP Class B Common Share.
- "Closing" refers to the closing of the Mergers.
- "Code" refers to the Internal Revenue Code of 1986, as amended.
- "Combined Company" refers to VICI and its subsidiaries after the closing of the Mergers.
- "CPLV Additional Rent Acquisition" refers to an amendment to increase the annual rent payable to us under the Las Vegas Master Lease Agreement associated with Caesars Palace Las Vegas by $83.5 million.
- "CPLV Lease Agreement" refers to the lease agreement for Caesars Palace Las Vegas, as amended from time to time, which was combined with the HLV Lease Agreement into the Las Vegas Master Lease Agreement upon the consummation of the Eldorado Transaction.
- "DLLCA" refers to the Delaware Limited Liability Company Act.
- "Eldorado Transaction" refers to a series of transactions between us and Eldorado in connection with the Eldorado/Caesars Merger, including the acquisition of the Harrah's Original Call Properties, modifications to the Caesars Lease Agreements, and rights of first refusal.
- "Eldorado/Caesars Merger" refers to the merger consummated on July 20, 2020 under an Agreement and Plan of Merger pursuant to which a subsidiary of Eldorado merged with and into Caesars Entertainment Corporation, with Caesars Entertainment Corporation surviving as a wholly owned subsidiary of Caesars (which changed its name from Eldorado in connection with the closing of the Eldorado/Caesars Merger).
- "Exchange Ratio" refers to 1.366 shares of VICI Common Stock per MGP Common Share, other than the Cancelled Shares, plus the right, if any, to receive cash in lieu of fractional shares of VICI Common Stock into which such MGP Common Shares would have been converted pursuant to the terms and subject to the conditions set forth in the Master Transaction Agreement.
- "Existing VICI OP" means VICI Properties L.P., a Delaware limited partnership.
- "February 2020 Senior Unsecured Notes" refers collectively to the 2025 Notes, the 2027 Notes and the 2030 Notes.
- "Fractional Share Consideration" refers to cash in lieu of any fractional shares of VICI Common Stock (equal to such fractional part of a share of VICI Common Stock to which the holder would otherwise be entitled to receive in exchange for MGP Class A Common Shares held by such holder immediately prior to the REIT Merger Effective Time multiplied by the volume weighted average price of VICI Common Stock for the ten trading days immediately prior to the date of the Closing).
- "GAAP" refers to the accounting principles generally accepted in the United States of America.
- "Harrah's Original Call Properties" refers to the land and real estate assets associated with Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City, which we purchased in July 2020 upon the consummation of the Eldorado Transaction. The Harrah's Original Call Properties were previously referred to as the "MTA Properties".
- "Harrah's Original Call Properties Acquisitions" refers to the acquisition of all of the land and real estate assets associated with Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City for an aggregate purchase price of $1,823.5 million.

- “HLV Additional Rent Acquisition” refers to an amendment to increase the annual rent payable to us under the Las Vegas Master Lease Agreement associated with Harrah’s Las Vegas property by $15.0 million.
- “HLV Lease Agreement” refers to the lease agreement for the Harrah’s Las Vegas facilities, as amended from time to time, which was combined with the CPLV Lease Agreement into the Las Vegas Master Lease Agreement upon the consummation of the Eldorado Transaction.
- “Joliet Lease Agreement” refers to the lease agreement for the facility in Joliet, Illinois, as amended from time to time.
- “June 2020 Forward Sale Agreement” refers to a primary follow-on offering by VICI of 29,900,000 shares of VICI Common Stock with an aggregate public offering price of $662.3 million, all of which are subject to a forward sale agreement with Morgan Stanley & Co. LLC dated June 16, 2020, which was partially settled on September 28, 2020 by delivering 3,000,000 shares of VICI Common Stock to the forward purchaser in exchange for total net proceeds of approximately $63.0 million and fully settled on September 9, 2021 by delivering 26,900,000 shares of VICI Common Stock to the forward purchaser in exchange for total net proceeds of approximately $526.9 million.
- “Las Vegas Master Lease Agreement” refers to the lease agreement for Caesars Palace Las Vegas and the Harrah’s Las Vegas facilities, as amended from time to time, from and after the consummation of the Eldorado Transaction.
- “Lease Modifications” refers to the reassessment of the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement and Joliet Lease Agreement in connection with the Eldorado Transaction in July 2020.
- “March 2021 Forward Sale Agreement” refers to a primary follow-on offering of 69,000,000 shares of common stock (inclusive of 9,000,000 shares sold pursuant to the exercise in full of the underwriters’ option to purchase additional common stock) at a public offering price of $29.00 per share for an aggregate offering value of $2,001.0 million, all of which are subject to forward sale agreements, which require settlement by March 4, 2022. VICI 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.
- “Master Transaction Agreement” refers to the Master Transaction Agreement, dated as of August 4, 2021, by and among MGP, MGP OP, VICI, REIT Merger Sub, Existing VICI OP, New VICI Operating Company and MGM, as it may be amended or modified from time to time.
- “Mergers” refers to the Partnership Merger and the REIT Merger.
- “MGP” refers to MGM Growth Properties LLC, a Delaware limited liability company.
- “MGP Acquisition Bridge Facility” refers to the 364-day first lien secured bridge facility in an aggregate principal amount of up to $9.250 billion in the aggregate, consisting of up to $5.008 billion in funding under Tranche 1, which can be used for the Redemption Consideration and to pay transaction costs, and up to $4.242 billion in funding under Tranche 2, which can be used to fund the Change of Control Offers. Tranche 2 of the MGP Acquisition Bridge Facility was terminated on September 23, 2021 following the successful early tender results and participation of those certain exchange offers and consent solicitations for the outstanding indebtedness of MGP, the execution of supplemental indentures and the elimination of the change of control covenants in connection therewith.
- “MGP Class A Common Shares” refers to the Class A common shares, no par value per share, of MGP.
- “MGP Class B Common Share” refers to the single Class B common share, no par value per share, of MGP held by MGM.
- “MGP Common Shares” refers to the MGP Class A Common Shares and the MGP Class B Common Share, as the context requires.
- “MGP OP” refers to MGM Growth Properties Operating Partnership LP, a Delaware limited partnership.
- “MGP OP Units” refers to outstanding partnership units in MGP OP.
- “MGM” refers to MGM Resorts International, a Delaware corporation.
- “MGM Master Lease” refers to the form of amended and restated triple-net master lease to be entered into by VICI and MGM with respect to certain properties that will be owned by consolidated subsidiaries of VICI following closing of the Mergers, as it may be amended or modified from time to time.
- “MTA Transactions” refers to the Mergers and the other transactions contemplated by the Master Transaction Agreement.
- “New VICI Operating Company” means VICI Properties OP LLC, a Delaware limited liability company.

- “New VICI Operating Company Units” refers to the units representing a fractional, undivided share of the membership interests of the members of New VICI Operating Company.
- “Partial Redemption” refers to the distribution by New VICI Operating Company to MGM and/or its applicable subsidiaries an amount equal to the Redemption Consideration in cash in redemption of the Redeemed Units held by MGM and/or its subsidiaries, as applicable.
- “Partnership Merger” refers to the merger, following the REIT Merger, of the REIT Surviving Entity with and into MGP OP, with MGP OP surviving.
- “Partnership Surviving Entity” refers to MGP OP, the surviving entity of the Partnership Merger.
- “Redeemed Units” refers to a number of outstanding New VICI Operating Company Units held by MGM immediately prior to the Partial Redemption equal to (rounded down to the nearest whole unit) (i) (A) the Redemption Consideration divided by (B) $43.00, times (ii) the Exchange Ratio.
- “Regional Master Lease Agreement” refers to the lease agreement for the regional properties (other than the facilities in Joliet, Illinois) leased to Caesars Entertainment Inc., as amended from time to time, from and after the consummation of the Eldorado Transaction.
- “Redemption Consideration” refers to a $4,404,000,000 payment in connection with the Partial Redemption.
- “REIT” refers to a real estate investment trust.
- “REIT Merger” refers to the merger of MGP with and into REIT Merger Sub, with REIT Merger Sub surviving as a wholly-owned subsidiary of Existing VICI OP.
- “REIT Merger Consideration” refers to the right to receive the following in exchange for each outstanding share of MGP Class A Common Share, other than Cancelled Shares, immediately prior to the REIT Merger Effective Time: (i) 1.366 shares of VICI Common Stock and (ii) the Fractional Share Consideration.
- “REIT Merger Effective Time” refers to the time when the Certificate of Merger with respect to the REIT Merger has been duly filed with the Delaware Secretary of State, or such later time which the parties have agreed upon in writing and set forth in such Certificate of Merger in accordance with the DLLCA.
- “REIT Merger Sub” refers to Venus Sub LLC, a Delaware limited liability company, a wholly-owned subsidiary of Existing VICI OP.
- “REIT Surviving Entity” refers to REIT Merger Sub, the surviving entity in the REIT Merger.
- “September 2021 Equity Offering” refers to a primary follow-on offering of 115,000,000 shares of common stock (inclusive of 15,000,000 shares sold pursuant to the exercise in full of the underwriters’ option to purchase additional common stock) at a public offering price of $29.50 per share for an aggregate offering value of approximately $3.4 billion, 50,000,000 shares of which are subject to the September 2021 Forward Sale Agreements. VICI received net proceeds, after deduction of the underwriting discount and expenses, of $1,859.0 million from the sale of the 65,000,000 shares of common stock in the offering.
- “September 2021 Forward Sale Agreements” refers to a primary follow-on offering of 50,000,000 shares of common stock at a public offering price of $29.50 per share, all of which are subject to forward sale agreements, which require settlement by September 9, 2022. VICI did not initially receive any proceeds from the sale of the shares of common stock pursuant to the September 2021 Forward Sale Agreements in the offering, which were sold to the underwriters by the forward purchasers or their respective affiliates.
- “Venetian Acquisition” refers to the pending acquisition by Existing VICI OP of the land and real estate assets associated with The Venetian Resort Las Vegas and the Venetian Expo (formerly the Sands Expo and Convention Center), located in Las Vegas, Nevada and the acquisition of an affiliate of certain funds managed by affiliates of Apollo Global Management, Inc. of the operating assets and liabilities of The Venetian Resort and the Venetian Expo from Las Vegas Sands Corp. pursuant to definitive agreements dated March 2, 2021.
- “Venetian Acquisition Bridge Facility” refers to the 364-day first lien secured bridge facility of up to $4.0 billion in the aggregate, pursuant to a commitment letter among VICI Properties 1 LLC, Deutsche Bank Securities Inc., Deutsche Bank AG Cayman Islands Branch and Morgan Stanley Senior Funding, Inc.
- “VICI” refers to VICI Properties Inc., a Maryland corporation.
- “VICI Common Stock” refers to the common stock, par value $0.01 per share, of VICI.

The following unaudited pro forma condensed combined financial statements of VICI present the unaudited pro forma condensed combined balance sheet as of September 30, 2021 and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and the year ended December 31, 2020. The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of Regulation S-X in order to give effect to the MTA Transactions and other transactions as described below and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined balance sheet gives effect to the MTA Transactions and the Venetian Acquisition as if such transactions had been completed as of September 30, 2021, as the MTA Transactions and the Venetian Acquisition were not reflected in the balance sheet as of September 30, 2021. The Recently Completed Transactions (as defined below) are excluded from the adjustments to the pro forma condensed combined balance sheet as such adjustments are already reflected in the historical balance sheet as of September 30, 2021. The unaudited pro forma condensed combined statements of operations give effect to (i) the MTA Transactions, (ii) the Venetian Acquisition and (iii) the Recently Completed Transactions as if each such transaction had been completed on January 1, 2020.

The MTA Transactions

- The completion of the MTA Transactions for total consideration transferred of $11,178.7 million as further described:
  - The issuance of 214,628,155 shares of VICI Common Stock in exchange for the outstanding MGP Class A Common Shares and MGP equity incentive award units at a fixed exchange ratio of 1.366x;
  - Conversion of MGP OP Units into New VICI Operating Company Units at a fixed exchange ratio of 1.366x, immediately subsequent to which the Redemption Consideration will be paid for the redemption of the Redeemed Units for $4,404.0 million in cash; and
  - MGM’s retention of 12,236,838 New VICI Operating Company Units.
- The assumption of $4,200.0 million of outstanding MGP debt;
- The incurrence of $4,404.0 million of long-term debt to finance the redemption of the Redeemed Units;
- Entry into the MGM Master Lease to reflect an initial total annual rent of $860.0 million, which is inclusive of the incremental rent from MGP’s closing of its acquisition of MGM Springfield; and
- The net settlement of the outstanding MGP interest rate swaps and termination of the MGP revolving credit facility.

Venetian Acquisition

- The completion of the Venetian Acquisition for a cash purchase price of $4,000.0 million;
- The incurrence of $600.0 million of long-term debt to finance a portion of the purchase price of the Venetian Acquisition;
- The issuance of 50,000,000 shares of VICI Common Stock upon settlement of the September 2021 Forward Sale Agreements for estimated net proceeds of $1,412.3 million to finance a portion of the purchase price of the Venetian Acquisition and for general corporate purposes; and
- The issuance of 69,000,000 shares of VICI Common Stock upon settlement of the March 2021 Forward Sale Agreements for estimated net proceeds of $1,858.3 million to finance a portion of the purchase price of the Venetian Acquisition.

Recently Completed Transactions

Term Loan B Facility Repayment and Interest Rate Swap Settlement

- The full repayment of VICI’s Term Loan B Facility and the net settlement of the VICI outstanding interest rate swaps on September 15, 2021 using proceeds from (i) the issuance of 26,900,000 shares of VICI Common Stock upon settlement of the June 2020 Forward Sale Agreement and (ii) the issuance of 65,000,000 shares of VICI Common Stock (including 15,000,000 shares sold pursuant to the exercise of the underwriter’s option to purchase additional common stock) pursuant to the September 2021 Equity Offering.

Forum Convention Center Mortgage Loan

- The funding of the mortgage loan to an affiliate of Caesars that is secured by the Caesars Forum Convention Center (the “Forum Convention Center Mortgage Loan”) completed on September 18, 2020 in the amount of $400.0 million, partially funded with the proceeds from the partial settlement of the June 2020 Forward Sale Agreement on September 28, 2020.

Chelsea Piers Mortgage Loan

- The funding of the mortgage loan with Chelsea Piers (the "Chelsea Piers Mortgage Loan") completed on August 31, 2020 in the amount of $65.0 million with Chelsea Piers New York.

Eldorado Transaction

- The consummation of the Eldorado Transaction on July 20, 2020 as follows:
  - The CPLV Additional Rent Acquisition for a purchase price of $1,189.9 million;
  - The HLV Additional Rent Acquisition for a purchase price of $213.8 million;
  - The Harrah's Original Call Properties Acquisitions for an aggregate purchase price of $1,823.5 million;
  - The financial statement impact of the Lease Modifications; and
  - The use of $2,000.0 million of the net proceeds from the February 2020 Senior Unsecured Notes offering to finance a portion of the cash needs relating to the Eldorado Transaction.

Second Lien Notes Redemption

- The use of $500.0 million of the net proceeds from the February 2020 Senior Unsecured Notes offering and cash on hand on February 20, 2020 to redeem in full the $766.9 million aggregate principal amount of 8.0% second priority senior secured notes due 2023, which were issued by a subsidiary of Existing VICI OP in October 2017 (the "Second Lien Notes") on February 20, 2020, and pay related fees and expenses (the "Second Lien Notes Redemption").

JACK Cleveland/Thistledown Acquisition

- The acquisition of JACK Cleveland Casino, located in Cleveland, Ohio, and JACK Thistledown Racino, located in North Randall, Ohio completed on January 24, 2020 for an aggregate purchase price of $843.3 million and entry into a triple net lease agreement with a subsidiary of JACK Entertainment, as subsequently amended on July 16, 2020 (the "JACK Cleveland/Thistledown Acquisition").

We refer to the Term Loan B Facility Repayment and Interest Rate Swap Settlement, the Forum Convention Center Mortgage Loan, the Chelsea Piers Mortgage Loan, the Eldorado Transaction, the Second Lien Notes Redemption and the JACK Cleveland/Thistledown Acquisition, collectively, as the "Recently Completed Transactions."

Pro forma adjustments derived from such assumptions are based on currently available information, and in many cases are based on assumptions, estimates and preliminary information. The assumptions underlying the pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed combined financial statements of VICI. We believe such assumptions are reasonable under the circumstances and reflect our best currently available estimates and judgments. However, no assurance can be given that the MTA Transactions or the Venetian Acquisition will occur on the terms or timing contemplated herein, or at all. Similarly, the unaudited pro forma condensed combined financial statements include various assumptions, some of which are described in the accompanying notes, relating to our incurrence of $4,404.0 million of long-term debt to finance the redemption of the Redeemed Units and $600.0 million of long-term debt to finance a portion of the purchase price of the Venetian Acquisition and the net settlement of the MGP interest rate swaps. While these assumptions are based on currently available information and market conditions, there can be no assurance that we will be successful in obtaining the financing on the terms described herein or at all, and the actual terms of any such financings will depend on various factors, including our creditworthiness, the general condition of the capital markets, interest rates, the structure of our debt, our recent and anticipated financial position and results of operations, the price of VICI Common Stock, taxes and other factors at the time any such financings take place. Furthermore, the unaudited pro forma condensed combined financial statements are not reflective of our future financial condition or results of operations and do not necessarily reflect what our financial condition or results of operations would have been had the transactions to which the pro forma adjustments relate actually occurred on the dates indicated.

The unaudited pro forma condensed combined financial statements are derived from and should be read in conjunction with VICI's and MGP's consolidated financial statements and related notes included in their respective Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the nine months ended September 30, 2021.

Unaudited Pro Forma Condensed Combined Balance Sheet

As of September 30, 2021

(in thousands, except share and per share amounts)

	Historical		Transaction Accounting Adjustments			
	VICI	MGP (As Adjusted - Note 2)	The MTA Transactions	Venetian Acquisition	Item in Note 4	VICI Pro Forma
Assets						
Real estate portfolio:						
Investments in leases - sales-type, net	$13,124,209	$ —	$ —	$3,903,662	(a)	$17,027,871
Investments in leases - operating, net	—	8,147,627	(8,147,627)	—	(a)	—
Investments in leases - financing receivables, net	2,640,399	—	14,628,668	—	(a)	17,269,067
Lease incentive asset	—	492,146	(492,146)	—	(a)	—
Investments in loans, net	523,897	—	—	—		523,897
Land	153,576	—	—	—		153,576
Investment in unconsolidated affiliate	—	815,399	412,313	—	(a)	1,227,712
Cash and cash equivalents	669,514	319,576	(717,398)	(172,279)	(b)	99,413
Other assets	437,209	343,547	75,714	—	(c)	856,470
Total assets	**$17,548,804**	**$10,118,295**	**$ 5,759,524**	**$3,731,383**		**$37,158,006**
Liabilities						
Debt, net	$ 4,692,032	$ 4,164,898	$ 4,755,602	$ 592,000	(d)	$14,204,532
Accrued interest	45,078	52,007	—	—		97,085
Deferred financing liability	73,600	—	—	—		73,600
Deferred revenue	461	204,023	(204,023)	—	(e)	461
Dividends payable	226,300	139,374	—	—		365,674
Other liabilities	382,547	445,408	(34,838)	—	(f)	793,117
Total liabilities	**5,420,018**	**5,005,710**	**4,516,741**	**592,000**		**15,534,469**
Stockholders' equity						
Common stock, 1,350,000,000 shares authorized at September 30, 2021, 628,944,887 shares issued and outstanding at September 30, 2021 and 962,573,042 pro forma shares issued and outstanding	6,289	—	2,146	1,190	(g)	9,625
Preferred stock, $0.01 par value, 50,000,000 shares authorized and no shares outstanding at September 30, 2021	—	—	—	—		—
Additional paid-in capital	11,752,852	3,562,123	2,696,434	3,269,388	(g)	21,280,797
Accumulated other comprehensive loss	—	(47,730)	47,730	—	(g)	—
Retained earnings (deficit)	290,966	(507,469)	245,185	(131,195)	(g)	(102,513)
Total VICI stockholders' equity	12,050,107	3,006,924	2,991,495	3,139,383		21,187,909
Non-controlling interest	78,679	2,105,661	(1,748,712)	—	(g)	435,628
Total stockholders' equity	**12,128,786**	**5,112,585**	**1,242,783**	**3,139,383**		**21,623,537**
Total liabilities and stockholders' equity	**$17,548,804**	**$10,118,295**	**$ 5,759,524**	**$3,731,383**		**$37,158,006**

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Nine Months Ended September 30, 2021

(in thousands, except share and per share amounts)

	Historical		Transaction Accounting Adjustments				
	VICI	**MGP (As Adjusted - Note 2)**	**The MTA Transactions**	**Venetian Acquisition**	**Recently Completed Transactions**	**Item in Note 5**	**VICI Pro Forma**
Revenues							
Income from sales-type leases	$ 873,337	$ —	$ —	$ 239,154	$ —	(aa)	$ 1,112,491
Income from operating leases	—	564,910	(564,910)	—	—	(aa)	—
Income from lease financing receivables and loans	210,578	—	852,306	—	—	(aa)	1,062,884
Other income	20,897	18,116	(95)	—	—	(bb)	38,918
Golf revenues	21,602	—	—	—	—		21,602
Total revenues	**1,126,414**	**583,026**	**287,302**	**239,154**	**—**		**2,235,896**
Operating expenses							
General and administrative	24,092	11,860	—	—	—	(cc)	35,952
Depreciation	2,320	173,322	(173,322)	—	—	(cc)	2,320
Golf expenses	14,881	—	—	—	—		14,881
Change in allowance for credit losses	(24,453)	—	—	—	—		(24,453)
Other expenses	20,897	18,863	(842)	—	—	(cc)	38,918
Transaction and acquisition expenses	9,689	7,773	—	—	—	(cc)	17,462
Total operating expenses	**47,426**	**211,818**	**(174,164)**	**—**	**—**		**85,080**
Income from unconsolidated affiliate	—	75,808	(13,465)	—	—	(dd)	62,343
Interest expense	(321,953)	(201,412)	(29,014)	(16,607)	57,302	(ee)	(507,684)
Interest income	75	537	—	—	—		612
Loss from extinguishment of debt	(15,622)	—	—	—	—		(15,622)
Gain on unhedged interest rate swaps, net	—	33,015	(33,015)	—	—	(ff)	—
Income before income taxes	**741,488**	**279,156**	**385,972**	**222,547**	**57,302**		**1,690,465**
Income tax expense	(2,128)	(6,952)	6,390	—	—	(gg)	(2,690)
Net income	**739,360**	**272,204**	**392,362**	**222,547**	**57,302**		**1,687,775**
Less: Net income attributable to non-controlling interests	(6,988)	(118,749)	96,756	—	—	(hh)	(28,981)
Net income attributable to common stockholders	**$ 732,372**	**$ 153,455**	**$ 489,118**	**$ 222,547**	**$ 57,302**		**$ 1,659,600**
Net Income per common share							
Basic	$ 1.35	$ 1.03					$ 1.72
Diluted	$ 1.31	$ 1.03					$ 1.72
Weighted average number of shares of common stock outstanding							
Basic	542,843,855	149,037,000	65,591,155	119,000,000	87,263,934	(ii)	963,735,944
Diluted	557,113,510	149,234,000	65,394,155	113,789,386	79,124,513	(ii)	964,655,465

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Year Ended December 31, 2020

(in thousands, except share and per share amounts)

	Historical		Transaction Accounting Adjustments				
	VICI	MGP (As Adjusted - Note 2)	The MTA Transactions	Venetian Acquisition	Recently Completed Transactions	Item in Note 5	VICI Pro Forma
Revenues							
Income from sales-type and direct financing leases	$ 1,007,508	$ —	$ —	$ 314,326	$ 151,406	(aa)	$ 1,473,240
Income from operating leases	25,464	768,442	(768,442)	—	(25,464)	(aa)	—
Income from lease financing receivables and loans	153,017	—	1,119,418	—	127,236	(aa)	1,399,671
Other income	15,793	24,155	(68)	—	11,025	(bb)	50,905
Golf revenues	23,792	—	—	—	—		23,792
Revenues	**1,225,574**	**792,597**	**350,908**	**314,326**	**264,203**		**2,947,608**
Operating expenses							
General and administrative	30,661	16,076	—	—	—	(cc)	46,737
Depreciation	3,731	236,853	(236,853)	—	—	(cc)	3,731
Golf expenses	17,632	—	—	—	—		17,632
Change in allowance for credit losses	244,517	—	235,530	110,338	—	(cc)	590,385
Other expenses	15,793	24,551	(464)	—	11,025	(cc)	50,905
Transaction and acquisition expenses	8,684	196,162	—	4,000	—	(cc)	208,846
Total operating expenses	**321,018**	**473,642**	**(1,787)**	**114,338**	**11,025**		**918,236**
Income from unconsolidated affiliate	—	89,056	(17,953)	—	—	(dd)	71,103
Interest expense	(308,605)	(228,786)	(132,099)	(39,000)	94,273	(ee)	(614,217)
Interest income	6,795	4,345	—	—	—		11,140
Gain on unhedged interest rate swaps, net	—	4,664	(4,664)	—	—	(ff)	—
Loss from extinguishment of debt	(39,059)	(18,129)	—	—	—		(57,188)
Gain upon lease modification	333,352	—	—	—	—		333,352
Income before income taxes	**897,039**	**170,105**	**197,979**	**160,988**	**347,451**		**1,773,562**
Income tax expense	(831)	(9,734)	8,984	—	(545)	(gg)	(2,126)
Net income	**896,208**	**160,371**	**206,963**	**160,988**	**346,906**		**1,771,436**
Less: Net income attributable to non-controlling interests	(4,534)	(84,242)	62,005	—	—	(hh)	(26,771)
Net income attributable to common stockholders	**$ 891,674**	**$ 76,129**	**$ 268,968**	**$ 160,988**	**$ 346,906**		**$ 1,744,665**
Net Income per common share							
Basic	$ 1.76	$ 0.59					$ 1.82
Diluted	$ 1.75	$ 0.59					$ 1.81
Weighted average number of shares of common stock outstanding							
Basic	506,140,642	129,491,000	85,137,155	119,000,000	121,293,442	(ii)	961,062,239
Diluted	510,908,755	129,653,000	84,975,155	119,000,000	116,937,205	(ii)	961,474,115

Note 1— Significant Accounting Policies

The accounting policies used in the preparation of these unaudited pro forma condensed combined financial statements are those set out in VICI's audited consolidated financial statements as of and for the year ended December 31, 2020 and VICI's unaudited consolidated financial statements as of and for the nine months ended September 30, 2021. VICI's management has determined that there were no significant accounting policy differences between VICI and MGP and, therefore, no adjustments are necessary to conform MGP's financial statements to the accounting policies used by VICI in the preparation of the unaudited pro forma condensed combined financial statements, other than those reclassification adjustments required to confirm with VICI's classifications described in Note 2. This conclusion is subject to change as further assessment is performed and finalized for purchase accounting.

In accordance with ("ASC") 805—"Business Combinations" ("ASC 805"), management determined that the acquisition of MGP does not meet the definition of a business and is accordingly accounted for as an asset acquisition under ASC 805-50. Further, as part of the application of ASC 805, VICI will conduct a more detailed review of MGP's accounting policies in an effort to determine if differences in accounting policies require further reclassification or adjustment of MGP's results of operations or reclassification or adjustment of assets or liabilities to conform to VICI's accounting policies and classifications. Therefore, VICI may identify additional differences between the accounting policies of the two companies that, when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements. In certain cases, the information necessary to evaluate the differences in accounting policies and the impacts thereof may not be available until after the MTA Transactions are completed.

Note 2—Reclassification Adjustments

In these unaudited pro forma condensed combined financial statements, the MGP historical financial statement line items include the reclassification of certain historical balances to conform to the VICI presentation of these items, as described below. These reclassifications have no effect on previously reported total assets, total liabilities, stockholders' equity or income from continuing operations of VICI or MGP.

Balance Sheet

(In Thousands)	MGP Historical	Adjustment	MGP, As Adjusted
Assets			
Other assets	$ 23,873	$ 319,674	$ 343,547
Above market lease, asset	38,686	(38,686)	—
Operating lease right-of-use assets	280,988	(280,988)	—
Liabilities			
Other liabilities	$ 71,840	$ 373,568	$ 445,408
Deferred income taxes	33,298	(33,298)	—
Operating lease liability	340,270	(340,270)	—

(In Thousands)	Nine Months Ended September 30, 2021 MGP Historical	Adjustment	MGP, As Adjusted
Revenues			
Ground Lease	$ 18,116	$ (18,116)	$ —
Other income	—	18,116	18,116
Operating Expenses			
Ground lease expense	$ 17,760	$ (17,760)	$ —
Other expenses	1,103	17,760	18,863
Property transactions, net	1,208	(1,208)	—
Transaction and acquisition expenses	6,565	1,208	7,773

Statement of Operations

(In Thousands)	Year Ended December 31, 2020 MGP Historical	Adjustment	MGP, As Adjusted
Revenues			
Ground Lease	$ 24,155	$ (24,155)	$ —
Other income	—	24,155	24,155
Operating Expenses			
Ground lease expense	$ 23,681	$ (23,681)	$ —
Other expenses	18,999	5,552	24,551
Property transactions, net	195,182	(195,182)	—
Transaction and acquisition expenses	980	195,182	196,162
Total operating expenses	491,771	(18,129)	473,642
Other Income/Expenses			
Loss from extinguishment of debt	—	(18,129)	(18,129)

Note 3 — Preliminary Purchase Price Allocation

Estimated Preliminary Purchase Price

The unaudited pro forma condensed combined financial statements reflect the preliminary allocation of the purchase consideration to MGP's identifiable net assets acquired, which is based upon an estimated preliminary purchase price of approximately $11,178.7 million. The calculation of the estimated preliminary purchase price related to the MTA Transactions is as follows:

(In Thousands)	Amount
REIT Merger Consideration (1)	$ 6,260,703
Redemption Consideration (2)	4,404,000
MGP OP Unit rollover for MGM (3)	356,949
Estimated transaction costs (4)	157,000
Total consideration to be transferred	**$ 11,178,652**

(1) Amount is based on the conversion of the outstanding MGP Class A Common Shares, including the shares underlying the MGP equity incentive award units as of September 30, 2021, into shares of VICI Common Stock representing the REIT Merger Consideration as follows:

($ in Thousands, Except For Per Share Amounts)	Amount
MGP Class A Common Shares	156,653,604
MGP equity incentive award units	468,032
Total MGP shares to be converted to VICI Common Stock	**157,121,636**
Exchange Ratio	1.366
REIT Merger Consideration Stock Issuance	**214,628,155**
VICI stock price as of November 17, 2021	$ 29.17
Value of REIT Merger Consideration Stock Issuance	**$ 6,260,703**

(2) Represents the cash consideration for the Redeemed Units.

(3) Retention of MGP OP Units by MGM converted into 12,236,838 New VICI Operating Company Units at a value of $29.17 per unit, representing the value of VICI Common Stock as of November 17, 2021.

(4) The MTA Transactions are accounted for as an asset acquisition and accordingly all transaction costs directly related to the merger are capitalized. The amount represents the estimate of third-party advisory fees, legal fees and closing fees associated with the MTA Transactions.

The actual value of the VICI Common Stock to be issued in the REIT Merger and the value of the MGP OP Units rollover for MGM will depend on the market price of shares of VICI Common Stock at the Closing, and therefore, the actual purchase price will fluctuate with the market price of VICI Common Stock until the MTA Transactions are consummated. As a result, the final purchase price could differ significantly from the current estimate, which could materially impact the unaudited pro forma condensed combined financial statements. A 10% difference in VICI's stock price would change the purchase price by approximately $661.8 million, which would be recorded as an adjustment to the fair value of the net assets acquired on a relative fair value basis.

The outstanding number of shares of MGP Class A Common Shares and MGP OP Units may change prior to the closing of the MTA Transactions due to transactions in the ordinary course of business, including unknown changes in vesting of outstanding MGP equity-based awards and any grants of new MGP equity-based awards. Any such changes are not expected to have a material impact on the unaudited pro forma condensed combined financial statements.

Preliminary Purchase Price Allocation

The preliminary purchase price allocation to the assets acquired and liabilities assumed is provided below. The following table provides a summary of the preliminary purchase price allocation by major categories of assets acquired and liabilities assumed based on VICI management's preliminary estimate of their respective relative fair values as of September 30, 2021:

(In Thousands)	Amount
Investments in leases - financing receivables	$ 14,857,474
Investment in unconsolidated affiliate	1,227,712
Cash and cash equivalents (1)	(80,424)
Other assets	16,076
Debt, net (1)	(4,573,050)
Accrued interest	(52,007)
Dividends payable	(139,374)
Other liabilities	(77,755)
Total Purchase Price	**$ 11,178,652**

(1) This amount includes the payment for MGP's acquisition of MGM Springfield which was funded on October 29, 2021 in cash.

The purchase price allocation presented above has not been finalized. The final determination of the allocation of the purchase price will be based on the fair value of such assets and liabilities as of the actual consummation date of the MTA Transactions and will be completed after the MTA Transactions are consummated. These final fair values will be determined based on VICI management's judgment, which is based on various factors. Any increase or decrease in the fair value of the net assets acquired, as compared to the information shown herein, could change the portion of the purchase consideration allocable to the different assets and liabilities and could impact the operating results of the Combined Company following the MTA Transactions due to differences in the allocation of the purchase consideration.

Note 4—Balance Sheet Pro Forma Adjustments

Real Estate Portfolio

(a) Represents the following pro forma adjustments to the Real estate portfolio:

The MTA Transactions

- The elimination of the MGM Master Lease as an operating lease, including the elimination of the Lease incentive asset balance and Deferred revenue balance.
- The recognition of the MGM Master Lease at fair value of the underlying assets, including the reclassification of the MGM Master Lease to an Investment in leases - financing receivables, net accounted for under ASC 310—Receivables. Upon consummation of the MTA Transactions, the MGM Master Lease will be modified and classified as a sales-type lease. Further, since MGM controlled and consolidated MGP prior to the MTA Transactions, the lease will be assessed under the sale-leaseback guidance and determined to be a failed sale-leaseback under which the lease will be accounted for as a financing receivable under ASC 310.
- The Investment in leases - financing receivable is net of an estimated $228.8 million of allowance for credit losses recognized on the investment balance, as required under ASC 326—Credit Losses.
- The recognition of the Investment in unconsolidated affiliate for the BREIT JV at fair value.

Venetian Acquisition

- The Venetian Acquisition, which is accounted for as a sales-type lease under ASC 842—Leases, inclusive of an estimated $14.0 million of capitalized initial direct costs. The investment is net of an estimated $110.3 million of allowance for credit losses recognized on the investment balance as required under ASC 326—Credit Losses.

Cash and Cash Equivalents

(b) Represents the cash used to pay for the acquisition of MGM Springfield by MGP, a portion of the transaction costs associated with the MTA Transactions, including debt extinguishment costs, interest rate swap termination fees, bridge commitment fees, third-party advisory and legal fees, closing costs and transfer taxes, and the cash used to pay for a portion of the purchase price of the Venetian Acquisition.

Other Assets

(c) Represents the pro forma adjustments to Other assets as a result of the MTA Transactions as follows:

(In Thousands)	Amount
Elimination of deferred financing costs	$ (7,797)
Elimination of above market lease asset	(38,686)
Elimination of right-of-use ground lease asset (1)	(280,988)
Addition of sales-type ground lease asset (1)	429,941
Expense remaining MGP Acquisition Bridge Facility commitment fees	(26,756)
Total Pro Forma Adjustments	$ 75,714

(1) Upon closing of the MTA Transactions, we will assume the MGP ground leases at Beau Rivage, Borgata and MGM National Harbor. We expect to reassess the classifications of these leases and determine them to be sales-type sub-leases and accordingly adjusted the balance to remove the prior operating lease balance and replace it with sales-type sub-lease assets balance. The sales-type sub-lease is net of an estimated $6.7 million of allowance for credit losses recognized on the investment balance, as required under ASC 326—Credit Losses.

Debt, net

(d) Represents the pro forma adjustments to Debt, net as follows:

(In Thousands)	Amount
The MTA Transactions	
Adjustment to fair value of assumed MGP debt	$ 408,152
Issuance of debt for the MTA Transactions, net of deferred financing costs (1)	4,347,450
Venetian Acquisition	
Issuance of debt for the Venetian Acquisition, net of deferred financing costs (2)	592,000
Total Pro Forma Adjustments	$5,347,602

(1) The incurrence of $4,404.0 million of long-term debt to finance the redemption of the Redeemed Units, net of an estimated $56.6 million of deferred financing costs that we anticipate incurring in connection with the financing.

(2) The incurrence of $600.0 million of long-term debt financing used to finance a portion of the purchase price of the Venetian Acquisition, net of an estimated $8.0 million of deferred financing costs that we anticipate incurring in connection with the financing.

Subsequent to the MTA Transactions and Venetian Acquisition, we anticipate VICI will have $13,954.0 million in principal amount of consolidated unsecured notes outstanding and $1,503.0 million principal amount of unconsolidated CMBS debt, representing our share of the debt at the BREIT JV, resulting in 90% of our pro forma debt being unsecured and 10% of our pro forma debt secured. There can be no assurance that we will be able to obtain long-term debt financing on the terms described herein, including those with respect to maturity or interest rate, or at all, especially if market or economic conditions change after the date of this Current Report on Form 8-K. See paragraph (ee) to Note 5—Statement of Operations Pro Forma Adjustments below. To the extent we are unable to obtain the long-term debt financing as contemplated above, we intend to borrow a similar amount under the MGP Acquisition Bridge Facility, Venetian Acquisition Bridge Facility and/or our Revolving Credit Facility, as the case may be. Under the MGP Acquisition Bridge Facility we can borrow up to $5,008.0 million (following the termination of $4,242.0 million in committed financing representing the second tranche of the MGP Acquisition Bridge Facility in accordance with the terms of the related commitment letter), under the Venetian Acquisition Bridge Facility we can borrow up to $2,110.0 million, and under our Revolving Credit Facility we can borrow up to $1,000.0 million.

Deferred revenue

(e) Represents the elimination of deferred revenue related to MGP upon the acquisition of MGP and reclassification of the MGM Master Lease Agreement to a financing receivable, as described in (a) above.

Other Liabilities

(f) Represents the pro forma adjustments to Other liabilities as a result of the MTA Transactions as follows:

(In Thousands)	Amount
Net settlement of MGP swaps	(71,411)
Elimination of MGP deferred income taxes	(33,298)
Addition of MGP severance liability	5,915
Elimination of operating ground lease liability (1)	(340,270)
Addition of financing ground lease liability (1)	436,666
Payment of remaining MGP Acquisition Bridge Facility commitment fees	(32,440)
Total Pro Forma Adjustments	$ (34,838)

(1) Upon closing of the MTA Transactions, we will assume the MGP ground leases at Beau Rivage, Borgata and MGM National Harbor. We expect to reassess the classifications of these leases and determine them to be finance sub-lease liability and accordingly adjusted the balance to remove the prior operating lease liability balance and replace it with finance sub-lease liability balance.

Stockholders' Equity

(g) Represents the pro forma adjustments to the components of Stockholders' equity as follows:

(In Thousands)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total VICI Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
The MTA Transactions							
Elimination of MGP historical balances	$ —	$(3,562,123)	$ 47,730	$ 507,469	$(3,006,924)	$ (2,105,661)	$(5,112,585)
REIT Merger Consideration (1)	2,146	6,258,557	—	—	6,260,703	—	6,260,703
MGP OP Unit rollover for MGM (2)	—	—	—	—	—	356,949	356,949
Retained earnings (3)	—	—	—	(262,284)	(262,284)	—	(262,284)
Venetian Acquisition							
Settlement of Forward Sale Agreements (4)	1,190	3,269,388	—	—	3,270,578	—	3,270,578
Retained earnings (3)	—	—	—	(131,195)	(131,195)	—	(131,195)
Total Pro Forma Adjustments	**$ 3,336**	**$ 5,965,822**	**$ 47,730**	**$ 113,990**	**$ 6,130,878**	**$ (1,748,712)**	**$ 4,382,166**

(1) Represents the conversion of the outstanding MGP Class A Common Shares, including the shares underlying the MGP equity incentive award units as of September 30, 2021, into shares of VICI Common Stock representing the REIT Merger Consideration at the current share price as of November 17, 2021 of $29.17 per share.
(2) Represents the retained MGP OP Units by MGM, as further described in Note 3.
(3) Represents the adjustment to retained earnings from the following non-recurring items:

- $345.9 million, which represents the estimated current expected credit losses recognized on the additional investment balances as described in (a) and (c) above;
- $43.6 million expense of the remaining commitment and structuring fees relating to the MGP Acquisition Bridge Facility and Venetian Acquisition Bridge Facility; and
- $4.0 million in legal and third-party leasing costs, which are required to be expensed under ASC 842.

(4) Represents the issuance of 50,000,000 shares of VICI Common Stock in connection with the September 2021 Forward Sale Agreements at the forward settlement price as of September 30, 2021 of $28.25 per share for total net proceeds of $1,412.3 million and 69,000,000 shares of VICI Common Stock in connection with the March 2021 Forward Sale Agreements at the forward settlement price as of September 30, 2021 of $26.93 per share for total net proceeds of $1,858.6 million.

The actual net proceeds, if any, that we will receive under the September 2021 Forward Sale Agreements and March 2021 Forward Sale Agreements will be based on numerous factors, including the settlement method selected by us of each of the September 2021 Forward Sale Agreements and March 2021 Forward Sale Agreements and the respective forward sale price at the time of settlement; as a result, the actual net proceeds from any settlement will differ from the net proceeds assumed for purposes of this unaudited pro forma balance sheet.

Note 5—Statements of Operations Pro Forma Adjustments

Lease and Loan Revenues

(aa) Represents pro forma adjustments to revenues as follows:

The MTA Transactions

- Elimination of the historical operating lease revenue for MGP which was previously determined to be an operating lease.
- Upon consummation of the MTA Transactions, the MGM Master Lease will be modified and classified as an Investment in leases - financing receivable, net, as further described in Note 4(a) above, resulting in $852.3 million of Income from lease financing receivables and loans for the nine months ended September 30, 2021 and $1,119.4 million of Income from lease financing receivables and loans for the year ended December 31, 2020. Pro forma cash received from the MGM Master Lease during the nine months ended September 30, 2021 and the year ended December 31, 2020 would have been $657.9 million and $860.0 million, respectively.

Venetian Acquisition

- $239.2 million of additional Income from sales-type leases for the nine months ended September 30, 2021 and $314.3 million of Income from sales-type and direct financing leases for the year ended December 31, 2020 associated with the rent from the Venetian Acquisition. Pro forma cash received from the Venetian Acquisition during the nine months ended September 30, 2021 and the year ended December 31, 2020 would have been $187.5 million and $250.0 million, respectively.

Recently Completed Transactions

JACK Cleveland/Thistledown Acquisition

- $4.5 million of additional Income from lease financing receivables and loans for the year ended December 31, 2020 with respect to the portion of 2020 prior to the completion of the JACK Cleveland/Thistledown Acquisition. Pro forma cash received during the year ended December 31, 2020 would have been $66.0 million.

Eldorado Transaction

- $151.4 million of additional Income from sales-type and direct financing leases for the year ended December 31, 2020 associated with the rent from the CPLV Additional Rent Acquisition and the HLV Additional Rent Acquisition and the impact of the Lease Modifications with respect to the portion of 2020 prior to the completion of the Eldorado Transaction. Pro forma cash received from the CPLV Additional Rent Acquisition and the HLV Additional Rent Acquisition during the year ended December 31, 2020 would have been $98.5 million.
- $25.5 million decrease in Income from operating leases for the year ended December 31, 2020, due to the reassessment of the lease classification resulting in the reclassification of the land component of the CPLV Lease Agreement from an operating lease to a sales-type lease. After giving effect to the Lease Modifications, all rent under the modified CPLV Lease Agreement is recognized as a component of Income from sales-type and direct financing leases. Such adjustment does not result in a change to the pro forma cash received under our lease agreements.
- $97.3 million of additional Income from financing receivables and loans for the year ended December 31, 2020, associated with the rent from the Eldorado Transaction Properties Acquisitions with respect to the portion of 2020 prior to the completion of the Eldorado Transactions Properties Acquisitions. Pro forma cash received under the Regional Master Lease Agreement during the year ended December 31, 2020 would have been $154.0 million.

Chelsea Piers Mortgage Loan

- $3.2 million of additional Income from lease financing receivables and loans for the year ended December 31, 2020 with respect to the portion of 2020 prior to the funding of the Chelsea Piers Mortgage Loan. Pro forma cash received during the year ended December 31, 2020 would have been $4.8 million.

Forum Convention Center Mortgage Loan

- $22.2 million of additional Income from lease financing receivables and loans for the year ended December 31, 2020 with respect to the portion of 2020 prior to the funding of the Forum Convention Center Mortgage Loan. Pro forma cash received during the year ended December 31, 2020 would have been $31.2 million.

Other Income

(bb) Represents pro forma adjustments to Other income as follows:

The MTA Transactions

- Upon closing of the MTA Transactions, we will assume the MGP ground leases at Beau Rivage, Borgata and MGM National Harbor. We expect to reassess the classifications of these leases and determine them to be financing sub-lease liabilities and a sales- type sub-lease assets and accordingly adjusted the income to reflect the difference from the MGP historical balance. All payments under the ground leases are paid directly by our tenant to the landlord; however, we are required to present such payments on a gross basis under GAAP.

Recently Completed Transactions

Harrah's New Orleans Ground Lease

- Represents the adjustments to income and expense related to the full year gross presentation of the Harrah's New Orleans ground lease. Upon closing of the Eldorado Transaction, we became the lessee and primary obligor of the ground lease for Harrah's New Orleans. All payments under the ground lease are paid directly by our tenant to the landlord; however, we are required to present such payments on a gross basis under GAAP. An adjustment for the nine months ended September 30, 2021 was not required as the Eldorado Transaction closed on July 20, 2020.

Operating Expenses

(cc) Represents the pro forma adjustments to operating expenses as follows:

The MTA Transactions

- Elimination of the historical property depreciation for the MGM. Since the MGM Master Lease is determined to be an investment in lease - financing receivable, no depreciation is recognized for pro forma purposes.
- The amount of allowance for credit losses recognized on the initial investment balances for the MGM Master Lease Agreement and Venetian Lease Agreement, as required under ASC 326—Credit Losses.
- Reassessment of the classification of the MGP ground leases at Beau Rivage, Borgata and MGM National Harbor as noted in (bb) above.

The pro forma General and administrative expenses are not reflective of expected synergies subsequent to the Transactions. The Transaction and acquisition expenses related to MGP are not expected to recur in the future.

Venetian Acquisition

- Non-recurring, initial direct costs of the Venetian Lease Agreement, representing legal and third-party leasing costs which are required to be expensed under ASC 842.

Recently Completed Transactions

Harrah's New Orleans Ground Lease

- Additional expense related to the full year gross presentation of the Harrah's New Orleans ground lease as noted in (bb) above.

Income from Unconsolidated affiliate

(dd) Represents the pro forma adjustments to Income from unconsolidated affiliate for the amortization of basis differences resulting from the adjustment to fair value of the BREIT JV upon the closing of the MTA Transactions.

Interest Expense

(ee) Represents the pro forma adjustments to interest expense for the MTA Transactions, Venetian Acquisition and Recently Completed Transactions as follows:

($ in Thousands)	Nine Months Ended September 30, 2021	Year Ended December 31, 2020
The MTA Transactions		
Adjustment to present full year interest expense on MGP unsecured notes issued during 2020 (1)	$ —	$ 41,500
Elimination of the historical amortization of MGP deferred financing costs and reduction in interest expense for the net settlement of MGP interest rate swaps	(46,537)	(63,786)
Interest expense on new debt incurred in connection with the MTA Transactions (2)	121,471	161,961
Amortization of premium/discount on the MGP debt resulting from the adjustment to fair value	(45,920)	(61,226)
Non-recurring expenses related to the bridge commitment fees	—	53,650
The MTA Transactions sub-total	29,014	132,099
Venetian Acquisition		
Interest expense on new debt incurred in connection with the Venetian Acquisition (3)	16,607	22,143
Non-recurring expenses related to bridge commitment fees	—	16,857
Venetian Acquisition sub-total	16,607	39,000
Recently Completed Transactions		
Reduction in interest expense for the full repayment of the Term Loan B Facility and net settlement of VICI interest rate swap	(57,302)	(98,390)
Other adjustments for Recently Completed Transactions	—	4,117
Recently Completed Transactions sub-total	(57,302)	(94,273)
Total Pro Forma Adjustments	$ (11,681)	$ 76,826

(1) Adjustment to show the full year impact of the interest expense related to the MGP unsecured notes due 2025 and MGP unsecured notes due 2029, which were issued in June of 2020 and November of 2020, respectively.

(2) Estimated increase in interest expense for the incurrence of $4,404.0 million of long-term debt financing to finance the redemption of the Redeemed Units, and related fees and expenses. For purposes of the pro forma condensed combined statement of operations, we have assumed that the $4,404.0 million of long-term debt has a weighted average fixed interest rate of 3.50%, plus the amortization of estimated debt issuance costs.

(3) Estimated increase in interest expense for the incurrence of $600.0 million of long-term debt financing to finance a portion of the purchase price of the Venetian Acquisition and related fees and expenses. For purposes of the pro forma condensed combined statement of operations, we have assumed that the $600.0 million of long-term debt has a weighted average fixed interest rate of 3.50%, plus the amortization of estimated debt issuance costs.

There can be no assurance that we will be able to obtain long-term debt financing on the terms described above, including those with respect to maturity or interest rate, or at all, especially if market or economic conditions change after the date of this Current Report on Form 8-K. See paragraph (d) to Note 4—Balance Sheet Pro Forma Adjustments above. To the extent we are unable to obtain the long-term debt financing as contemplated above, we intend to borrow a similar amount under the MGP Acquisition Bridge Facility, Venetian Acquisition Bridge Facility and/or our Revolving Credit Facility, as the case may be, and our interest expense may be greater than assumed in the pro forma condensed combined statements of operations.

Gain on Unhedged Interest Rate Swaps, Net

(ff) Represents the elimination of the gain on the unhedged portion of the MGP interest rate swaps, as such swaps will be net settled upon consummation of the MTA Transactions.

Income Tax Expense

(gg) Represents the pro forma adjustments to income tax expense to eliminate the historical MGP income taxes and add estimated federal, state and local taxes that are not reimbursable by our tenants.

Non-Controlling Interests

(hh) Represents the pro forma adjustments to non-controlling interests as follows:

The MTA Transactions

- Adjustment to income for the MGM non-controlling interest in the New VICI Operating Partnership as a result of the conversion of the MGP OP Units to New VICI Operating Company Units as part of the MTA Transactions consideration as described in Note 3.

Recently Completed Transactions

- Adjustment to income from the Lease Modifications as a result of the Eldorado Transaction as described in (aa) above attributable to the non-controlling interest holder in the joint venture of our Joliet property. An adjustment for the nine months ended September 30, 2021 was not required as the Eldorado Transaction closed on July 20, 2020.

Weighted Average Shares Outstanding

(ii) Pro forma net income per common share is based on the historical weighted average shares of VICI Common Stock outstanding, adjusted as follows to assume the following shares of VICI Common Stock were outstanding for the entire period presented:

(In Thousands, Except Share Amounts)	Nine Months Ended September 30, 2021	Year Ended December 31, 2020
Net income attributable to common stockholders	1,659,600	1,744,665
VICI historical weighted average common shares outstanding - basic	542,843,855	506,140,642
The MTA Transactions		
VICI Stock Issuance	214,628,155	214,628,155
Venetian Acquisition		
Settlement of September 2021 Forward Sale Agreements	50,000,000	50,000,000
Settlement of March 2021 Forward Sale Agreements	69,000,000	69,000,000
Recently Completed Transactions		
September 2021 equity offering	61,980,874	65,000,000
Settlement of June 2020 Forward Sale Agreement	25,283,060	26,900,000
Partial Settlement of June 2020 Forward Sale Agreement (1)	—	2,221,311
Settlement of June 2019 Forward Sales Agreements (1)	—	27,172,131
Pro forma weighted average common shares outstanding – Basic	**963,735,944**	**961,062,239**
Impact of outstanding equity incentive awards	919,620	411,876
Pro forma weighted average common shares outstanding – Diluted	**964,655,564**	**961,474,115**
Net Income per common share		
Basic	1.72	1.82
Diluted	1.72	1.81

(1) Represents the impact to adjust for the time outstanding during the year ended December 31, 2020. No such amounts are shown for the nine months ended September 30, 2021 as such shares were settled during the year ended December 31, 2020.