INVESTOR UPDATE

SECOND QUARTER 2020



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KRG LISTED NYSE

KITE REALTY GROUP SNAPSHOT

KRG QUICK FACTS

Number of Operating Retail Properties	**82**
Total Retail GLA (SF)	**11.6mm**
Operating Portfolio Percent Leased	**94.0%**
Annualized Base Rent (ABR) Per SF	**$18.08**
% of ABR from assets with a grocery component	**72%**
Equity Market Cap[1]	**$0.8B**
Enterprise Value[1]	**$1.9B**
Net Debt to EBITDA[2]	**7.1x**
Moody's / S&P Ratings	**Baa3 / BBB-**

WHY KRG?

- High-quality portfolio with diverse tenant base
- Southern US (aka "Warmer & Cheaper") focus to take advantage of current and projected demographic trends
- Strong balance sheet with a substantial amount of available liquidity
- Experienced, disciplined team focused on operational excellence and value creation
- Community-oriented shopping centers with 57% of ABR from community centers[3]
- Cash on hand and available liquidity is equal to 70% of equity market cap
- $10 stock price implies a 31% drop in NOI[4]

Note: Unless otherwise indicated, the source of all Company data is publicly available information that has been filed with the Securities and Exchange Commission as of June 30, 2020.

1. As of 8/1/2020.
2. Net debt to EBITDA is calculated by annualizing most recent quarter EBITDA.
3. Definition per Green Street Advisors.
4. Assumes analyst consensus cap rate of 6.8% and annualized 4Q 2019 NOI.

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SECOND QUARTER 2020 HIGHLIGHTS

CONTINUED OPERATIONAL EXCELLENCE

FFO	Q2 2020 FFO per share was $0.30. FFO per share was negatively impacted primarily due to bad debt and interest expense on the outstanding balance on the line of credit.
SPNOI	SPNOI for Q2 2020 was 9.8% lower year-over-year driven by the negative impacts of COVID-19.
LIQUIDITY	At quarter end, cash on hand was approximately $230M with $200M drawn on company's $600M line of credit. Subsequent to quarter end, an additional $100M was paid down on the revolver.
BALANCE SHEET	No debt maturities until 2022 and existing liquidity exceeds debt obligations through 2025.
LEASING	Executed 35 new and renewal leases representing over 300,000 square feet with blended cash and GAAP rent spreads on comparable leases of 19.9% and 29.3%, respectively. Non-option renewal blended cash and GAAP rent spreads on comparable leases were 12.3% and 29.7%, respectively.
PORTFOLIO COMPOSITION	KRG's tenant base is comprised of 67% national tenants and 72% of ABR comes from centers with a grocery component.
COVID-19 UPDATE[1]	Collected 80% of Q2 billings and affirmatively deferred another 9%. Collected 87% of July billings.

1. As of 8/4/2020

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COVID-19 IMPACT:

Strong Real Estate IS the Ship That Survives the Storm

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STRONG REAL ESTATE MATTERS

"Only when the tide goes out do you discover who's been swimming naked." – Warren Buffett

- Historically the market determined "better" real estate through higher ABR, Super ZIPs and higher TAP scores
- These metrics don't tell the whole story though, as evidenced by:
  - Research over the past decade shows rent growth in gateway markets is only marginally higher than other markets[1]
  - Portfolios with high ABR have not necessarily had higher collection rates on rents during the COVID-19 crisis
- Higher collection rates is one indicator of which real estate is truly valuable to retailers
- KRG has been improving asset quality for 15 years and, unfortunately, it took a pandemic to show the impact
  - Project Focus, completed in 2019, improved the portfolio, removed weaker assets and reduced exposure to at-risk tenants
  - KRG collections have been strong, implying key locations to retailers
- Location matters and we believe the migration to the South is accelerating

1. Green Street, "If You're Not First, You're Not Far Behind" – July 8, 2020.

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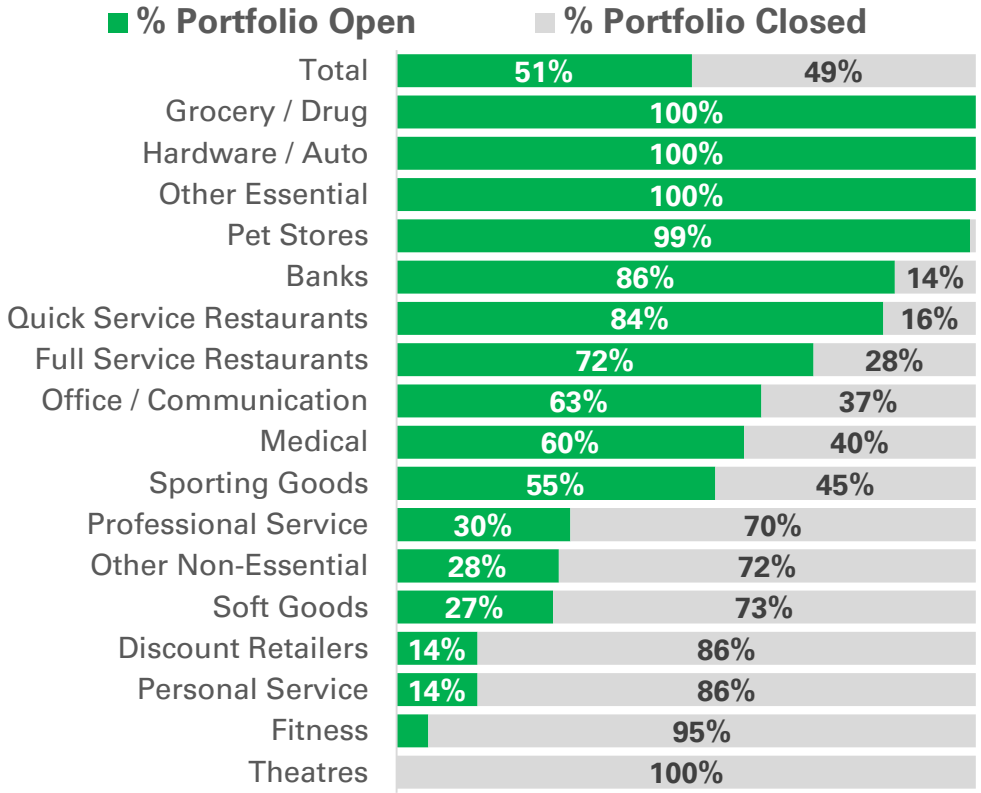
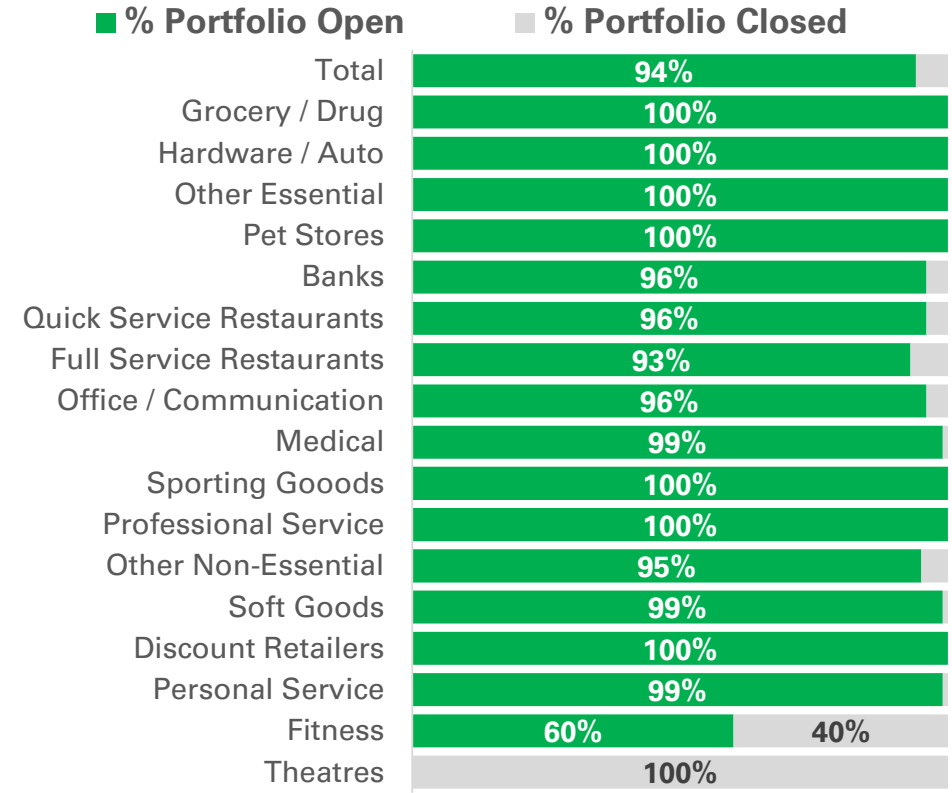
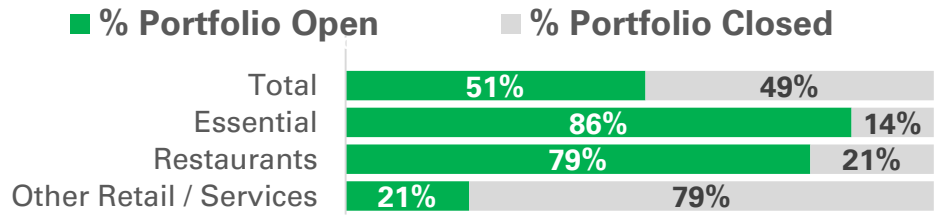
APRIL VERSUS AUGUST CLOSURES BY TENANT TYPE

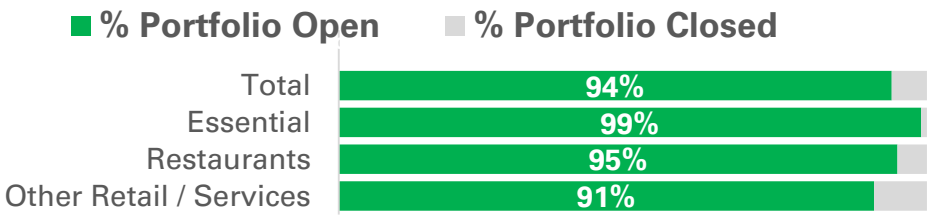
APRIL OPEN/CLOSE BY ABR



AUGUST OPEN/CLOSE BY ABR







Note: Essential retail is defined on page 31 of this presentation.

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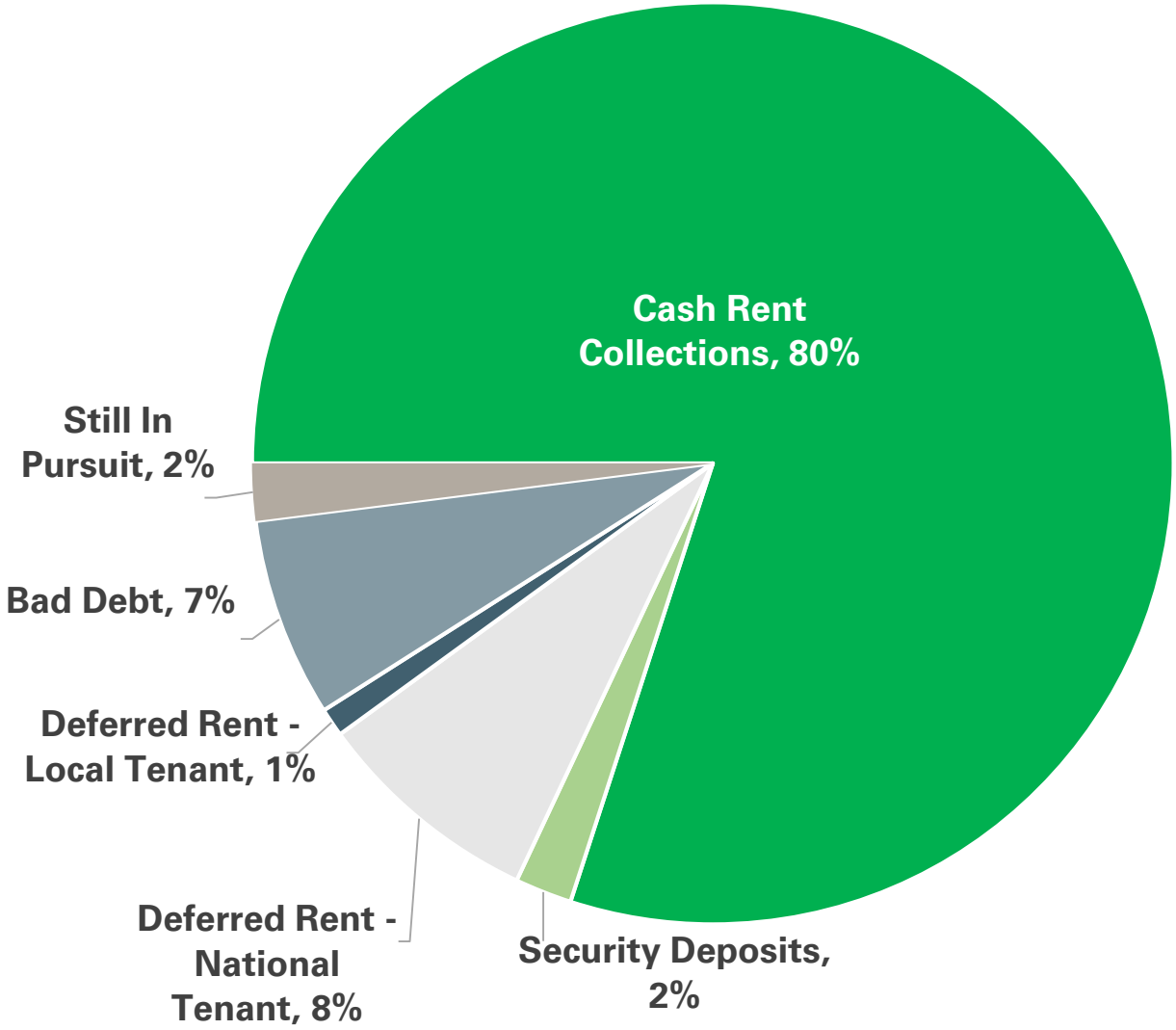
Q2 REVENUE COLLECTIONS

Q2 REVENUE COLLECTIONS AS OF AUGUST 3RD



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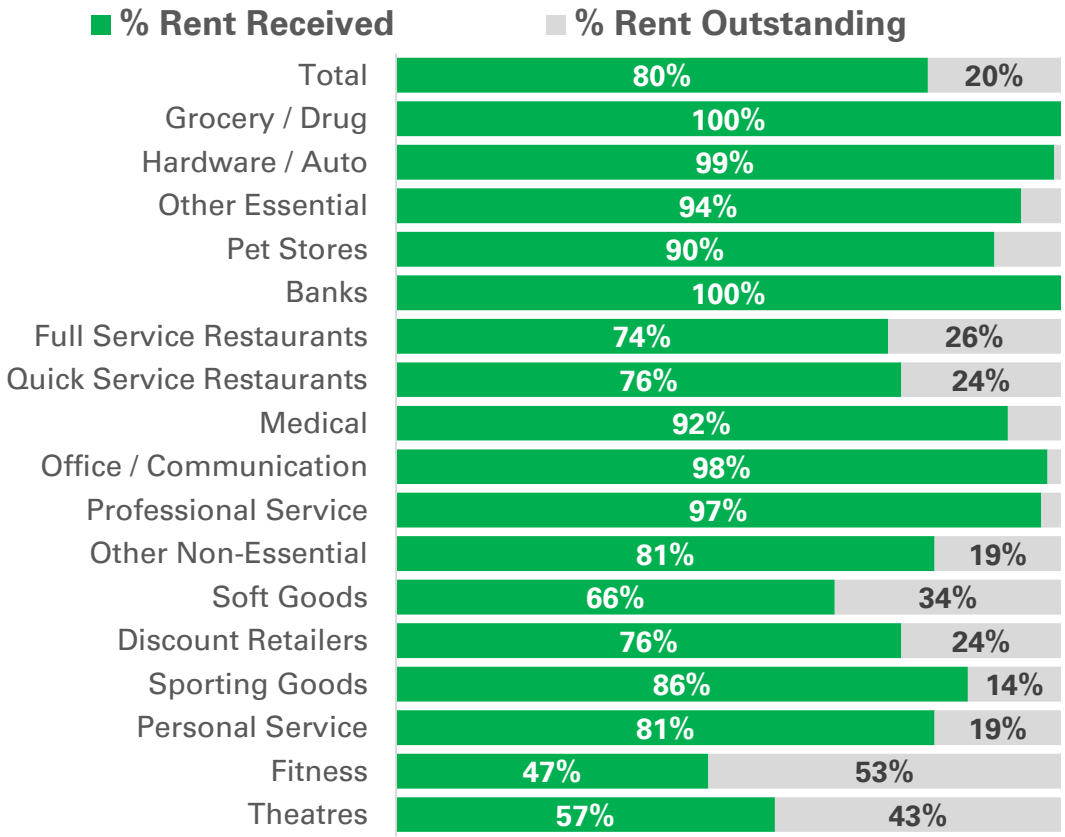
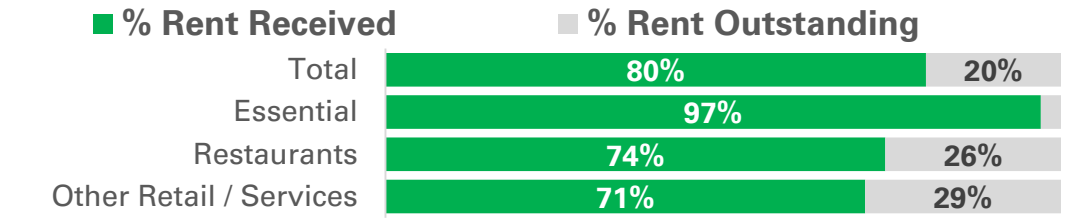
SECOND QUARTER COLLECTIONS BY TENANT TYPE

SECOND QUARTER COLLECTIONS AS OF 8/3





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IMPACT OF PROJECT FOCUS

IMPROVED PORTFOLIO IN ADVANCE OF COVID

PORTFOLIO CHARACTERISTICS	2019 DISPOSITION ASSETS	BEFORE – Q4 2018	AFTER – Q2 2020	% Change
Number of Properties	23	105	82	
Average GLA (square feet)	140k	144k	141k	
ABR PSF	$14.64	$16.84	$18.08	+7%
Population[1]	61,700	65,600	75,900	+16%
Est. 5-Year Population Growth[1] ('19-'24)	1.0%	1.4%	1.7%	+21%
Average HH Income[1]	$71,800	$88,700	$98,000	+10%
Households[1]	21,900	25,500	29,300	+15%
% of College Graduates[1]	32%	38%	41%	+8%
% of ABR with Grocer	68%	72%	72%	0%
% of ABR in Top 50 MSAs	41%	66%	73%	+11%
Average 2014 – 2019 NOI CAGR	1.1%	2.4%	2.6%	+8%

1. Demographic stats are based on a 3-mile radius.

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CONTINUALLY IMPROVING REAL ESTATE PORTFOLIO

KRG IS A VERY DIFFERENT COMPANY FROM THE IPO

	2004 – IPO	2015 – Merger	Today
# of Operating Retail Properties	30	110	82
# of States	9	20	16
# of Markets	16	52	33
Top Region (% of ABR)	South 52%	South 63%	South 61%
Top State (% of ABR)	FL 27%	FL 28%	FL 27%
Top MSA (% of ABR)	Indianapolis 23%	Indianapolis 9%	Las Vegas 11%
South and West ABR	57%	76%	77%
ABR	$10.57	$15.22	$18.08
Top Tenant (% of ABR)	Marsh 3.2%	Publix 3.4%	Publix 2.5%
Net-debt-to-EBITDA[1]	13.2x	7.0x	7.0x

Note: Based on retail operating portfolio in supplemental disclosures for YE 2004, 2015, and Q2 2020.
1. Net debt to EBITDA is calculated by annualizing most recent quarter EBITDA.

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BALANCE SHEET & LIQUIDITY STRENGTH

- Balance Sheet Strength
  - $230M of cash on hand
  - $200M drawn on KRG's $600M revolving credit facility
    - Paid down an additional $100M after quarter end
  - $584M of available liquidity
  - NDE = 7.1x[1] with no outstanding preferred shares
- Limited Capital Needs
  - 2020 and 2021 debt maturities = $0
  - Outstanding big box spend = $5.0M
- Prudent development spend
  - Eddy Street Phase II remaining spend = $3.2M
  - Glendale apartments = $1.2M

	THRESHOLD	Q2 2020
Net Debt to EBITDA		7.1x
Key Credit Facility Covenant Ratios		
Secured Debt to Total Asset Ratio	< 45%	11%
Indebtedness	< 60%	42%
Unsecured Leverage	< 60%	44%
Fixed Charge Coverage	>1.5x	3.2x

INVESTMENT GRADE CREDIT RATINGS	
Moody's	Baa3
S&P	BBB-

1. Net debt to EBITDA is calculated by annualizing most recent quarter EBITDA.

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DISLOCATION BREEDS OPPORTUNITY

DESPITE PORTFOLIO TRANSFORMATION KRG STILL TRADES AT A SIGNIFICANT DISCOUNT

- Market is currently assuming there is drastic and permanent NOI erosion ***AND*** cap rate expansion
- Based on a stock price of $10.00:
  - Assuming zero NOI erosion from 2019[1], implied cap rate = ~9.9%
  - Assuming pre-COVID consensus cap rate of 6.80%, implied permanent NOI dislocation = ~31%
  - Disconnect between implied dislocation and actual rent collection
- 10-year Treasury rates pre-COVID were ~1.8% vs. ~0.6% today, a 120bps reduction in return
  - Historically, when debt markets stabilize, debt spreads, and in turn cap rates, adjust to similar return spreads above the 10-yr
- Market is ignoring KRG's significant portfolio transformation and top-tier balance sheet and liquidity profile

POTENTIAL STOCK PRICE

Implied Permanent NOI Loss \ Applied Cap Rate	6.25%	6.50%	6.75%	7.00%	7.25%
5.0%	$21.63	$20.29	$19.05	$17.90	$16.83
7.5%	$20.71	$19.41	$18.20	$17.08	$16.04
10.0%	$19.80	$18.53	$17.35	$16.26	$15.25
12.5%	$18.88	$17.65	$16.51	$15.45	$14.46
15.0%	$17.96	$16.77	$15.66	$14.63	$13.67

POTENTIAL STOCK RETURN

Implied Permanent NOI Loss \ Applied Cap Rate	6.25%	6.50%	6.75%	7.00%	7.25%
5.0%	116%	103%	91%	79%	68%
7.5%	107%	94%	82%	71%	60%
10.0%	98%	85%	74%	63%	52%
12.5%	89%	76%	65%	54%	45%
15.0%	80%	68%	57%	46%	37%

1. Assumes annualized Q4 2019 NOI as run-rate NOI.

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COVID-19 UPDATE:

Strong Team to Weather the Storm

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KRG COVID-19 GAME PLAN

PLAN FOR THE WORST, STRIVE FOR THE BEST

- Protect employee safety, security, mental health, and productivity
  - Instituted work from home for all non-essential employees
  - Activated business continuity plan
  - Offering employees ample resources to enable effective employee engagement

- Keep centers open and operating to provide for consumers
  - Ensure essential retailers get whatever they need to operate most efficiently
  - Allow flexible use of parking lots for tenants doing curbside pickup

- Focus on the long-term viability of our tenants
  - Continuous communication with tenants via asset managers and emails
  - Providing information regarding CARES Act to all tenants
  - Offering accommodations for our most distressed tenants

- Ensure ample corporate liquidity to handle various scenarios
  - Conserve cash spend
  - Protect our capital provider relationships

- There is no such thing as "too much" communication
  - Frequent disclosure to ALL stakeholders including employees, tenants and investors

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A PANDEMIC IN PERSPECTIVE

"KEEP CALM AND CARRY ON"

- The best scientific minds in the world are racing to find a cure/vaccine and one of our core values is optimism
- We are all getting used to the "new normal" environment in which we live
- Retailers, restaurants, gyms, etc. are working to adapt to the new normal in order to not just survive, but thrive
- There is no doubt the landscape will be different when we reach the other side
  - Some challenged retailers will close, others will emerge stronger, and new ones will be born
  - The best retailers are evolving to simplify customer transactions
  - BOPIS is thriving and here to stay
  - Accelerated migration of retailers to open-air centers

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KRG OPERATIONAL RESPONSE

KRG HELPING TENANTS SHIFT TO BOPIS

- Delivered hand sanitizers and cleaning supplies to small shop tenants
- Produced signs and banners to highlight re-opened tenants
- Installed clusters of designated pick-up parking spaces at centers throughout the portfolio
  - Assist our tenants as they adjust to the evolving needs of their business
  - Provide a convenient and safe amenity for our shoppers
  - Create a consistent pick-up process and aesthetic at our centers
- All KRG centers, where appropriate, now have BOPIS signage and wayfinding





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KITE CARES COMMUNITY RESPONSE

SUPPORTING THE COMMUNITIES WE SERVE DURING TRYING TIMES

- Delivered food to local hospitals, purchased from KRG small business tenants
- Donated to the Indiana Restaurant & Lodging Association to assist furloughed workers
- Supported a KRG restaurant tenant in its effort to deliver meals to elderly and at-risk citizens
- Provided KRG employees a stipend to support local businesses for #TakeoutTuesdays
- Partnered with grocer tenants to deliver groceries to families of quarantined first responders
- Provided land to a farmers market in need of greater space to allow for proper social distancing
- Partnered to launch a multi-organizational food drive benefitting Gleaners Food Bank, a member of Feeding America
- Collected and donated school supplies to teachers and students in need for the upcoming year

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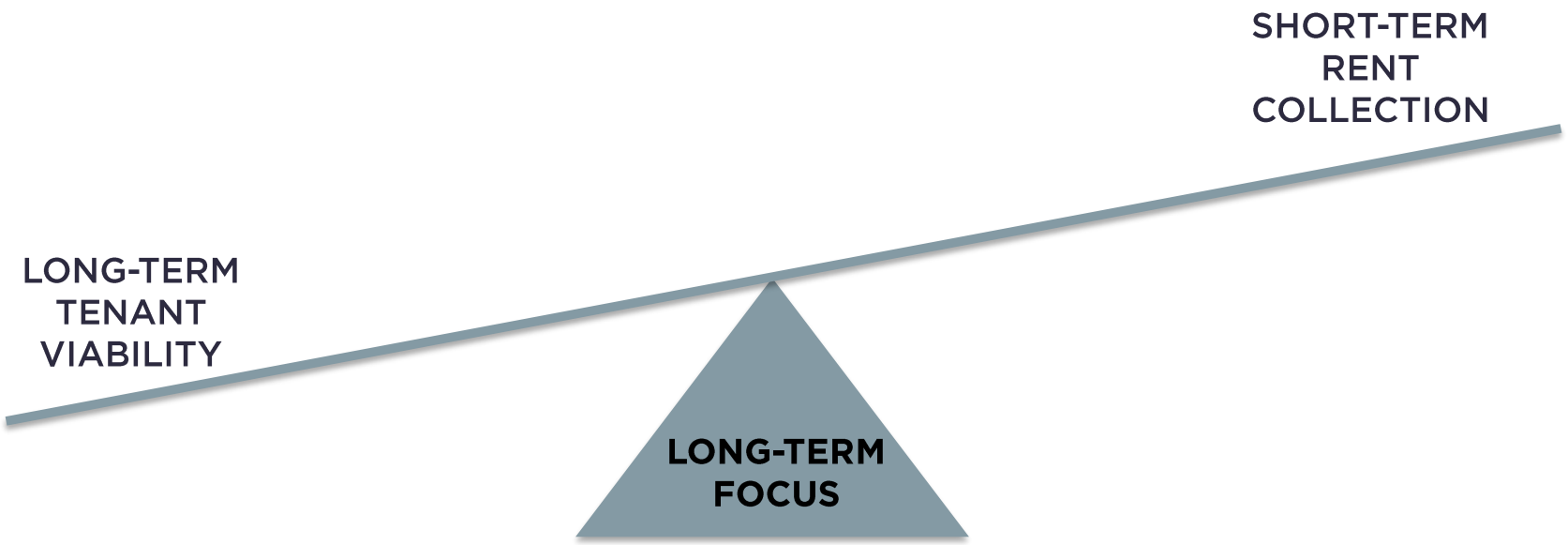
KRG LEASING RESPONSE: LONG-TERM FOCUS

THIS UNPRECEDENTED CRISIS REQUIRES KRG TO KEEP FOCUS ON LONG-TERM PRIORITIES



- Short-term dislocation in rents is much more benign than permanent dislocation
  For example:
  - A small shop tenant with $22psf of total rent annually
  - Replacing this tenant could cost ~$30psf in tenant allowance
  - This tenant allowance would equate to 16 months of current rent (excluding down time)

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KRG LEASING RESPONSE: SMALL SHOP TENANT ASSISTANCE

DOING OUR PART

Small shop tenants are the backbone of the US economy and we are working to help them in this time of need

- In constant communication with our small shop tenants
- Provided tenants with summaries, weblinks, and lender contacts to assist with their SBA applications in conjunction with the CARES Act
- We are providing financial assistance to our most vulnerable small shop tenants
- In reaction to the complications and backlog associated with the CARES Act programs, KRG established a small business lending program for our tenants (aggregate up to $5 million)
  - As of August 5th, issued 27 loans totaling $2.2M

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RETAIL REAL ESTATE:

Evolution has accelerated to Revolution

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INITIAL THOUGHTS ON RETAIL GOING FORWARD

WHILE THE FUTURE IS UNCERTAIN, A FEW KEY TAKEAWAYS ALREADY

- COVID-19 has accelerated the demise of certain retailers with pre-existing issues
  - Recent retailer closures are not surprising as they are from retailers struggling pre-COVID
  - Allows the best real estate to replace struggling tenants
- Top retailers are still experiencing strong sales
  - Many have reported huge spikes in sales from pent-up demand
- Physical stores serve a strong purpose
  - Online sales have been strong but not a complete solution
  - Omni-channel presence is more critical now than ever before
  - Retailers are successfully racing to accelerate BOPIS (Buy Online Pick-up In Store)
- Open-air centers provide physical presence and distribution point
  - Most convenient location for retailers and consumers to transact
  - Continuing increases in shipping costs will continue to push retailers to use their physical locations as distribution points as well as accelerate BOPIS
- Retailers accelerating shift to open-air centers
  - Lower occupancy costs
  - Ability to fulfill BOPIS and curbside pickup

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GOOD RETAILERS CONTINUE TO SUCCEED

STRONG SALES THROUGH COVID AND ADAPTING STORES FOR BOPIS AND FULFILLMENT

Online sales increased 141% using stores to fulfill 80% of orders[1]

Fulfilled and delivered online orders from 2,500 stores[1]

~90% of online orders were fulfilled or picked up in store[1]

60% of online orders picked up in store[1]

Saw stronger comps in initial re-opening phase vs. the same time in 2019[1]

~25% of nordstromrack.com units are fulfilled from Rack stores.[1]

Curbside accounted for 40% of total e-commerce sales which were up 250% during Q1

Looking to accelerate BOPIS quicker than planned due to success during COVID-19[1]

Worked on it's tech before the pandemic and now it's flexing its muscles[2]

Due to store footprint, Office Depot can deliver next day to 99% of ZIP codes in the US[1]

1) Source: Company's most recent quarterly filing.
2) Forbes: "Best Buy Worked On Its Tech Before the Pandemic and Now Its' Flexing Its Muscles"

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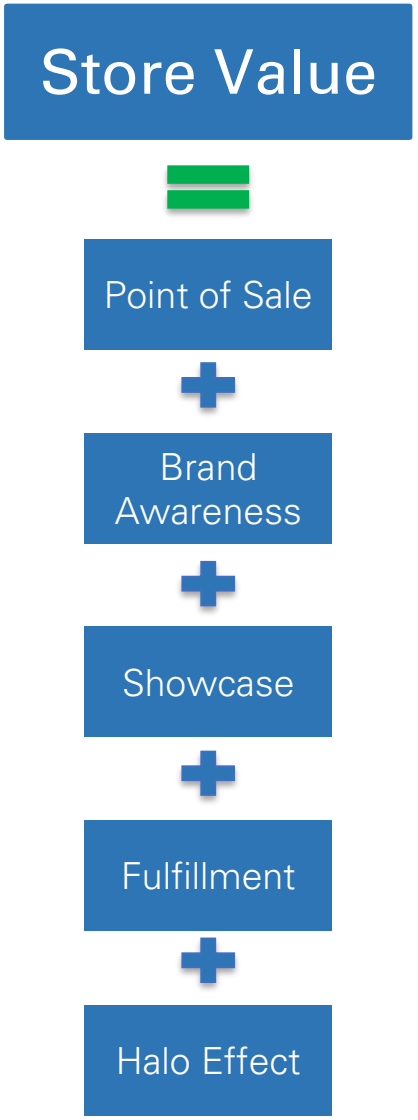
PHYSICAL STORES DELIVER KEY BENEFITS

PHYSICAL STORES ARE KEY TO RETAILER SUCCESS

- Point of Sale:
  - Physical stores represent the most cost-effective point of sale, and the best opportunity to leverage impulse buying.
  - Brick-and-mortar total spending increased 4.2% on Black Friday compared to 2018[1]
- Brand Awareness:
  - 83% increase in brand awareness when a retailer grows from 1 store to 3 stores in a market with a population of 3 million[2]
- Showcase:
  - Peloton, the online bike retailer, didn't achieve success until opening a store at Short Hills Mall so that customers could see and test the bike
- Fulfillment:
  - Using a store as a fulfillment center ***drastically*** reduces customer acquisition costs and increases profit margins
- Halo Effect:
  - Web traffic increases an avg. of 37% in a market when a physical store is opened[2]
  - Conversely, web traffic drops off 77% in a market when a physical store is closed[2]



[1]First Data: Spend Trend Holiday Snapshot
[2]ICSC Research: The Halo Effect

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DIGITAL RETAILERS NEED PHYSICAL STORES

"What online-only company is really profitable? Basically none of them." – Everlane CEO Michael Preysman[1]

- Digitally native brands are set to open 850 stores in the next five years
  - "Clicks to bricks" retailer expansions demonstrate the value that new brands place on having physical locations
  - Shoppers make around 60% of purchases at the stores of digitally native retailers today, despite these companies being born online[2]
  - Digitally native brands are set to open 850 stores in the next 5 years, in additional to the 1,800 stores already opened in the past decade[3]

BONOBOS

"Opening the stores was a total accident. We put two fitting rooms in our lobby to learn how we were doing with development of our second product, shirts. What happened blew my mind! Guys started coming in, trying on our clothes, and buying stuff, placing ecommerce transactions right on our website with the help of a guide, and then they walked out."
– Bonobos Co-Founder Andy Dunn

allbirds

"We know it's important to provide customers with a tactile experience to really feel the uniqueness and quality of our product" – Allbirds co-CEO Joey Zwillinger

WARBY PARKER

EVERLANE

amazon books

M.M. LAFLEUR

BAUBLEBAR

AWAY

PELOTON

"Retail is enormously strategic for us. We are huge believers in retail. We are going global with retail"
– Peloton President William Lynch

UNTUCKit

"Stores took us to a different level. Customers who didn't want to buy a $98 shirt because they weren't sure if we're just another fly-by-night e-comm company started taking us very seriously"
– UntuckIt Founder Chris Roccobono

1. Source: CNBC Mad Money
2. Source: ICSC "The Halo Effect"
3. Source: Retail Dive "VC firm Fifth Wall debuts $100M fund to help DTC brands enter stores"

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OMNICHANNEL IS PROVING ITSELF

STORES ARE NOT JUST A POINT OF SALE

- Retail real estate is seeing a shift in retailer usage
  - Retailers are using their stores for more than just a point of sale
  - Physical locations are becoming distribution points for not only online orders, but also buy online: pick up in store ("BOPIS") ~ return to store ("BORIS") ~ fulfill from store ("BOFIS")
  - Amazon has ~100 distribution centers in the US vs. ~1,800 Target stores and ~4,700 Walmart stores
    - 90% of the US population lives within 10 miles of a Walmart store[3]
    - 75% of the US population lives within 10 miles of a Target store[4]

- Physical stores now service and support customers as well as drive transactions
  - Many retailers are seeing BOPIS and BORIS benefits of not only lower costs, but additional purchases in store due to the ease of pick-up and returns
  - 82% of BOPIS patrons will shop for additional items while picking up their online order[1]

- Retailers are seeing the impact of BOPIS
  - 43% increase in BOPIS on Black Friday[1]
  - BOPIS could amount to 50% of digital traffic in '19[2]

[1] Adobe Analytics.
[2] Forbes "Retail Winners and Losers From Black Friday 2019."
[3] Forbes "Unpacking Walmart's Workforce of the Future"
[4] Target.com

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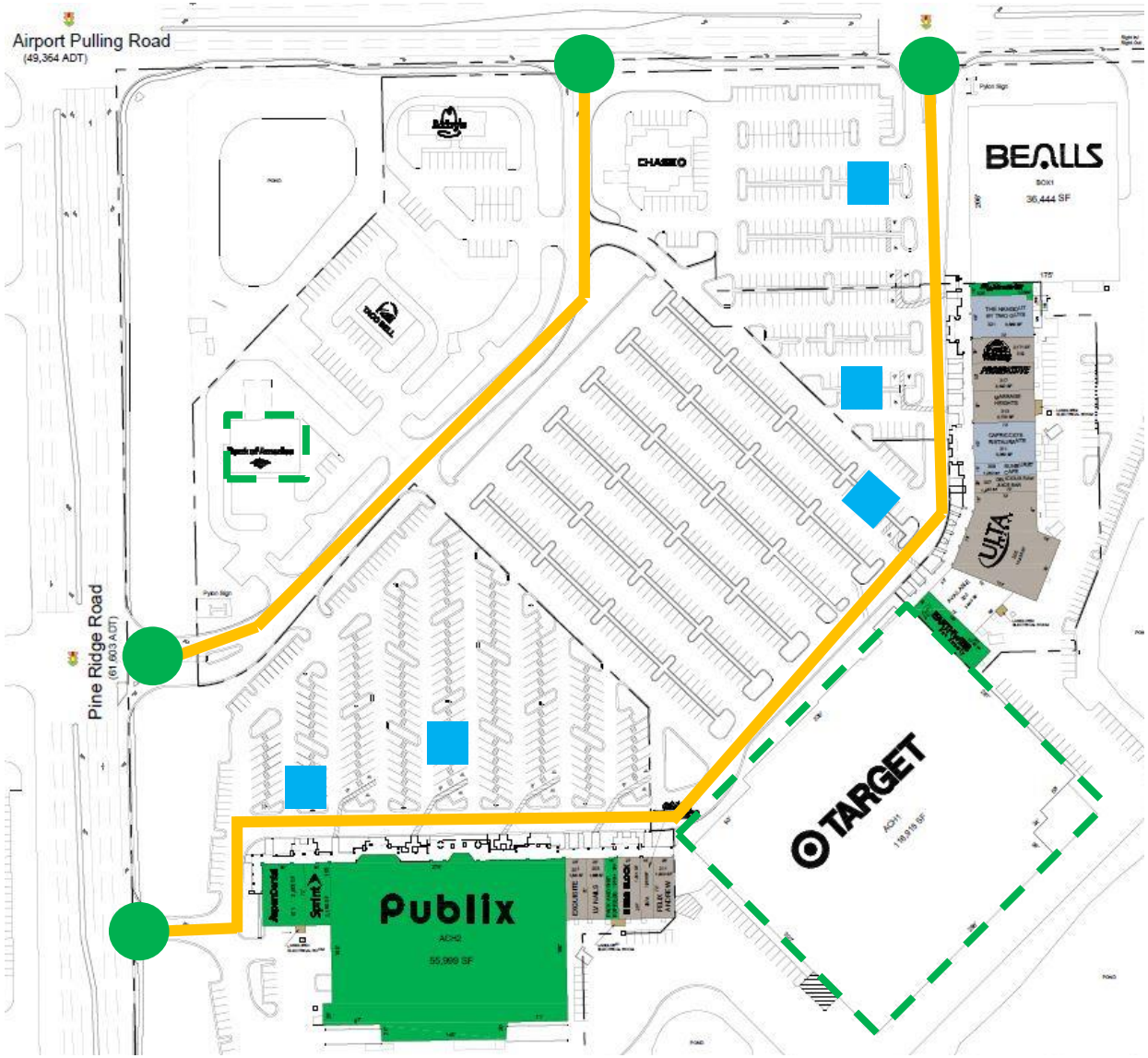
OPEN-AIR CENTERS: CONVENIENT AND ESSENTIAL DESTINATIONS

PINE RIDGE CROSSING – COMMUNITY CENTER – MSA: NAPLES, FL



- 44% of ABR is deemed essential
- 41% of ABR service-oriented tenants offer necessary daily trips post-COVID
- 15% of ABR from restaurants creates additional traffic
- Essential shadow anchors Target and Bank of America drive daily trips
- Sufficient access points to the shopping center to ensure quick and convenient trips
- Dynamic parking field allows for easy entrance or pick-up
- Indicate parking spots reserved for BOPIS capabilities and signage

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OPEN-AIR CENTERS: CONVENIENT AND CHEAPER

SHIFTING TENANT DEMANDS UNIQUELY POSITION OPEN-AIR RETAIL

- Open-air assets are thriving in their convenient and affordable nature for retailers
- Conveniently located and easily accessible parking fields that satisfy BOPIS / curbside pick up methods
- Significantly lower operating costs equal much lower total costs to retailers
  - Other property types operating costs can range from $20 - $70 psf
  - Shopping center operating costs can range from $5 - $15 psf
- Retailers typically reimburse real estate owners their share of common area maintenance ("CAM" charges)
  - Lower operating costs equate to retailer savings

CONFIDENTIAL RETAILER

- 14 relocations to open-air centers
- All 14 had lower costs
- 13 of 14 had increased sales
- One relocation to KRG's portfolio
  - 30% lower gross rent charges
  - Sales expected increase to $1.27M from $977k in other location

TENANTS SHIFTING STRATEGY TO OPEN-AIR LOCATIONS

ATHLETA SEPHORA TORRID Bath & Body Works

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KRG DIFFERENCE:

Strong Real Estate

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STRONG COMMUNITY CENTER PORTFOLIO

KRG PORTFOLIO

- 72% of retail ABR is from centers with a grocer component
- 77% of ABR is from South and West United States
- Average asset size is 141k square feet
- Strong 3-mile demographics:
  - Population 75,900
  - Average Household Income: $98,000
  - Est. 5-year Population Growth: 1.7%

Property Type[1]	Description[1]		%of ABR[2]
Community Center	Larger center with general merchandise or convenience-oriented offerings, often with a grocery component **Trade area: 3-5 miles**		57%
Neighborhood Center	Convenience-oriented center often anchored by a grocery **Trade area: 1-3 miles**		18%
Power Center	Category-dominant anchors, including discount, off-price, and wholesale clubs with limited small shop tenants **Trade area: 5-10 miles**		18%

1. Per Green Street Advisors.
2. Based on ABR. Remaining 7% of portfolio are Lifestyle Centers or other assets.

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HIGH-QUALITY PROPERTIES



COBBLESTONE PLAZA
MSA: Miami / Fort Lauderdale, FL



PORTOFINO SHOPPING CENTER
MSA: Houston, TX



RAMPART COMMONS
MSA: Las Vegas, NV



PARKSIDE TOWN COMMONS
MSA: Raleigh, NC



RIVERS EDGE
MSA: Indianapolis, IN



CENTENNIAL CENTER
MSA: Las Vegas, NV

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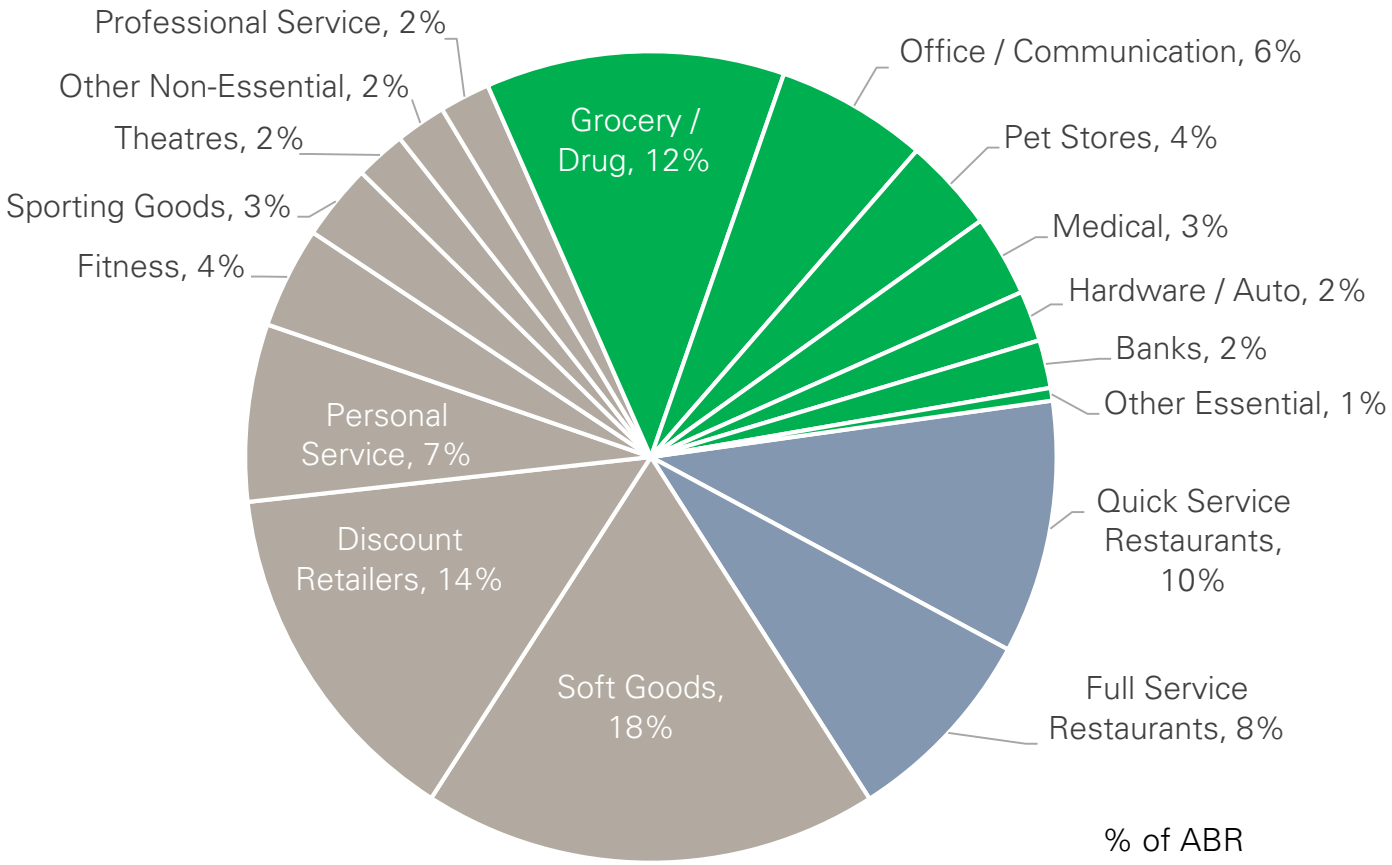
PORTFOLIO COMPOSITION: TENANT TYPE

72% OF ABR COMES FROM CENTERS WITH A GROCERY COMPONENT

ESSENTIAL RETAIL: 30% of ABR	RESTAURANTS: 18% of ABR	OTHER RETAIL/SERVICES: 52% of ABR



% of ABR
As of 6/30/2020







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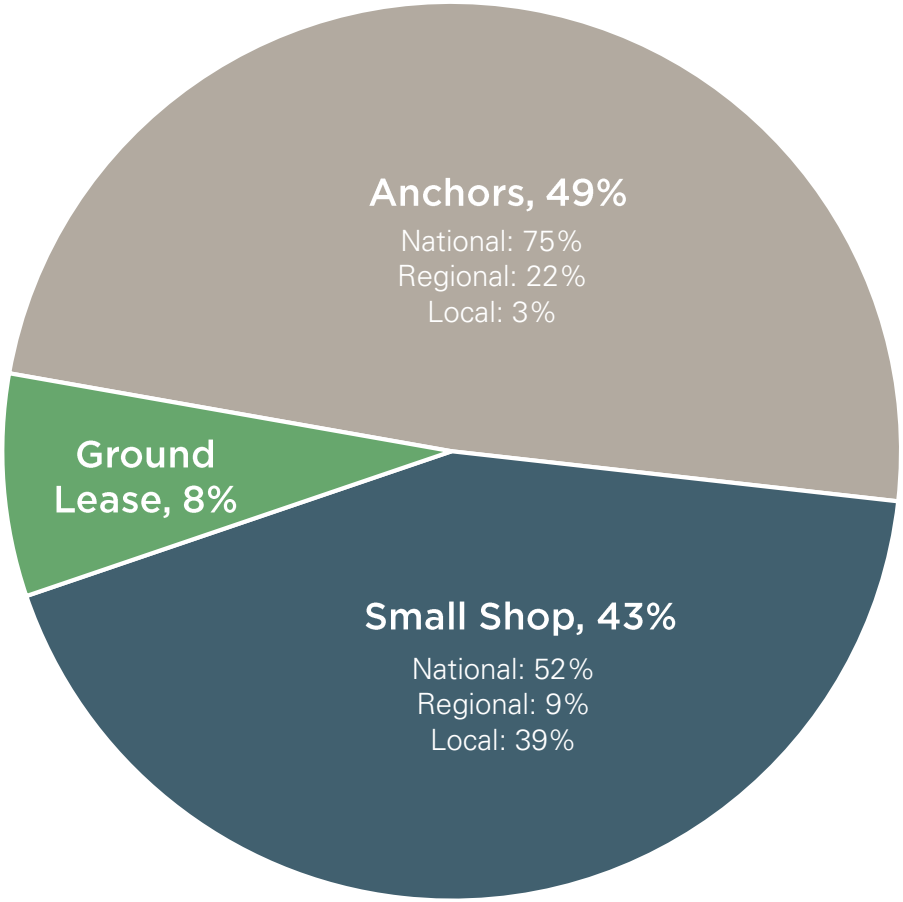
PORTFOLIO COMPOSITION: TENANT SIZE

67% OF ABR FROM NATIONAL TENANTS



National Tenants:	Nationwide presence
Regional Tenants:	Regional brands
Local Tenants:	Local brands

KRG PORTFOLIO

National Tenants: 67% of ABR

Whole Foods Market, PetSmart, Walmart, TJ Maxx, Lowe's Home Improvement Warehouse, target

Regional Tenants: 15% of ABR

North Italia, H-E-B, Publix

Local Tenants: 18% of ABR

BGI, honey SALT Food and Drink, Redemption Fitness Ride · Rep · Rebel

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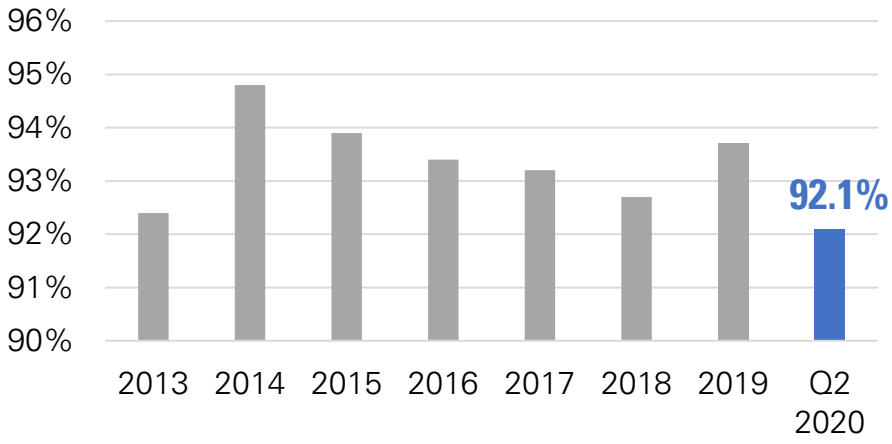
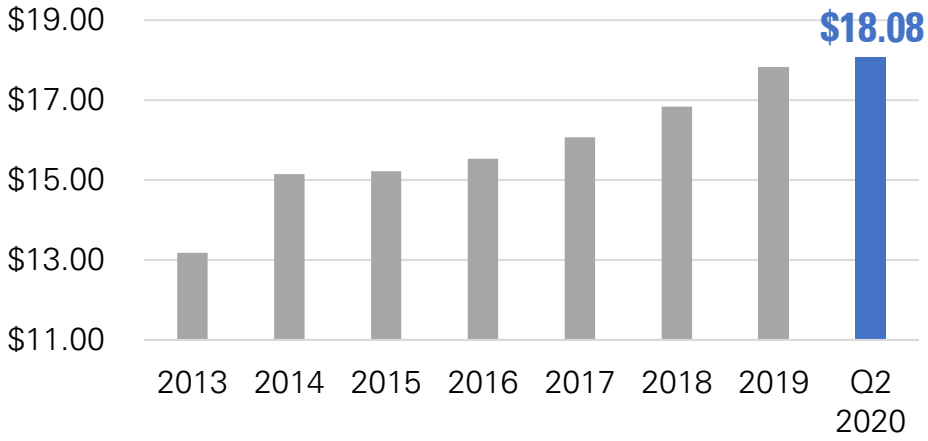
PORTFOLIO STATISTICS

ABR CONTINUES TO GROW IN AN IMPROVED, HIGH-QUALITY PORTFOLIO

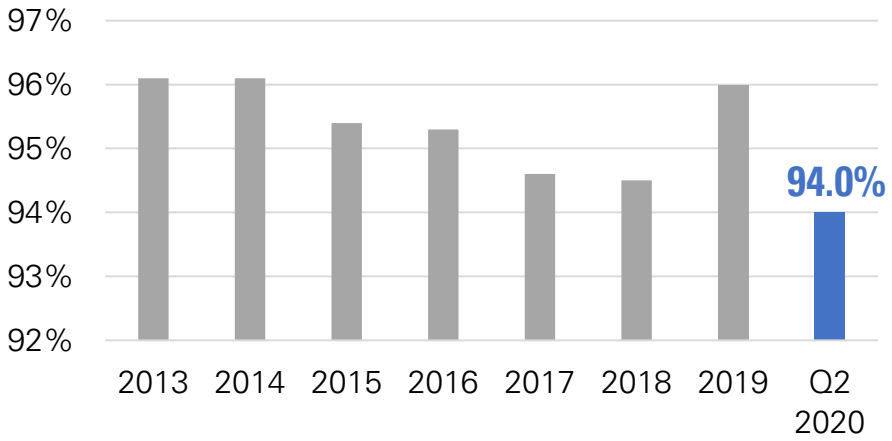
Same-Property Occupancy Rate



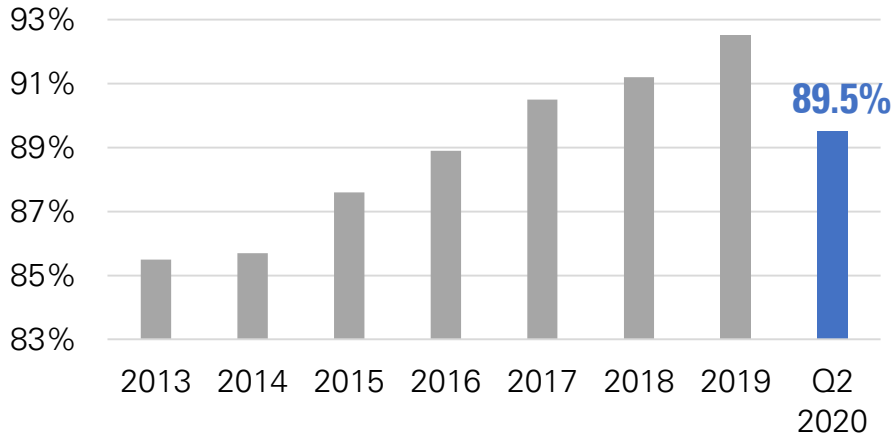
ABR PSF



Same-Property Leased Rate



Small Shop Leased Rate



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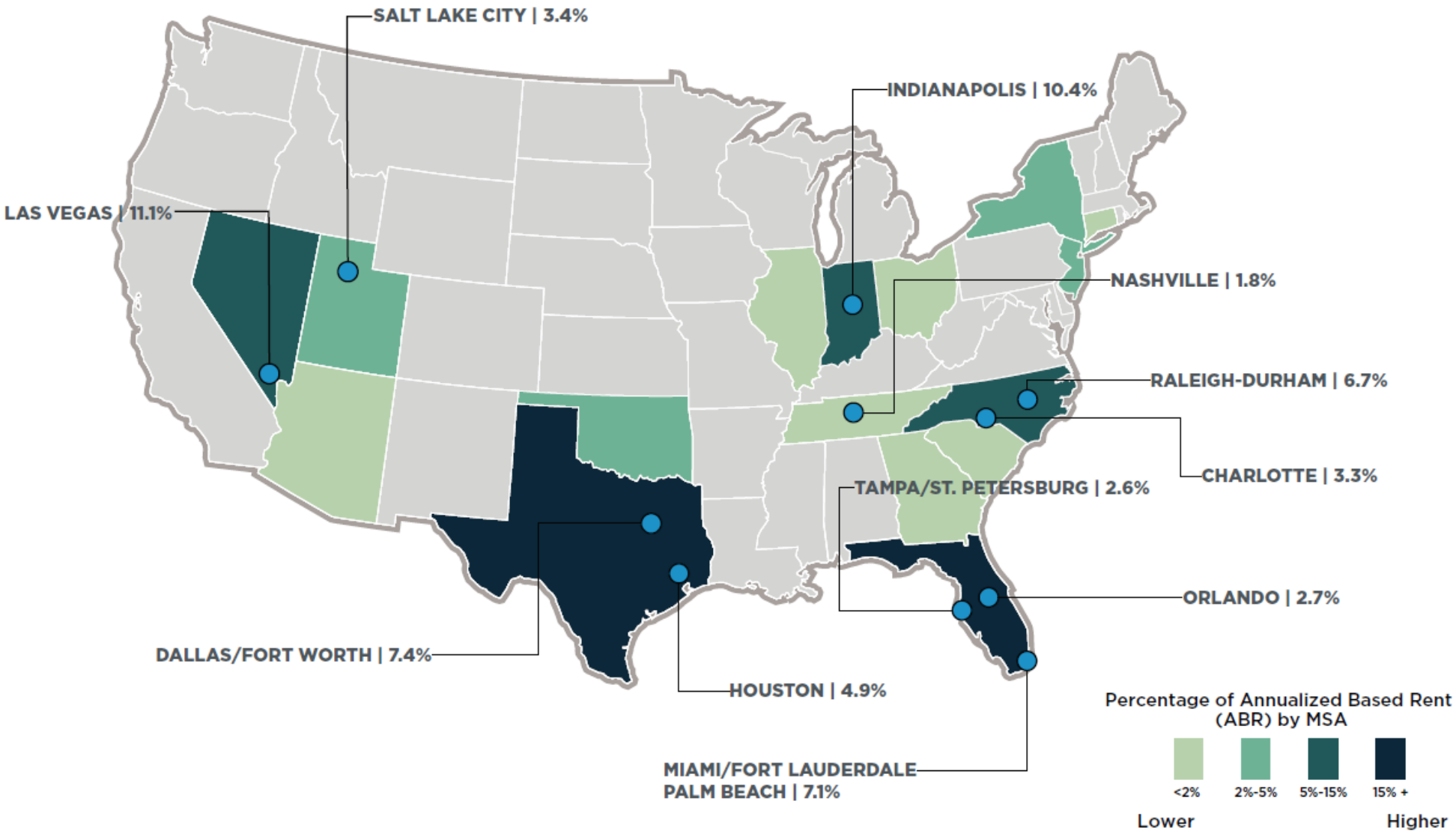
NARROWING TARGET MARKETS

KRG's ABR COMES FROM TOP MSAs IN THE US AND WILL CONTINUE TO GROW IN TARGET MARKETS



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HIGH-QUALITY TENANTS

	TOP 10 TENANTS BY ABR	Credit Rating[1]	# of Stores	% of ABR
1	Publix Supermarkets, Inc.	NR	11	2.5%
2	The TJX Companies, Inc.	A	16	2.2%
3	PetSmart, Inc.	B-	14	1.9%
4	Bed Bath & Beyond, Inc.	B+	16	1.9%
5	Ross Stores, Inc.	BBB+	13	1.8%
6	Dick's Sporting Goods, Inc.	NR	7	1.7%
7	Nordstrom Rack	BBB-	6	1.6%
8	Michaels Stores, Inc.	B	12	1.5%
9	National Amusements	B-	1	1.4%
10	The Gap	BB-	12	1.3%
	TOTALS		**108**	**17.8%**

RECENT LEASE ACTIVITY

Burlington
REI co-op
ROSS STORES, INC.
SPROUTS FARMERS MARKET
SEPHORA
ORVIS
TJX
five BELOW
TRADER JOE'S
Total Wine & MORE

1. Credit rating from S&P as of July 16, 2020.

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GLENDALE TOWN CENTER MULTIFAMILY DEVELOPMENT

OVERVIEW

- 267 multi-family units on an under-utilized parking field through a JV with a 3rd party developer.

- KRG's contribution to the venture was primarily fulfilled by providing the land, thereby providing KRG a JV interest with minimal capital spend.

KEY METRICS

Cost	$38.4M
KRG Ownership %	12%
KRG Capital Required	$1.2M
Est. Project Yield	7.0% - 8.0%
Est. Incremental NOI @ share	$0.3M





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KRG ESG UPDATE

KRG SEEKS TO OFFER SUSTAINABLE RETAIL LOCATIONS IN THE COMMUNITIES WE SERVE

- KRG has a strong ESG platform and is taking necessary steps to show investors
  - Filing inaugural GRESB report
  - Publicly disclosing KRG's ESG policy
  - Created an ESG Task Force
  - Published an ESG brochure highlighting key stats and initiatives for each category

GRESB REAL ESTATE

- COVID-19 ESG Response and 2020 Initiatives
  - Supported communities using our properties, employees and access to capital to partner with tenants to meet essential needs of our customers
  - Enabled work-from-home capabilities across the organization for all non-essential personnel to ensure the safety of our employees and their families
  - Issued 27 loans for $2.2 million in the KRG Small Business Lending Program for our tenants
  - For every new lease signed in 2020, KRG partnered with One Tree Planted to plant 100 trees. KRG will also donate a tree to the local community of the center where each new lease is signed



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MARKET THESIS:

“I skate to where the puck is going to be, not where it has been.” – Wayne Gretzky

OWN IN THE MIGRATION, NOT THE EXODUS

MARKET THESIS BASED ON CURRENT AND FUTURE MIGRATION TRENDS IN THE US

- US is currently experiencing a migration shift to the Southern / Western US for a variety of reasons (cost of living, lifestyle, taxes, etc.)
- No state income taxes in Florida, Texas, Nevada, and Tennessee is influencing migration from high income tax states like New York, California, Illinois, Connecticut, and New Jersey
- In 2018, 1.2 million people moved to the South from another region – the highest migration total compared to other regions
  - Florida had the most movers into the state with 566k people
  - New York was the largest contributor to Florida with 64k people
  - New York, Los Angeles, and Chicago experienced the largest net exodus per day from July 2017 – June 2018

KRG is focused on these Southern/Western US markets

Source: US Census Bureau

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SALT IN THE WOUND

SALT TAX LAW HAS ACCELERATED MIGRATION

- Residents in historically expensive states in the northeast and on the west coast are feeling an outsized impact of the SALT deduction limitation
- Significant discretionary income delta in "warmer and cheaper" cities

NEW YORK, NY vs. WARMER & CHEAPER CITIES

	New York, NY	Miami, FL	Las Vegas, NV	Dallas, TX
Income	$250,000	$250,000	$250,000	$250,000
Tax Burden	$94,169	$70,121	$70,121	$70,121
Housing Costs	$59,281	$43,238	$40,168	$37,087
Food Costs	$15,879	$13,439	$14,337	$12,769
Discretionary Income	$80,221	$123,202	$125,374	$130,023
Discretionary Income Delta		**$42,981**	**$45,153**	**$49,802**

Source: Smart Asset 2020 Cost of Living Calculator

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MIGRATION TO WARMER & CHEAPER LOCATIONS

TRANSITION TO SOUTHERN US IS ALREADY IN PROGRESS

"Charles Schwab to move 1,000 jobs out of San Francisco"
Associated Press

"70 financial firms flee NYC for Palm Beach County Florida in 3 years"
Palm Beach BDB

"Amazon plans Austin expansion that will add 800 jobs"
CNBC

"1,800 companies left California in a year, with most bound for Texas"
bizjournals

"JPMorgan Weighs Shifting Thousands of Jobs Out of New York Area"
Bloomberg

"Mitsubishi Motors Relocating North American HQ from SoCal to Tennessee"
CBS

"Billionaire investor Carl Icahn to leave New York for Florida"
Reuters

"Honeywell HQ is moving to Charlotte, bringing hundreds of jobs"
Charlotte Observer

"McKesson, nation's sixth largest company, is moving corporate HQ from California to Irving"
Dallas News

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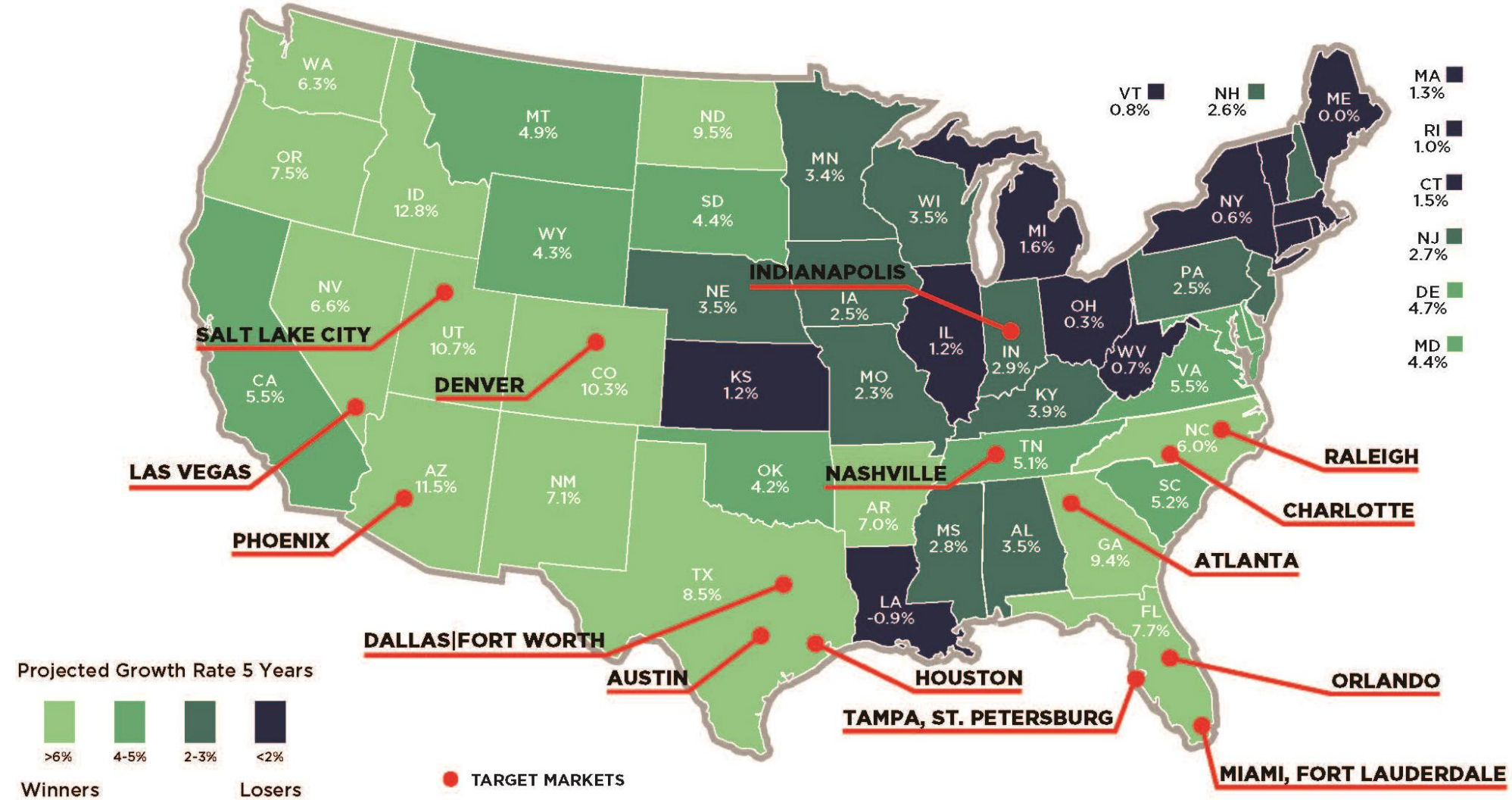
EXPECTED MIGRATION TO WARMER & CHEAPER

PROJECTED POPULATION GROWTH IN THE NEXT 5 YEARS



Source: Synergos Technologies

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DISCLAIMER

Forward-Looking Statements

This supplemental information package, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from the forward-looking statements is the potential adverse effect of the current pandemic of the novel coronavirus, or COVID-19, on the financial condition, result of operations, cash flows and performance of the Company and its tenants, the real estate market and the global economy and financial markets. The effects of COVID-19 have caused many of the Company's tenants to close stores, reduce hours or significantly limit service, making it difficult for them to meet their obligations, and therefore will significantly impact the Company for the foreseeable future. The extent to which the COVID-19 pandemic impacts the Company and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measure, and possible short-term and long-term effects of the pandemic on consumer behavior, among others. Moreover, investors are cautioned to interpret many of the risks identified under the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

Additional risks, uncertainties and other factors that might cause such differences, some of which could be material, include but are not limited to:

- National and local economic, business, real estate and other market conditions, particularly in connection with low or negative growth in the U.S. economy as well as economic uncertainty;
- Financing risks, including the availability of, and costs associated with, sources of liquidity;
- Our ability to refinance, or extend the maturity dates of, our indebtedness;
- The level and volatility of interest rates;
- the financial stability of tenants, including their ability to pay rent and the risk of tenant insolvency and bankruptcy;
- the competitive environment in which the Company operates;
- acquisition, disposition, development and joint venture risks;
- property ownership and management risks;
- our ability to maintain our status as a real estate investment trust for U.S. federal income tax purposes;
- potential environmental and other liabilities;
- impairment in the value of real estate property the Company owns;
- the actual and perceived impact of e-commerce on the value of shopping center assets;
- risks related to the geographical concentration of our properties in Florida, Indiana, Texas, Nevada and North Carolina;
- Civil unrest, acts of terrorism or war, acts of God, climate change, epidemics, pandemics (including COVID-19), natural disasters and severe weather conditions such as hurricanes, tropical storms, tornadoes, earthquakes, droughts, floods and fires that may result in underinsured or uninsured losses;
- Changes in laws and government regulations;
- Governmental orders affecting the use of our properties or the ability of our tenants to operate;
- Insurance costs and coverage;
- Risks associated with cybersecurity attacks and the loss of confidential information and other business disruptions;
- Other factors affecting the real estate industry generally; and
- Other risks identified in reports the Company files with the Securities and Exchange Commission ("the SEC") or in other documents that it publicly disseminates, including, in particular, the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and in our quarterly reports on Form 10-Q.

The Company undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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NON-GAAP FINANCIAL MEASURES

NET OPERATING INCOME AND SAME PROPERTY NET OPERATING INCOME

The Company uses property net operating income ("NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. The Company defines NOI as income from our real estate, including lease termination fees received from tenants, less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions and certain corporate level expenses. The Company believes that NOI is helpful to investors as a measure of our operating performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as depreciation and amortization, interest expense, and impairment, if any.

The Company also uses same property NOI ("Same Property NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. Same Property NOI excludes properties that have not been owned for the full period presented. It also excludes net gains from outlot sales, straight-line rent revenue, lease termination income in excess of lost rent, amortization of lease intangibles and significant prior period expense recoveries and adjustments, if any. When a lease is terminated in consideration for settlement, Same Property NOI will include the monthly rent until the earlier of 12 months or the start date of a replacement tenant. The Company believes that Same Property NOI is helpful to investors as a measure of our operating performance because it includes only the NOI of properties that have been owned and fully operational for the full quarters presented. The Company believes such presentation eliminates disparities in net income due to the acquisition or disposition of properties during the particular periods presented and thus provides a more consistent comparison of our properties. Same Property NOI includes the results of properties that have been owned for the entire current and prior year reporting periods.

NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of our financial performance. Our computation of NOI and Same Property NOI may differ from the methodology used by other REITs, and therefore may not be comparable to such other REITs.

When evaluating the properties that are included in the same property pool, the Company has established specific criteria for determining the inclusion of properties acquired or those recently under development. An acquired property is included in the same property pool when there is a full quarter of operations in both years subsequent to the acquisition date. Development and redevelopment properties are included in the same property pool four full quarters after the properties have been transferred to the operating portfolio. A redevelopment property is first excluded from the same property pool when the execution of a redevelopment plan is likely and the Company a) begins recapturing space from tenants or b) the contemplated plan significantly impacts the operations of the property. For the quarter ended June 30, 2020, the Company excluded four redevelopment properties from the same property pool that met these criteria and were owned in both comparable periods. In addition, the Company excluded one recently acquired property from the same property pool.

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NON-GAAP FINANCIAL MEASURES

EBITDA

The Company defines EBITDA, a non-GAAP financial measure, as net income before depreciation and amortization, interest expense and income tax expense of taxable REIT subsidiary. For informational purposes, the Company has also provided Adjusted EBITDA, which the Company defines as EBITDA less (i) EBITDA from unconsolidated entities, (ii) gains on sales of operating properties or impairment charges, (iii) other income and expense, (iv) noncontrolling interest EBITDA and (v) other non-recurring activity or items impacting comparability from period to period. Annualized Adjusted EBITDA is Adjusted EBITDA for the most recent quarter multiplied by four. Net Debt to Adjusted EBITDA is the Company's share of net debt divided by Annualized Adjusted EBITDA. EBITDA, Adjusted EBITDA, Annualized Adjusted EBITDA and Net Debt to Adjusted EBITDA, as calculated by us, are not comparable to EBITDA and EBITDA-related measures reported by other REITs that do not define EBITDA and EBITDA-related measures exactly as we do. EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA do not represent cash generated from operating activities in accordance with GAAP, and should not be considered alternatives to net income as an indicator of performance or as alternatives to cash flows from operating activities as an indicator of liquidity.

Considering the nature of our business as a real estate owner and operator, the Company believes that EBITDA, Adjusted EBITDA and the ratio of Net Debt to Adjusted EBITDA are helpful to investors in measuring our operational performance because they exclude various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. For informational purposes, the Company has also provided Annualized Adjusted EBITDA, adjusted as described above. The Company believes this supplemental information provides a meaningful measure of our operating performance. The Company believes presenting EBITDA and the related measures in this manner allows investors and other interested parties to form a more meaningful assessment of our operating results.

FUNDS FROM OPERATIONS

Funds from Operations (FFO) is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The Company calculates FFO, a non-GAAP financial measure, in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts ("NAREIT"), as restated in 2018. The NAREIT white paper defines FFO as net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

Considering the nature of our business as a real estate owner and operator, the Company believes that FFO is helpful to investors in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO (a) should not be considered as an alternative to net income (calculated in accordance with GAAP) for the purpose of measuring our financial performance, (b) is not an alternative to cash flow from operating activities (calculated in accordance with GAAP) as a measure of our liquidity, and (c) is not indicative of funds available to satisfy our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. For informational purposes, we have also provided FFO adjusted for loss on debt extinguishment. A reconciliation of net income (calculated in accordance with GAAP) to FFO is included elsewhere in this Financial Supplement.

From time to time, the Company may report or provide guidance with respect to "NAREIT FFO as adjusted" which removes the impact of certain non-recurring and non-operating transactions or other items the Company does not consider to be representative of its core operating results including without limitation, gains or losses associated with the early extinguishment of debt, gains or losses associated with litigation involving the Company that is not in the normal course of business, the impact on earnings from executive separation, and the excess of redemption value over carrying value of preferred stock redemption, which are not otherwise adjusted in the Company's calculation of FFO.

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APPENDIX: RECONCILIATION OF SAME-PROPERTY NOI TO NET INCOME

($ in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Number of properties for the quarter[1]	82	82				
Leased percentage at period end	94.0%	95.9%		94.0%	95.9%	
Economic Occupancy percentage[2]	92.1%	92.5%		93.0%	92.3%	
Minimum rent	$ 49,728	$ 50,013		$ 100,250	$ 99,450	
Tenant recoveries	14,828	14,873		30,213	29,687	
Bad debt	(5,508)	(557)		(6,155)	(994)	
Other income	82	291		290	580	
	59,130	64,620		124,598	128,723	
Property operating expenses	(7,645)	(8,559)		(16,566)	(16,790)	
Real estate taxes	(8,598)	(8,525)		(17,298)	(16,998)	
	(16,243)	(17,084)		(33,864)	(33,788)	
Same Property NOI	**$ 42,887**	**$ 47,536**	**(9.8)%**	**$ 90,734**	**$ 94,935**	**(4.4)%**
Reconciliation of Same Property NOI to Most Directly Comparable GAAP Measure:						
Net operating income - same properties	$ 42,887	$ 47,536		$ 90,734	$ 94,935	
Net operating income - non-same activity[3]	2,845	12,547		5,175	27,027	
Other income (expense), net	117	(314)		(284)	(845)	
General, administrative and other	(6,578)	(7,037)		(13,504)	(13,814)	
Impairment charges	—	(25,107)		—	(29,184)	
Depreciation and amortization expense	(31,409)	(34,713)		(62,877)	(69,348)	
Interest expense	(13,271)	(16,124)		(25,564)	(32,582)	
Loss on debt extinguishment	—	(2,577)		—	(2,577)	
Gain on sales of operating properties	623	24,092		1,666	30,679	
Net loss (income) attributable to noncontrolling interests	17	(99)		(188)	(372)	
Net (loss) income attributable to common shareholders	$ (4,769)	$ (1,796)		$ (4,842)	$ 3,919	

1 Same Property NOI excludes (i) The Corner, Courthouse Shadows, Glendale Town Center, and Hamilton Crossing redevelopments, (ii) the recently acquired Nora Plaza, and (iii) office properties.

2 Excludes leases that are signed but for which tenants have not yet commenced the payment of cash rent. Calculated as a weighted average based on the timing of cash rent commencement and expiration during the period.

3 Includes non-cash activity across the portfolio as well as net operating income from properties not included in the same property pool including properties sold during both periods.

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APPENDIX: FUNDS FROM OPERATION

($ in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Funds From Operations ("FFO")				
Consolidated net (loss) income	$ (4,786)	$ (1,697)	$ (4,654)	$ 4,291
Less: net income attributable to noncontrolling interests in properties	(132)	(132)	(264)	(264)
Less: Gain on sales of operating properties	(623)	(24,092)	(1,666)	(30,679)
Add: impairment charges	—	25,107	—	29,184
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	31,744	34,954	63,531	69,853
FFO of the Operating Partnership[1]	**26,203**	**34,140**	**56,947**	**72,385**
Less: Limited Partners' interests in FFO	(769)	(819)	(1,508)	(1,737)
FFO attributable to Kite Realty Group Trust common shareholders[1]	$ 25,434	$ 33,321	$ 55,439	$ 70,648
FFO, as defined by NAREIT, per share of the Operating Partnership - basic	**$ 0.30**	**$ 0.40**	**$ 0.66**	**$ 0.84**
FFO, as defined by NAREIT, per share of the Operating Partnership - diluted	**$ 0.30**	**$ 0.40**	**$ 0.66**	**$ 0.84**
FFO of the Operating Partnership[1]	$ 26,203	$ 34,140	$ 56,947	$ 72,385
Add: loss on debt extinguishment	—	2,577	—	2,577
FFO, as adjusted, of the Operating Partnership	**$ 26,203**	**$ 36,717**	**$ 56,947**	**$ 74,962**
FFO, as adjusted, per share of the Operating Partnership - basic	**$ 0.30**	**$ 0.43**	**$ 0.66**	**$ 0.87**
FFO, as adjusted, per share of the Operating Partnership - diluted	**$ 0.30**	**$ 0.43**	**$ 0.66**	**$ 0.87**
Weighted average common shares outstanding - basic	84,157,541	83,938,961	84,090,316	83,891,584
Weighted average common shares outstanding - diluted	84,318,868	84,064,507	84,247,173	84,017,762
Weighted average common shares and units outstanding - basic	86,392,532	86,051,797	86,296,471	85,982,324
Weighted average common shares and units outstanding - diluted	86,553,859	86,177,343	86,453,328	86,108,502
FFO, as defined by NAREIT, per diluted share/unit				
Consolidated net income	$ (0.06)	$ (0.02)	$ (0.05)	$ 0.05
Less: net income attributable to noncontrolling interests in properties	—	—	—	—
Less: Gain on sales of operating properties	(0.01)	(0.28)	(0.02)	(0.36)
Add: impairment charges	—	0.29	—	0.34
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	0.37	0.41	0.73	0.81
FFO, as defined by NAREIT, of the Operating Partnership per diluted share/unit[1]	**$ 0.30**	**$ 0.40**	**$ 0.66**	**$ 0.84**
Add: loss on debt extinguishment	—	0.03	—	0.03
FFO, as adjusted, of the Operating Partnership per diluted share/unit [2]	**$ 0.30**	**$ 0.43**	**$ 0.66**	**$ 0.87**

1 "FFO of the Operating Partnership" measures 100% of the operating performance of the Operating Partnership's real estate properties. "FFO attributable to Kite Realty Group Trust common shareholders" reflects a reduction for the redeemable noncontrolling weighted average diluted interest in the Operating Partnership.

2 Per share/unit amounts of components will not necessarily sum to the total due to rounding to the nearest cent.

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APPENDIX: RECONCILIATION OF EBITDA TO NET INCOME

($ in thousands)		Three Months Ended June 30, 2020
Consolidated net loss:	$	(4,786)
Adjustments to net loss:		
Depreciation and amortization		31,409
Interest expense		13,271
Income tax benefit of taxable REIT subsidiary		(202)
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)		**39,692**
Adjustments to EBITDA:		
Unconsolidated EBITDA		253
Gain on sales of operating properties		(623)
Other income and expense, net		85
Noncontrolling interest		(132)
Adjusted EBITDA		**39,275**
Annualized Adjusted EBITDA[1]		**157,103**
Company Share of Net Debt:		
Mortgage and other indebtedness	$	1,346,255
Plus: Company Share of Unconsolidated Joint Venture Debt		22,148
Plus: Net debt premiums and issuance costs, net		5,944
Less: Partner share of consolidated joint venture debt[2]		(1,109)
Less: Cash, cash equivalents, and restricted cash		(252,358)
Company Share of Net Debt	$	1,120,880
Net Debt to Adjusted EBITDA[3]		**7.1x**

1 Represents Adjusted EBITDA for the three months ended June 30, 2020 (as shown in the table above) multiplied by four.

2 Partner share of consolidated joint venture debt is calculated based upon the partner's pro-rata ownership of the joint venture, multiplied by the related secured debt balance. In all cases, this debt is the responsibility of the consolidated joint venture.

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