



AMERICAN  
ASSETS  
TRUST



# Investor Presentation

January 2020



# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations, and projections of revenue, net operating income, funds from operations, discounts to net asset values and other selected financial information. Forward looking statements can be identified by the use of words such as "may," "will," "plan," "could," "should," "expect," "anticipate," "outlook," "estimate," "projected," "target," "continue," "intend," "believe," "seek," or "assume," and variations of such words and similar expressions are intended to identify such forward-looking statements. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. You should not rely on forward-looking statements as predictions of future events. Forward-looking statements involve numerous risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statement made by us. These risks and uncertainties include, but are not limited to: adverse economic and real estate developments in Northern and Southern California, Hawaii, the Pacific Northwest and Texas; decreased rental rates or increased tenant incentives and vacancy rates; defaults on, early terminations of, or non-renewal of leases by tenants; increased interest rates and operating costs; failure to generate sufficient cash flows to service our outstanding indebtedness; difficulties in identifying properties to acquire and completing acquisitions; failure to successfully integrate pending and recent acquisitions; failure to successfully operate acquired properties and operations; failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended; possible adverse changes in laws and regulations; environmental uncertainties; risks related to natural disasters; lack or insufficient amount of insurance; inability to successfully expand into new markets or submarkets; risks associated with property development; conflicts of interest with our officers or directors; changes in real estate and zoning laws and increases in real property tax rates; and the consequences of any possible future terrorist attacks. You are cautioned that the information contained herein speaks only as of the date hereof and we assume no obligation to update any forward-looking information, whether as a result of new information, future events or otherwise. The risks described above are not exhaustive, and additional factors could adversely affect our business and financial performance, including those discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission. In this presentation, we rely on and refer to information and statistical data regarding the industry and the sectors in which we operate. This information and statistical data is based on information obtained from various third-party sources, and, in some cases, on our own internal estimates. We believe that these sources and estimates are reliable, but have not independently verified them and cannot guarantee their accuracy or completeness.

Information on analysts, their coverage and their reports are furnished by us for your convenience. The reports have not been prepared by us, and we do not adopt or endorse the contents hereof, which constitute the work product solely of the report's authors. We disclaim any representation, either express or implied, that any information in analyst reports is accurate or that any statements therein coincide with our views. Further, we disclaim any obligation to refer to / furnish any other analyst coverage, reports or updates, whether or not by the same authors and whether or not the contents thereof are consistent with the information and views expressed in such reports.



---

**A HISTORY OF SUCCESS.  
A FUTURE OF OPPORTUNITY.**

## **Company Overview and Strategy**

# American Assets Trust

**12.6% RETURN**

ANNUALIZED TSR (IPO-12/31/2019)<sup>(1)</sup>

**9.5% CAGR**

FFO PER SHARE (2011–2018)<sup>(1)</sup>

**4.5% CAGR**

DIVIDENDS (2011–2019)<sup>(1)</sup>

**10.4% CAGR**

NET ASSET VALUE (2011–2019)<sup>(2)</sup>

## HISTORY OF SUCCESS

- AAT has been in business for **50 plus** years.
- Annualized TSR of **12.6%** since IPO.<sup>(1)</sup>
- Senior management team with significant experience working together.
- Over 12 million square feet of acquisitions and development.

## IRREPLACEABLE PORTFOLIO

- Premier costal markets on the West Coast.
- High barrier-to-entry markets and infill locations.
- Strong demographics-high population density and household income.



## BEST-IN-CLASS OPERATING PLATFORM

- Vertically integrated with significant experience in core markets.
- Expertise in all facets of the real estate industry across property types.

## DISCIPLINED FINANCIAL STRATEGY & BALANCE SHEET STRENGTH

- Well staggered debt maturity schedule.
- Continued focus to achieve a Net Debt/EBITDA ratio of 5.5x or lower.

## EXECUTIVE MANAGEMENT TEAM



**ERNEST RADY**  
CHAIRMAN, PRESIDENT AND  
CHIEF EXECUTIVE OFFICER



**ROBERT BARTON**  
EXECUTIVE VICE PRESIDENT  
AND CHIEF FINANCIAL OFFICER



**ADAM WYLL**  
EXECUTIVE VICE PRESIDENT  
AND CHIEF OPERATING OFFICER



**JERRY GAMMIERI**  
VICE PRESIDENT OF  
CONSTRUCTION



**CHRIS SULLIVAN**  
VICE PRESIDENT OF  
RETAIL PROPERTIES



**STEVE CENTER**  
VICE PRESIDENT OF  
OFFICE PROPERTIES



**WADE LANGE**  
VICE PRESIDENT OF  
PORTLAND AND BELLEVUE



**ABIGAIL REX**  
DIRECTOR, MULTIFAMILY  
SAN DIEGO

(1) Source: Bloomberg. Total Shareholder Return (TSR) assumes dividends are reinvested in security through December 31, 2019. AAT IPO on January 13, 2011.

(2) See "AAT's Estimated Net Asset Value Per Share" page of this presentation regarding AAT's NAV calculation.

# Diversified Sharpshooter In West Coast Gateway Markets

**97.8%**

RETAIL GLA  
LEASED<sup>(1)(2)</sup>

**17.9%**

OFFICE IN PLACE RENTS  
BELOW MARKET<sup>(1)(3)</sup>

**7.7%**

RETAIL IN PLACE RENTS  
BELOW MARKET<sup>(1)(2)(3)</sup>

**6.0 YEARS**

WEIGHTED AVERAGE OFFICE AND  
RETAIL REMAINING LEASE TERM<sup>(1)(2)</sup>

**8.8%**

MAX OFFICE AND RETAIL GLA  
EXPIRATION (2019-2021)<sup>(1)</sup>



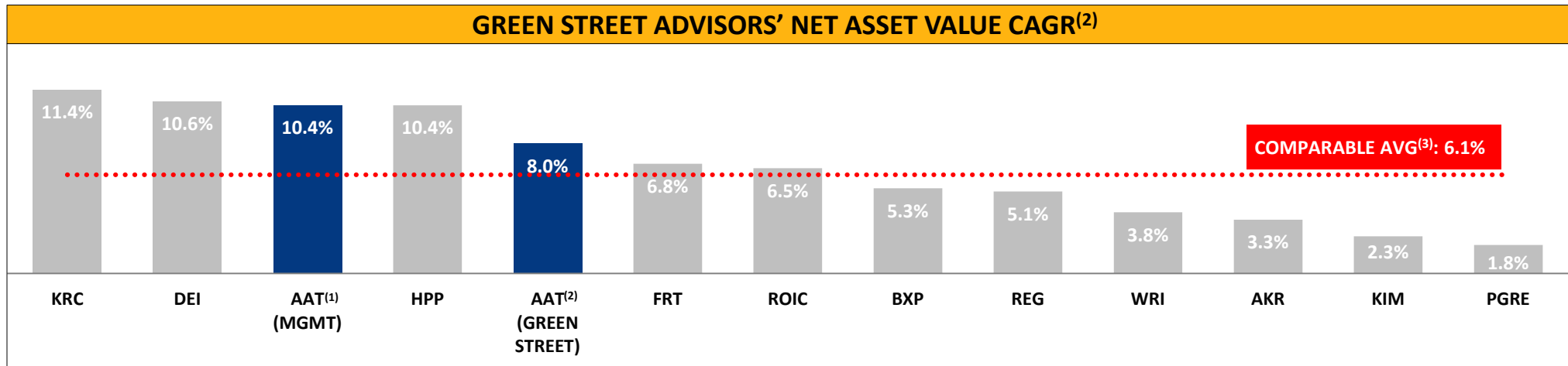
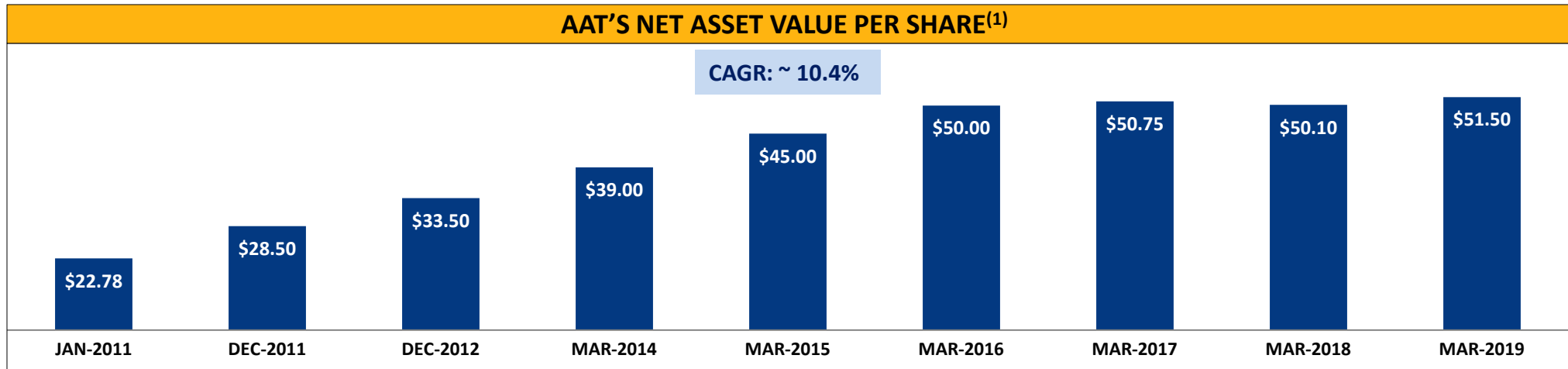
MARKET	SF (000'S) <sup>(1)</sup>				UNITS <sup>(1)</sup>	
	RETAIL	OFFICE	MIXED-USE	TOTAL	MULTIFAMILY	HOTEL
SAN DIEGO	1,322	1,546	-	2,868	1,455	-
PORTLAND	44	876	-	920	657	-
MONTEREY	674	-	-	674	-	-
SAN ANTONIO	589	-	-	589	-	-
SAN FRANCISCO	35	517	-	552	-	-
OAHU	430	-	97	527	-	369
SEATTLE	-	497	-	497	-	-
<b>TOTAL</b>	<b>3,094</b>	<b>3,436</b>	<b>97</b>	<b>6,627</b>	<b>2,112</b>	<b>369</b>

(1) As of 9/30/2019. As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.

(2) Excludes ground leases.

(3) AAT's internal calculation based on management's knowledge of its core markets.

# AAT's Estimated Net Asset Value Per Share



Note: The Net Asset Value (NAV) estimates contained herein have been prepared in good faith by American Assets Trust, Inc. (the "Company") based on both management's knowledge of its core markets and published pricing data. All of such information presented herein is unaudited. In some cases, valuations use assumptions that may be complex and susceptible to significant uncertainty, and may ultimately prove incorrect. Actual NAV may be materially different from the Company's internal estimates and therefore all of such data should only be taken as the Company's indicative values for information only. No reliance should be placed on any estimated valuations without the investor or analyst's own independent determination. Furthermore, the actual value of the Company's assets, as indicated in the Company's stock price, may be materially different from the NAV set forth above. Such estimations and valuations are particularly susceptible to inaccuracies during periods of market volatility or uncertainty, and additional information may become available subsequently which materially alters assumptions or other inputs to the estimates. In the event that an estimated valuation subsequently proves to be incorrect, no adjustment to a previously provided estimated valuation is expected to be made and the Company disclaims any obligation to update same.

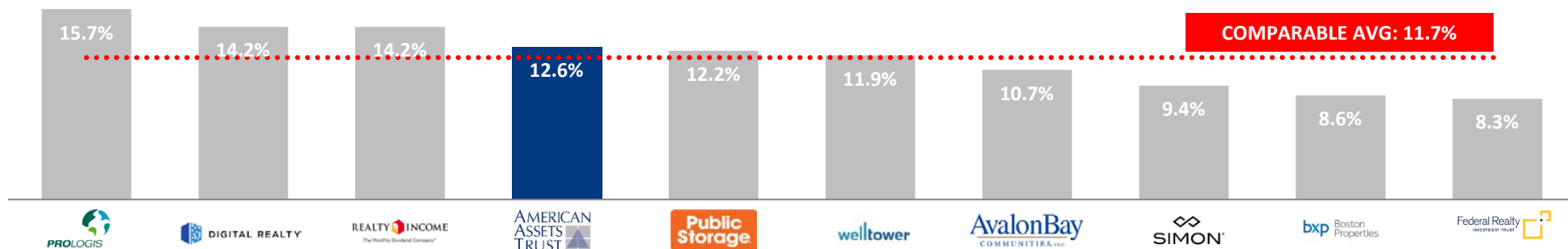
(1) AAT's NAV CAGR estimate is based on both management's knowledge of its core markets and published pricing data since IPO.

(2) On a comparable basis, using data from Green Street Advisors "Weekly REIT Pricing Review" reports from 7/1/2011 through 11/29/2019 (last instance of AAT NAV change by Green Street). AAT's NAV CAGR is 8.0%.

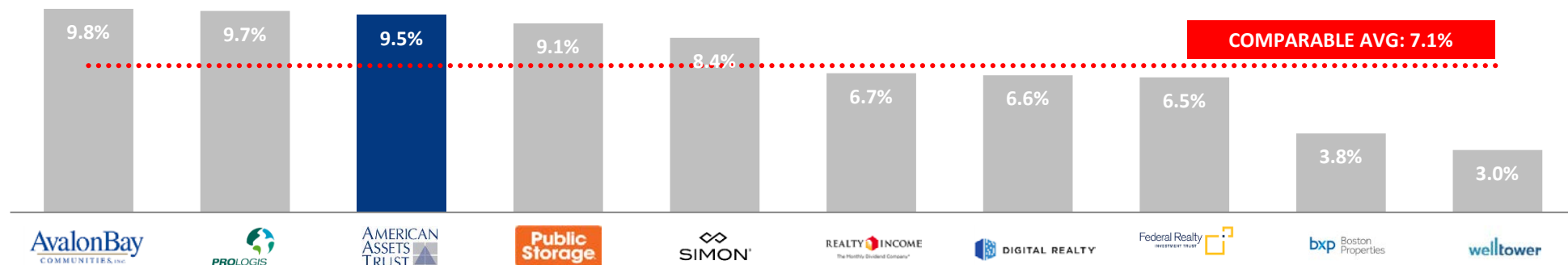
(3) NAV CAGR of peer companies based on data from Green Street Advisors "Estimates and Opinions" reports from 7/1/2011 through 11/29/2019 except for PGRE (11/12/2014 through 1/3/2020). Companies include Kilroy Realty (KRC), Douglas Emmett (DEI), Hudson Pacific Properties (HPP), Federal Realty (FRT), Retail Opportunity Investments Corp (ROIC), Boston Properties (BXP), Regency Centers (REG), Weingarten Realty (WRI), Acadia Realty Trust (AKR), Kimco Realty (KIM) and Paramount Group (PGRE).

# AAT Ranks Amongst the Best-In-Class REITs Since its IPO

## ANNUALIZED TOTAL SHAREHOLDER RETURN SINCE AAT IPO<sup>(1)</sup>



## REPORTED FFO PER SHARE CAGR SINCE AAT IPO<sup>(2)</sup>

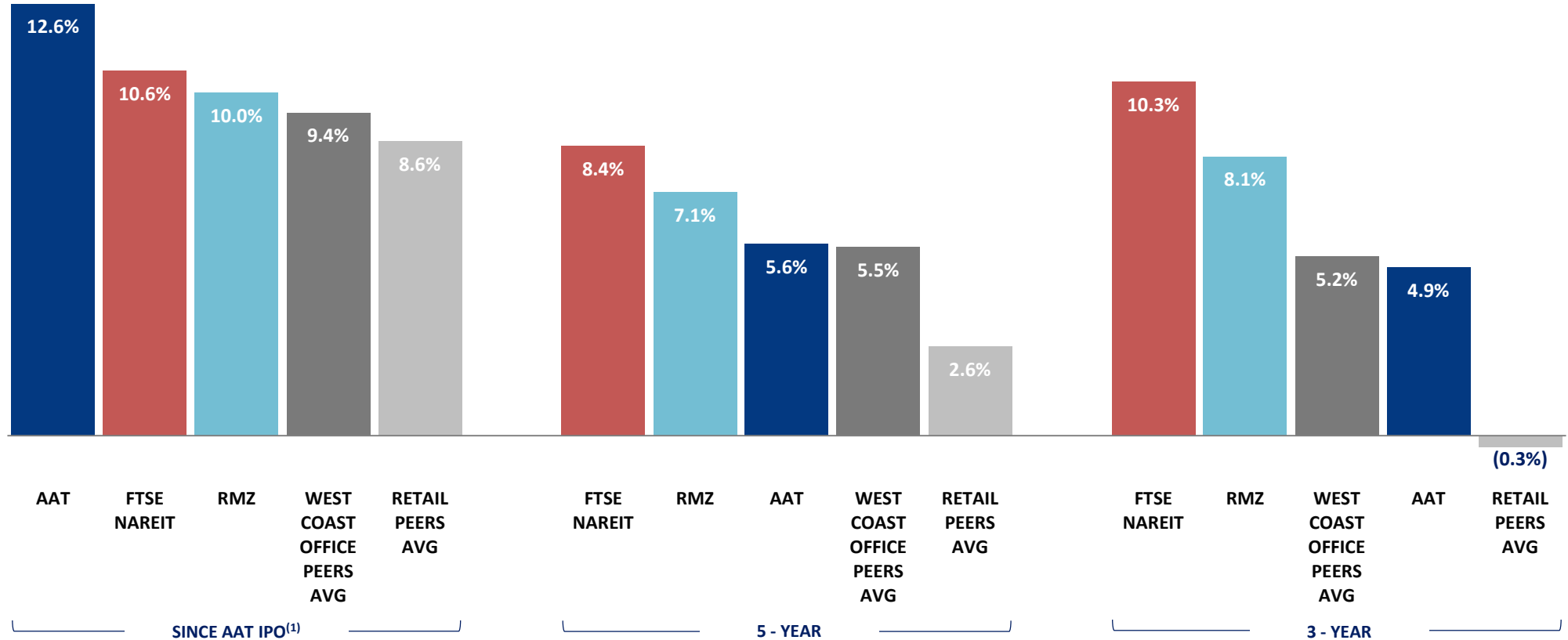


Source: SNL, Capital IQ, Bloomberg; market data as of 12/31/2019; AAT IPO on January 13, 2011.

- (1) Total shareholder return represents share price appreciation plus dividends from January 13, 2011 to December 31, 2019. AAT share price appreciation uses IPO price of \$20.50. Dividends assumed to be paid on ex-dividend date and reinvested.
- (2) FFO CAGR represents growth from CY2011 to CY2018.

# Sector Leading Performance

## TOTAL SHAREHOLDER RETURNS (ANNUALIZED)



Source: Bloomberg

Note: Annualized Returns. Assumes dividends are reinvested. Total Returns are through 12/31/2019.

Retail peer companies include Federal Realty (FRT), Retail Opportunity Investments Corp (ROIC), Regency Centers (REG), Acadia Realty Trust (AKR), Weingarten Realty (WRI) and Kimco Realty (KIM).

Office peer companies include Douglas Emmett (DEI), Hudson Pacific (HPP), Kilroy (KRC), Paramount Group (PGRE) and Boston Properties (BXP).

(1) AAT IPO was January 13, 2011.

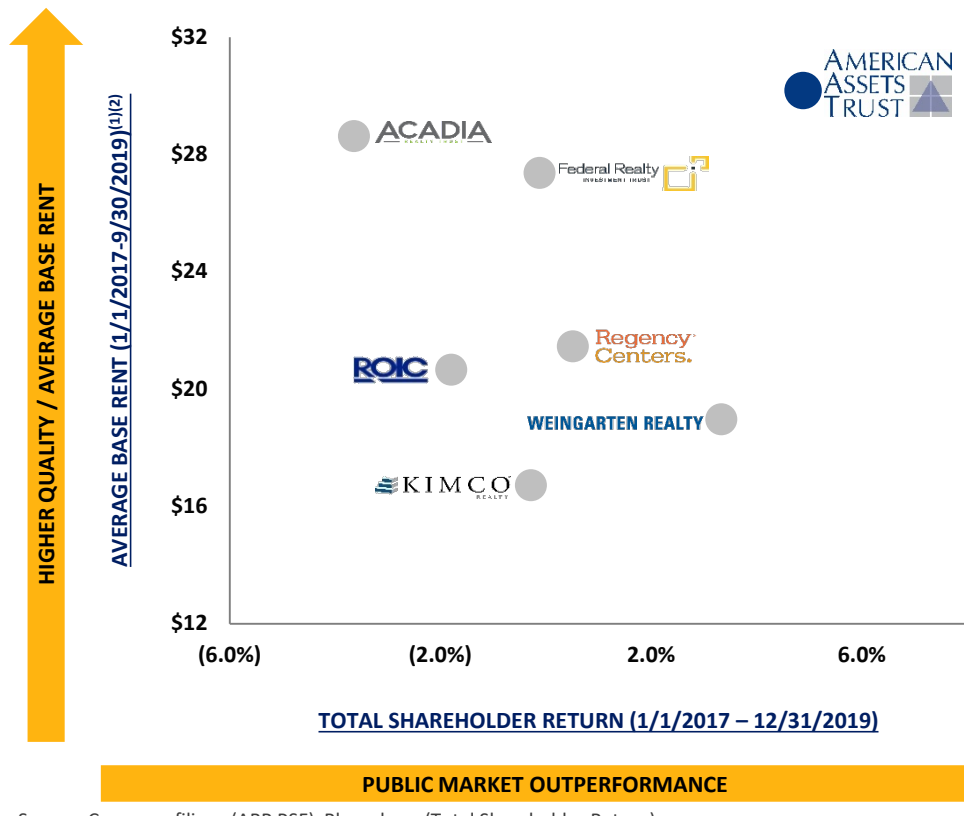


# AAT Quality And Location Drive Superior Total Return

## STRIP CENTER REITS

Average Base Rent PSF and Total Shareholder Return since 2017

- **AAT #1 Strip Center REIT<sup>(1)</sup>** by total return since 2017; among top players by ABR PSF
- Investors seeking **higher quality retail portfolios** in affluent MSAs



Source: Company filings (ABR PSF), Bloomberg (Total Shareholder Return)

- (1) As compared to all strip center REITs in Green Street's coverage universe. AAT's Average Base Rent per Leased SF includes Waikiki Beach Walk Retail excludes ground leases.
- (2) See "Financial Definitions" pages of this presentation.

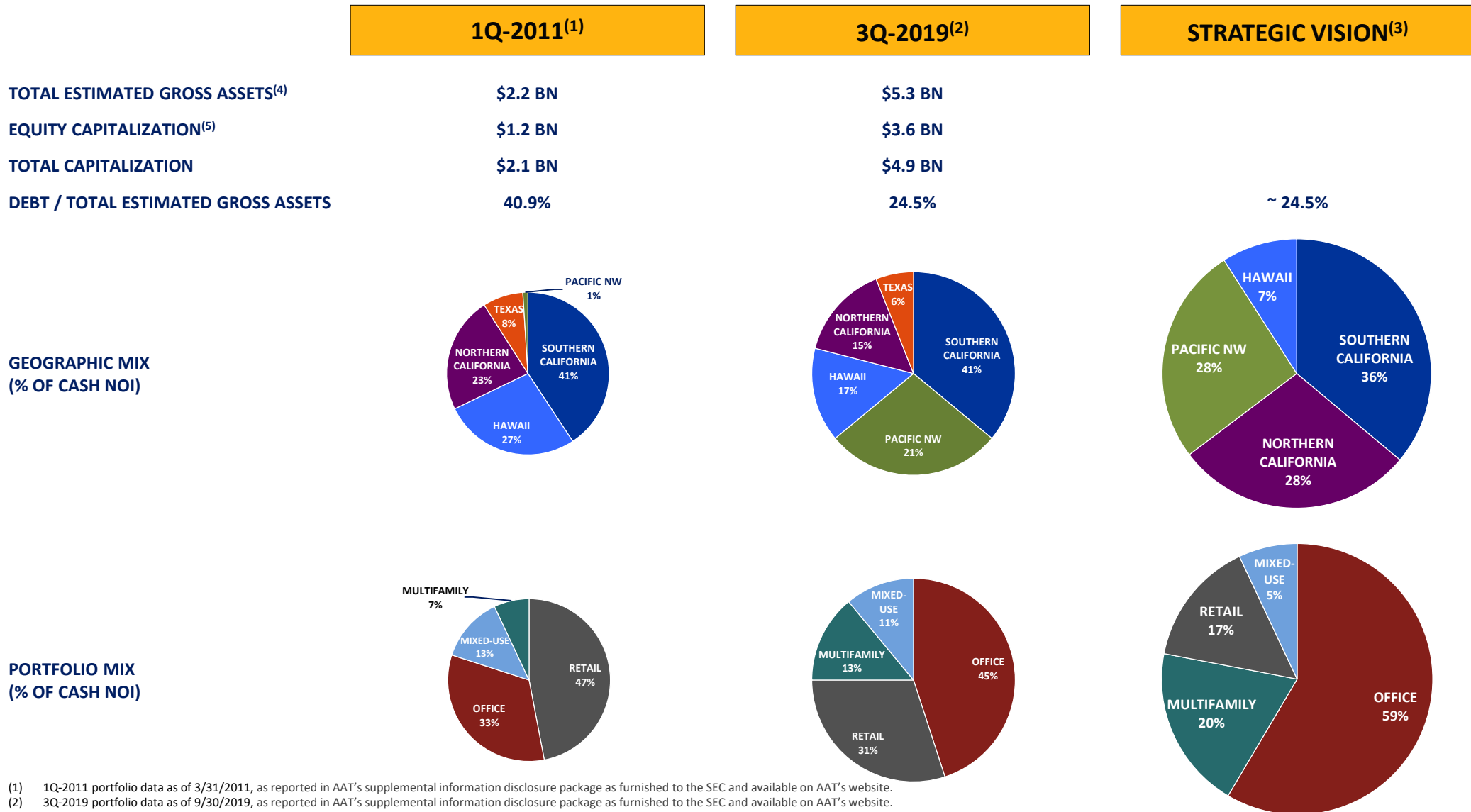
## GATEWAY OFFICE REITS

West Coast Office REITs Outperforming; NYC / DC Challenged

- Clear divide among CBD office REITs – **west coast players in favor**
- San Diego, LA, SF lead office revenue growth forecasts (Costar): +3.6%, +3.0%, +2.6% respectively over the next two years
- NYC Metro / Long Island experiencing significant supply growth

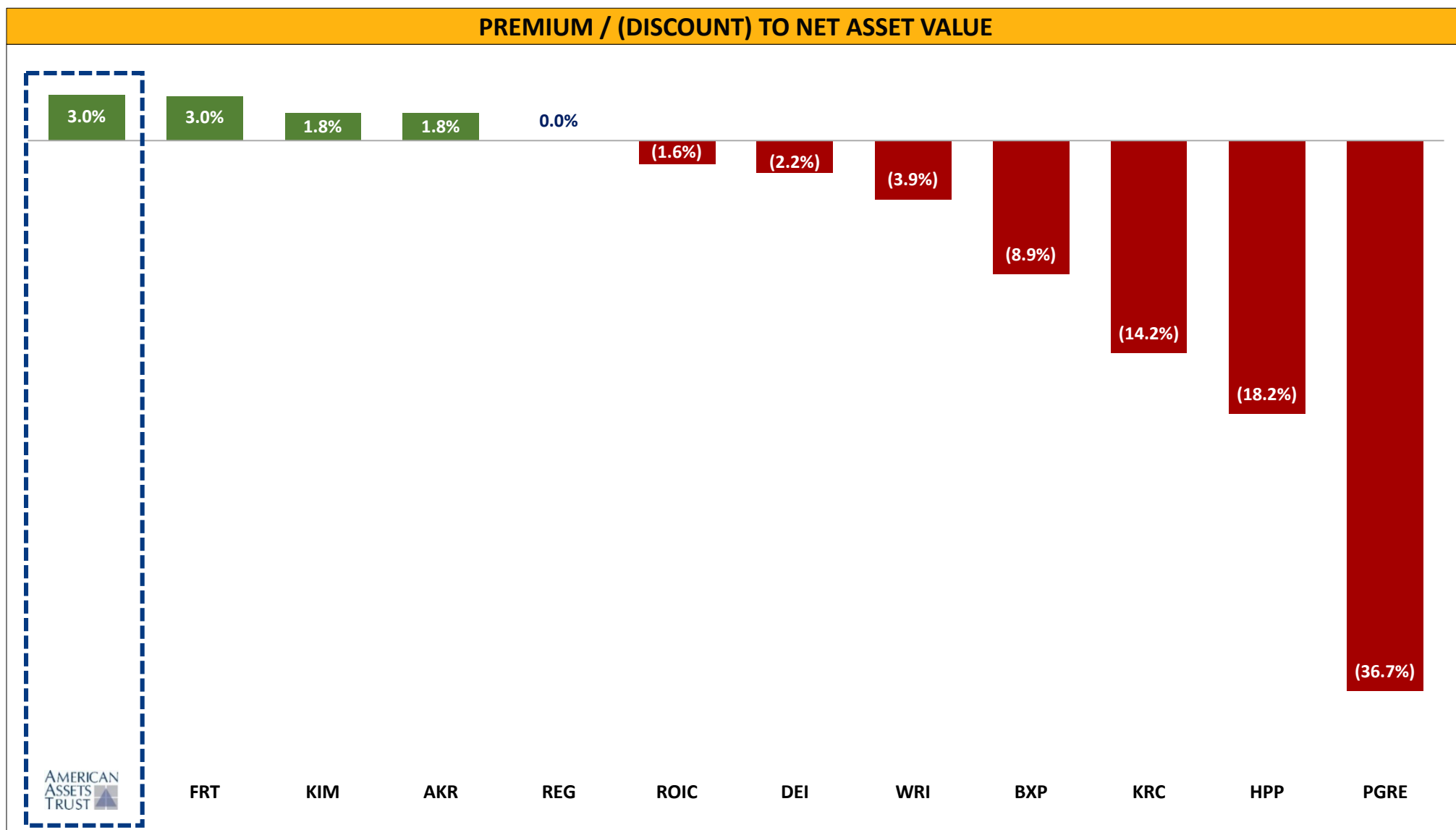
REIT	TSR (1/1/2017 – 12/31/2019)	WEST COAST	EAST COAST
Douglas Emmett	9.0%	✓	
KILBOY REALTY CORPORATION	7.2%	✓	
bxp Boston Properties	6.0%	✓	✓
HUDSON PACIFIC PROPERTIES	5.8%	✓	
AMERICAN ASSETS TRUST	4.9%	✓	
SL GREEN REALTY CORP.	(1.7%)		✓
PARAMOUNT GROUP, INC.	(1.9%)	✓	✓
VORNADO REALTY TRUST	(3.4%)		✓
EMPIRE STATE REALTY TRUST	(9.4%)		✓

# Potential Growth Through Accretive Acquisitions and Development



- (1) 1Q-2011 portfolio data as of 3/31/2011, as reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.
- (2) 3Q-2019 portfolio data as of 9/30/2019, as reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.
- (3) Reflects the Company's internal strategic vision for the Company desired debt/total estimated assets, geographical and portfolio mix. Actual data may be materially different from the Company's strategic vision (which may ultimately prove incorrect and/or be unattainable pending market conditions) and no reliance should be placed on such information without the investor or analyst's own independent determination. See forward looking disclosure on page 2.
- (4) Total Estimated Gross Assets value determined annually by the Company as part of Net Asset Value calculation. See "AAT's Estimated Net Asset Value Per Share" page of this presentation regarding AAT's NAV calculation.
- (5) Equity Capitalization is calculated by multiplying Common shares and common units outstanding by the closing share price on the last business day of the quarter.

# AAT Trades At A Premium Among Peers



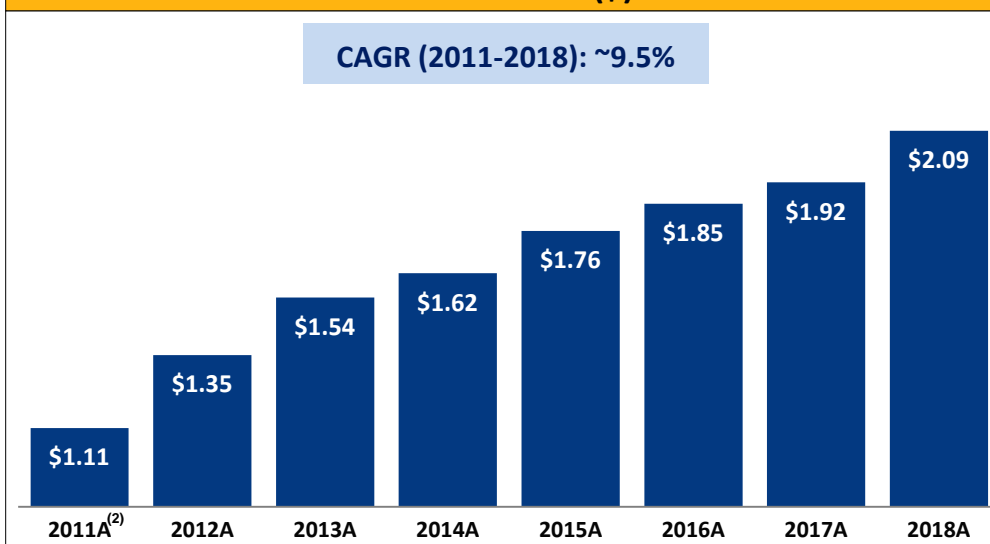
NAV Source: Green Street Advisors "Weekly REIT Pricing Review" as of 1/10/2020.

Stock price: Yahoo as of 1/16/2020.

# Strong and Steady Earnings and Cash Flow Growth

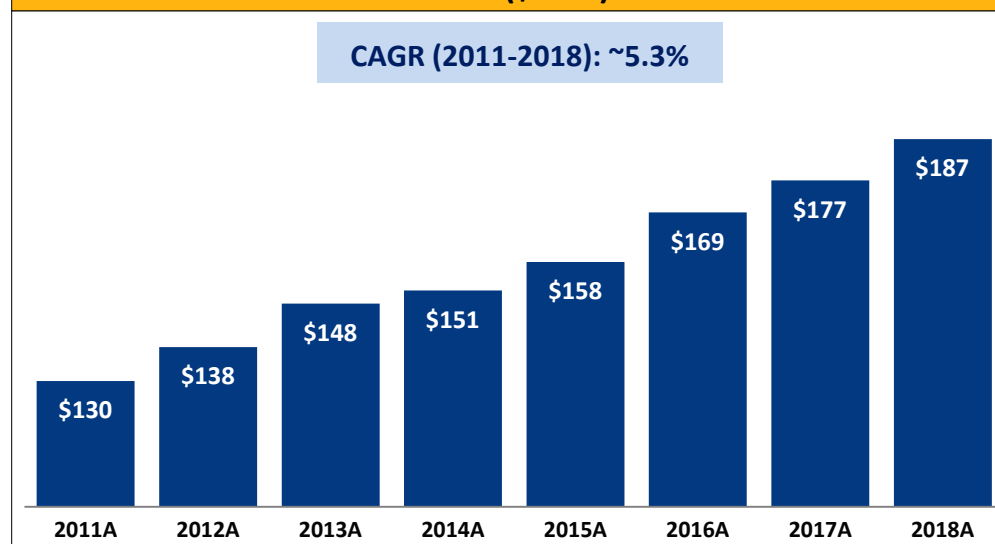
## FFO PER SHARE (\$) <sup>(1)</sup>

CAGR (2011-2018): ~9.5%



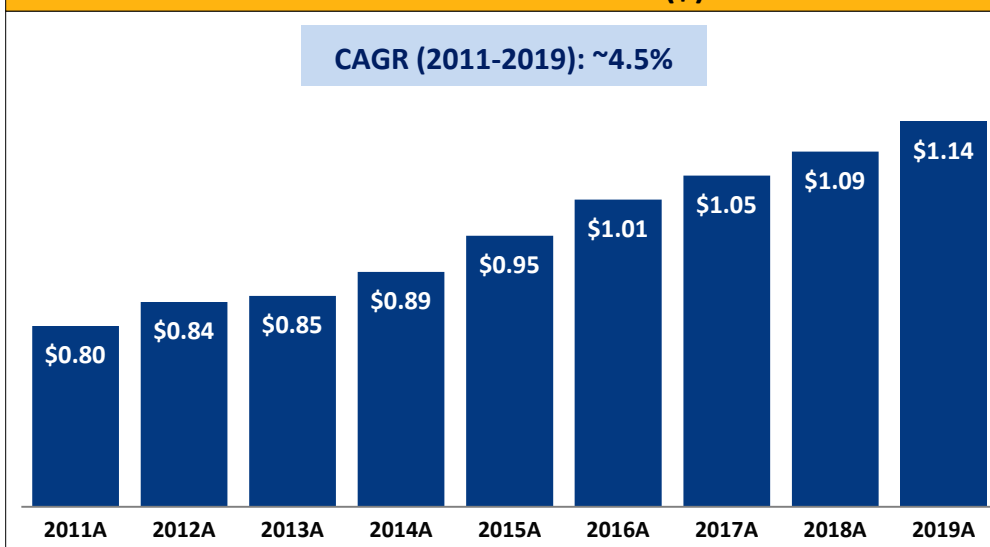
## EBITDA (\$MM) <sup>(1)</sup>

CAGR (2011-2018): ~5.3%



## DIVIDENDS PER SHARE (\$)

CAGR (2011-2019): ~4.5%



As of 9/30/2019 except for Dividends Per Share.

Source: As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.

(1) See "Financial Definitions" pages of this presentation.

(2) Represents FFO As Adjusted for 2011; see "Financial Definitions" pages of this presentation.



# Future Growth

## Estimated FFO Per Share

SUMMARY OF ESTIMATED FFO GROWTH AS PROVIDED IN OUR 2020 GUIDANCE <sup>(1)</sup>	
	2020E
<b>FUTURE GROWTH POTENTIAL OF EXISTING PORTFOLIO AS HIGHLIGHTED ABOVE:</b>	
WAIKELE <sup>(2)</sup>	\$ 0.02
LANDMARK <sup>(3)</sup>	0.08
TORREY POINT <sup>(4)</sup>	0.03
TORREY PLAZA <sup>(5)</sup>	0.02
OREGON SQUARE <sup>(6)</sup>	0.01
<b>TOTAL FUTURE GROWTH POTENTIAL OF EXISTING PORTFOLIO</b>	<b>\$ 0.16</b>
<b>OTHER ESTIMATED OPERATING/ADMINISTRATIVE REVENUES AND EXPENSES</b>	<b>0.01</b>
<b>LA JOLLA COMMONS ACQUISITION, NET OF DILUTION OF JUNE 2019 EQUITY OFFERING</b>	<b>0.03</b>
<b>TOTAL ESTIMATED INCREASE IN FFO PER SHARE</b>	<b>\$ 0.20</b>

- (1) Proforma calculation for potential FFO growth. FFO growth amounts are approximate and do not assume any additional equity issuances. See forward looking disclosure on page 2.
- (2) The vacant 50,000 SF former Sports Authority space at Waikēle was leased to Safeway in July 2018.
- (3) On November 2, 2018, AAT entered into an office lease and office sublease with Google LLC for approximately 253,000 SF at Landmark at One Market. The estimated annual base rent under the office lease and office sublease with Google LLC (calculated in accordance with GAAP) is expected to contribute approximately \$0.39 per share of FFO once the new tenant has taken possession of the entirety of its leased space (anticipated to be calendar year 2020) and is expected to contribute approximately \$0.10 per share of FFO in 2019 as it begins to accept possession of certain of the leased space. The estimated \$0.39 per share of FFO reflects incremental growth of \$0.18 per share of FFO over the expired Salesforce.com annual base rent (calculated in accordance with GAAP).
- (4) Prospective lease up of 51,700 SF at Torrey Point.
- (5) Prospective lease up of 33,000 SF at Torrey Plaza.
- (6) Prospective lease up of 33,000 SF at Oregon Square.

# La Jolla Commons

## San Diego, CA



Note: Includes artist rendering of La Jolla Commons 3 which is currently in planning stages.



# La Jolla Commons

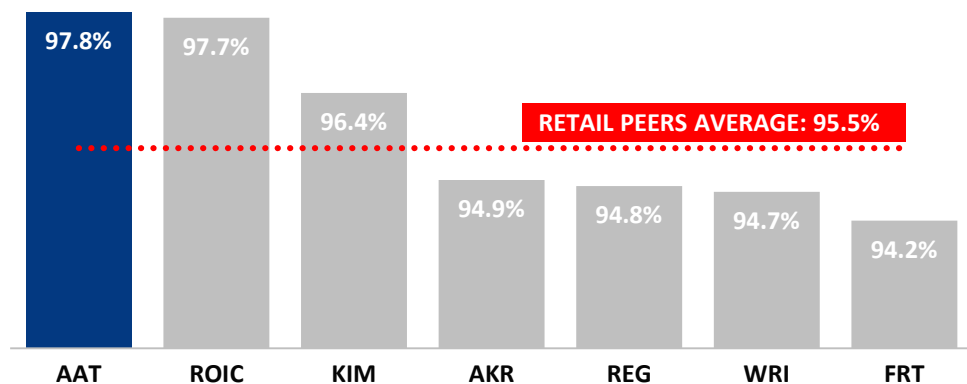
San Diego, CA



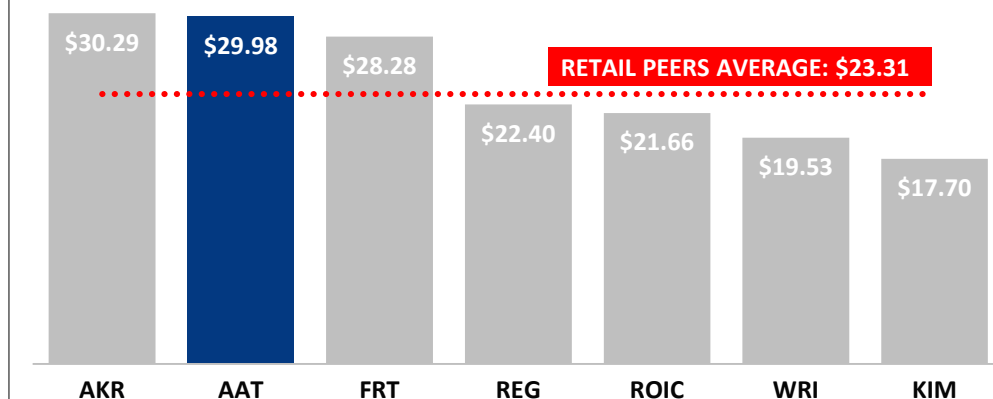
# High Quality, Class A Retail Portfolio

## Collection Of Irreplaceable Retail Assets That Command Premium Rental Rates And Occupancy

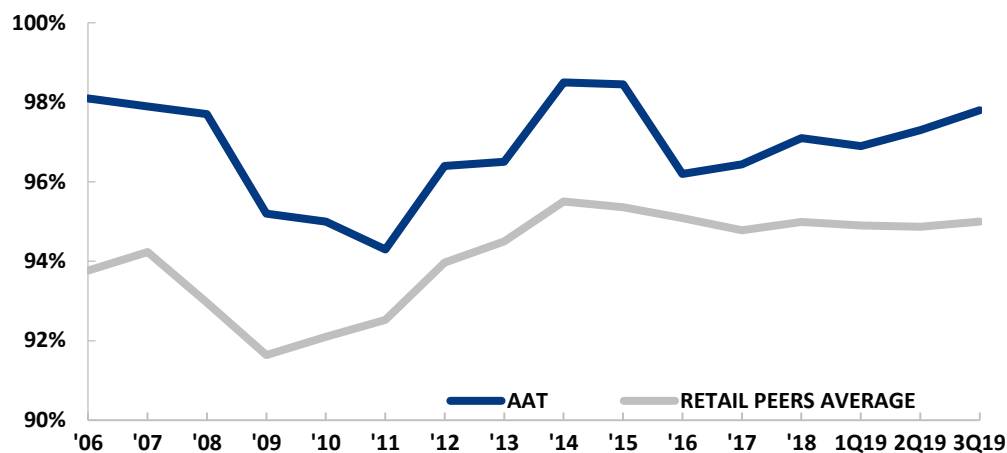
**AVERAGE RETAIL OCCUPANCY<sup>(1)</sup>**



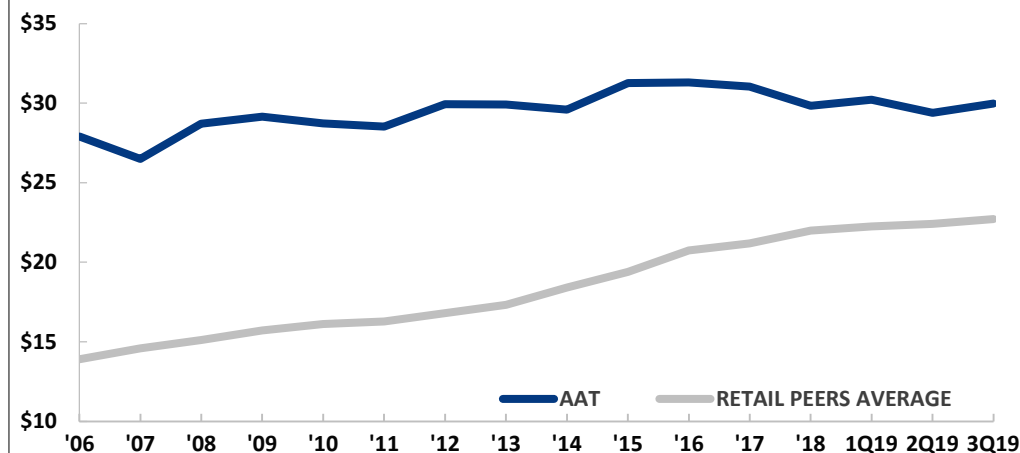
**AVERAGE RETAIL ABR PER LEASED SF<sup>(1)(2)</sup>**



**HISTORICAL OCCUPANCY<sup>(1)(3)(4)</sup>**



**HISTORICAL ABR PER LEASED SF<sup>(1)(2)(4)</sup>**



All figures as of 9/30/2019 for occupancy and annualized base rent per leased square foot data.

As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website. AAT data includes Waikiki Beach Walk Retail numbers.

(1) AAT's Occupancy and Average Base Rent per Leased SF excludes ground leases.

(2) See "Financial Definitions" pages of this presentation.

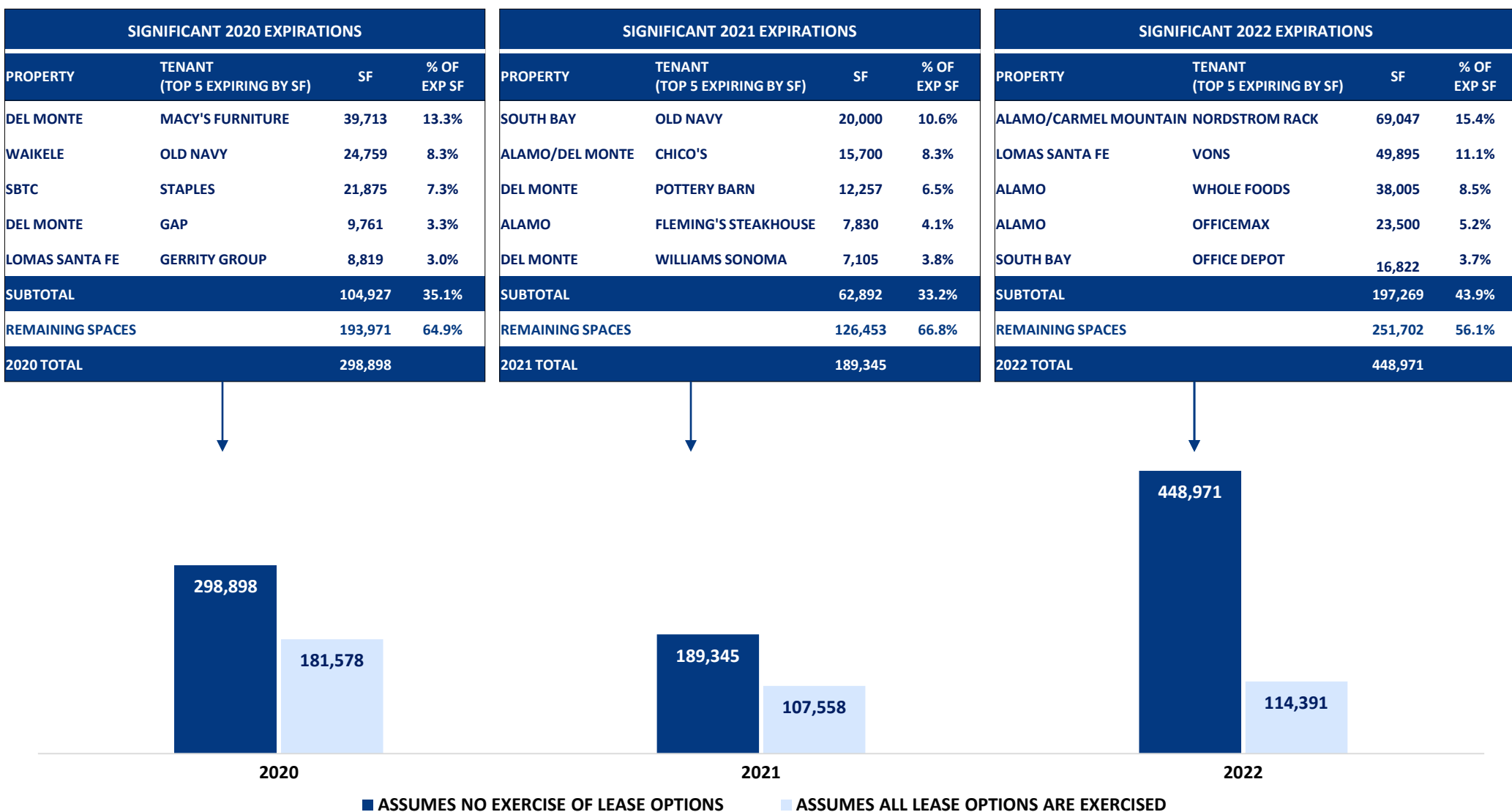
(3) Temporary decline in 2016 due to Sports Authority bankruptcy.

(4) Retail peers include AKR, FRT, REG, WRI, KIM and ROIC.



# Modest Near Term Lease Expirations

## Retail Lease Expirations

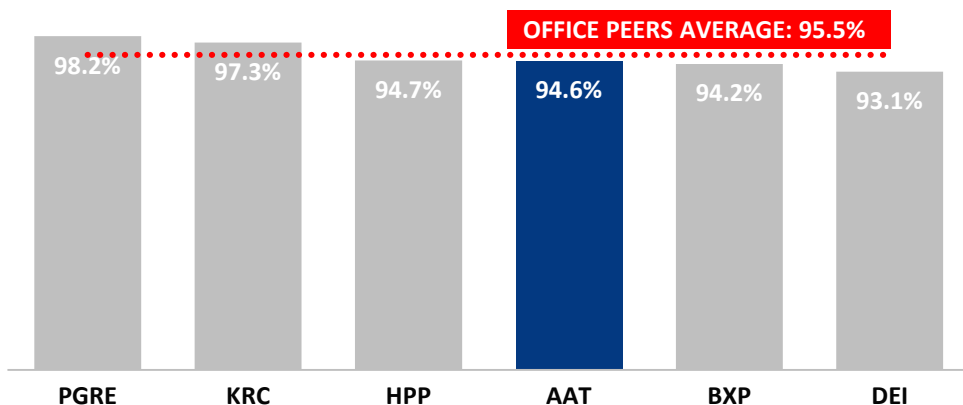


Source: Per latest company public filings as of 9/30/2019.

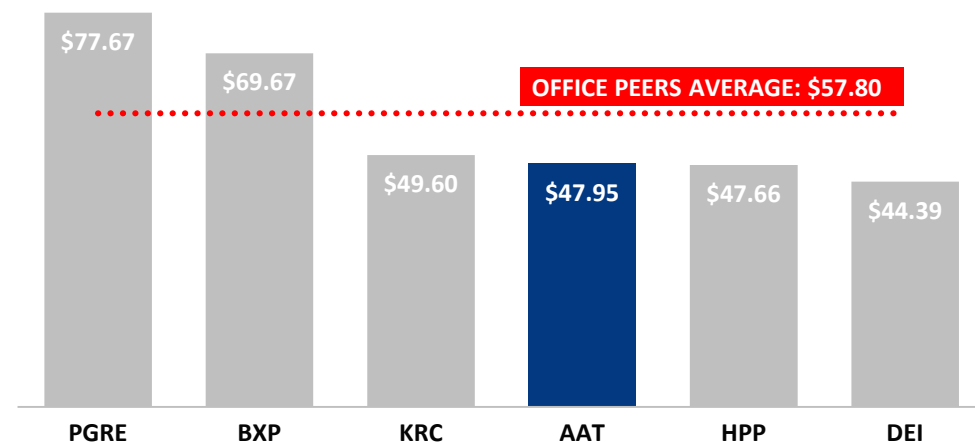
# High Quality, Class A Office Portfolio

## Collection Of Irreplaceable Office Assets That Command Premium Rental Rates And Occupancy

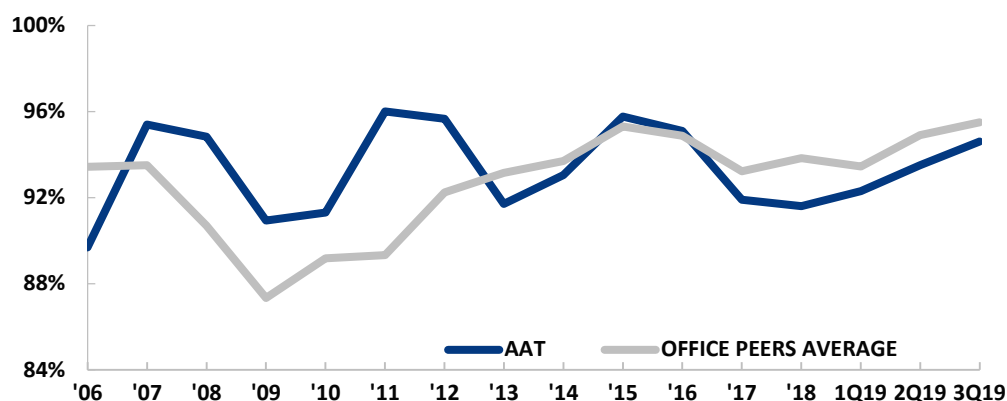
**AVERAGE OFFICE OCCUPANCY<sup>(1)</sup>**



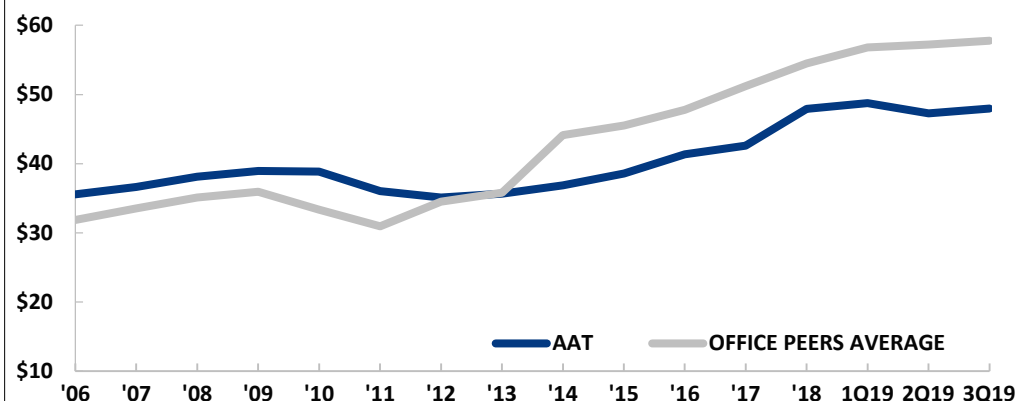
**AVERAGE OFFICE ABR PER LEASED SF<sup>(1)(2)</sup>**



**HISTORICAL OCCUPANCY<sup>(1)</sup>**



**HISTORICAL ABR PER LEASED SF<sup>(1)(2)</sup>**



All figures as of 9/30/2019 for occupancy and annualized base rent per leased square foot data.

Source: As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website. Office data for AAT excludes Lloyd District.

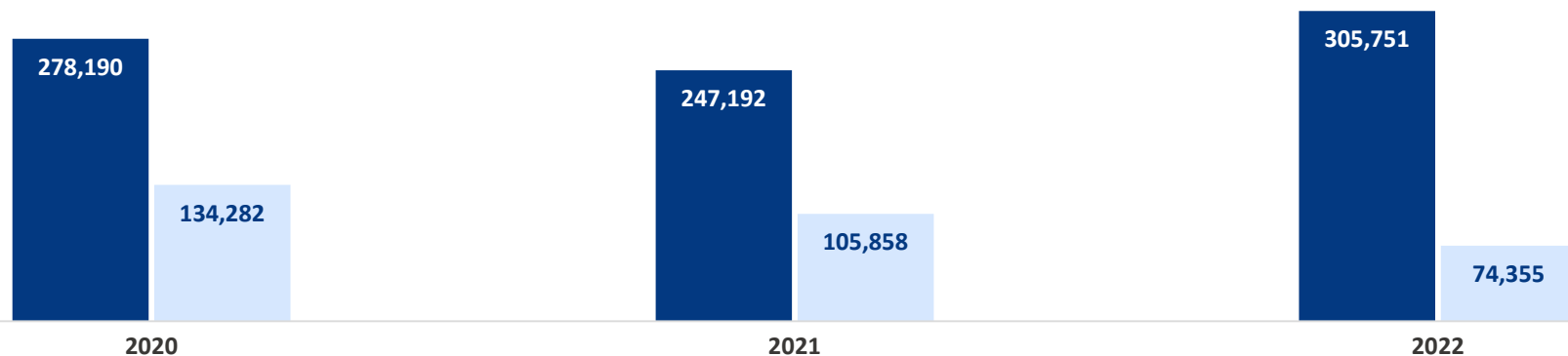
(1) Office peer companies include KRC, PGRE (San Francisco properties only), HPP, DEI and BXP (San Francisco and Los Angeles properties only).

(2) See "Financial Definitions" pages of this presentation.

# Modest Near Term Lease Expirations

## Office Lease Expirations

SIGNIFICANT 2020 EXPIRATIONS				SIGNIFICANT 2021 EXPIRATIONS				SIGNIFICANT 2022 EXPIRATIONS			
PROPERTY	TENANT (TOP 5 EXPIRING BY SF)	SF	% OF EXP SF	PROPERTY	TENANT (TOP 5 EXPIRING BY SF)	SF	% OF EXP SF	PROPERTY	TENANT (TOP 5 EXPIRING BY SF)	SF	% OF EXP SF
FIRST & MAIN	VETERAN'S BENEFITS	91,688	33.0%	CITY CENTER	GE HEALTHCARE <sup>(1)</sup>	32,304	13.1%	CITY CENTER	VMWARE	54,643	17.9%
FIRST & MAIN	IRS	63,648	22.9%	CITY CENTER	MORGAN STANLEY	27,845	11.3%	LANDMARK	AUTODESK	45,795	15.0%
CITY CENTER	ALIBABA <sup>(1)</sup>	18,244	6.6%	SOLANA CROSSING	DALEY & HEFT	14,924	6.0%	LA JOLLA COMMONS	FITCH, THORNTON	24,111	7.9%
ONE BEACH	SB ARCHITECTS	18,006	6.5%	TORREY RESERVE	RADY'S CHILDREN'S HOSPITAL	10,774	4.4%	LA JOLLA COMMONS	CUSHMAN	24,035	7.9%
SOLANA CROSSING	MANTECH SRS TECH	6,783	2.4%	LLOYD CENTER	WSHC, LLC	9,227	3.7%	TORREY RESERVE	BARRISTER EXECUTIVE	18,657	6.1%
SUBTOTAL		198,369	71.3%	SUBTOTAL		95,074	38.5%	SUBTOTAL		167,241	54.7%
REMAINING SPACES		79,821	28.7%	REMAINING SPACES		152,118	61.5%	REMAINING SPACES		138,510	45.3%
2020 TOTAL		278,190		2021 TOTAL		247,192		2022 TOTAL		305,751	



■ ASSUMES NO EXERCISE OF LEASE OPTIONS

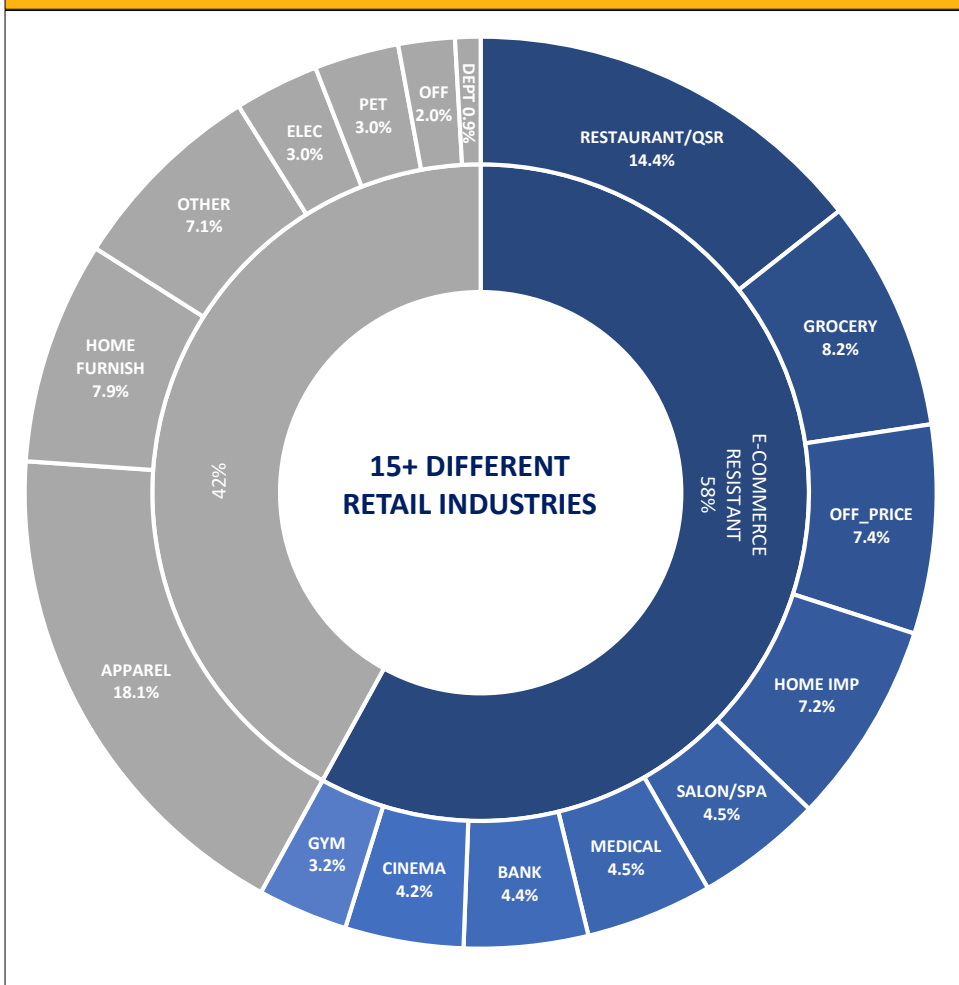
■ ASSUMES ALL LEASE OPTIONS ARE EXERCISED

Source: Per latest company public filings as of 9/30/2019.

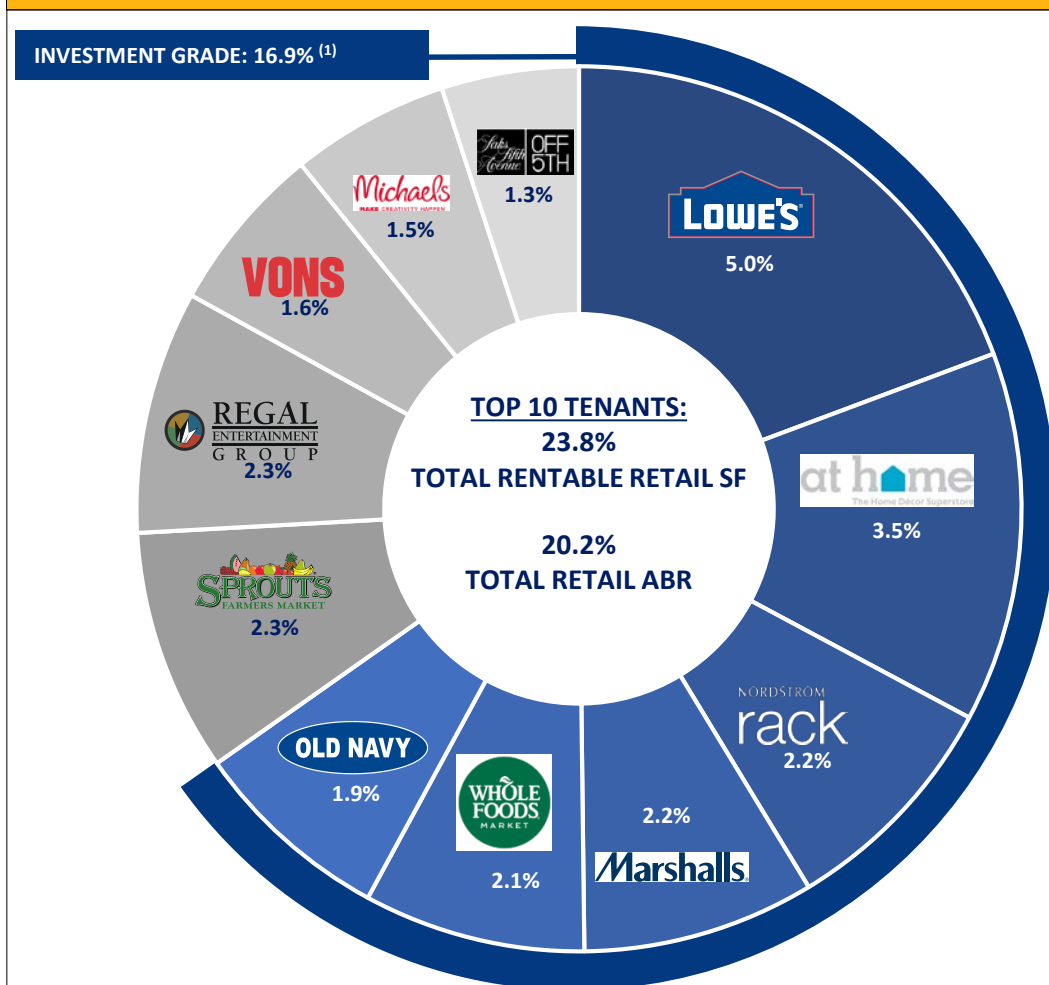
(1) Space has been backfilled by SmartSheet.

# Diversified Tenant Base Resistant To E-Commerce

**INDUSTRY DIVERSIFICATION WITHIN  
RETAIL TENANTS (% OF ABR)**



**TOP 10 RETAIL TENANTS  
(% OF TOTAL RENTABLE RETAIL SF)**



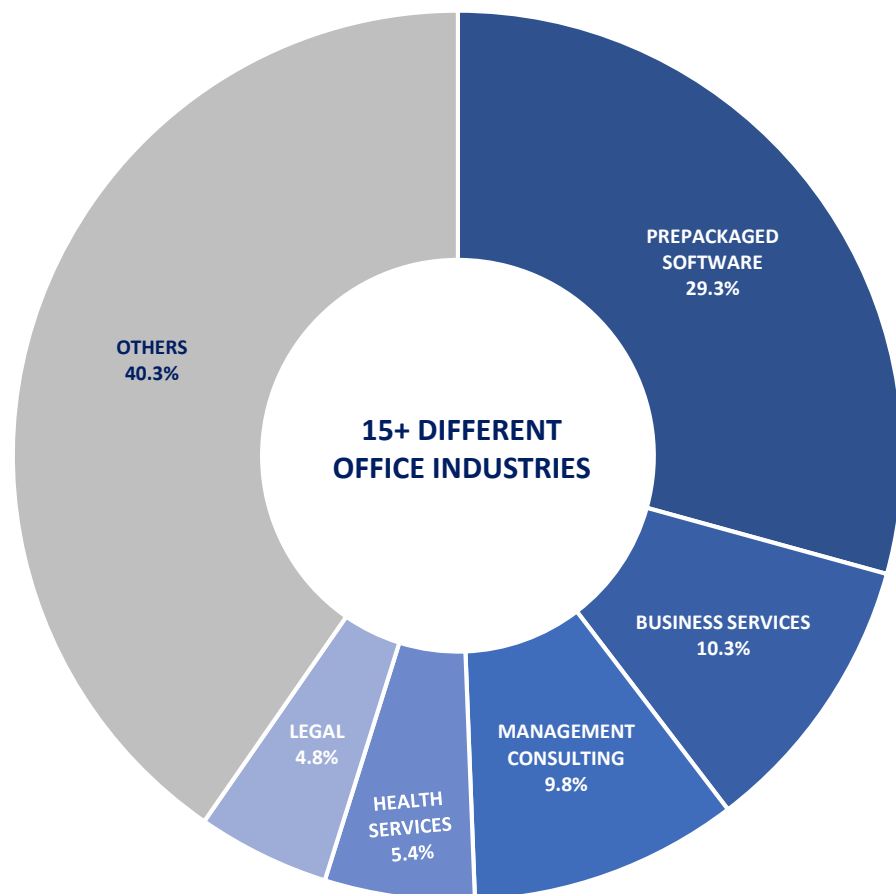
Source: As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.

(1) Investment grade rated tenant or parent company.

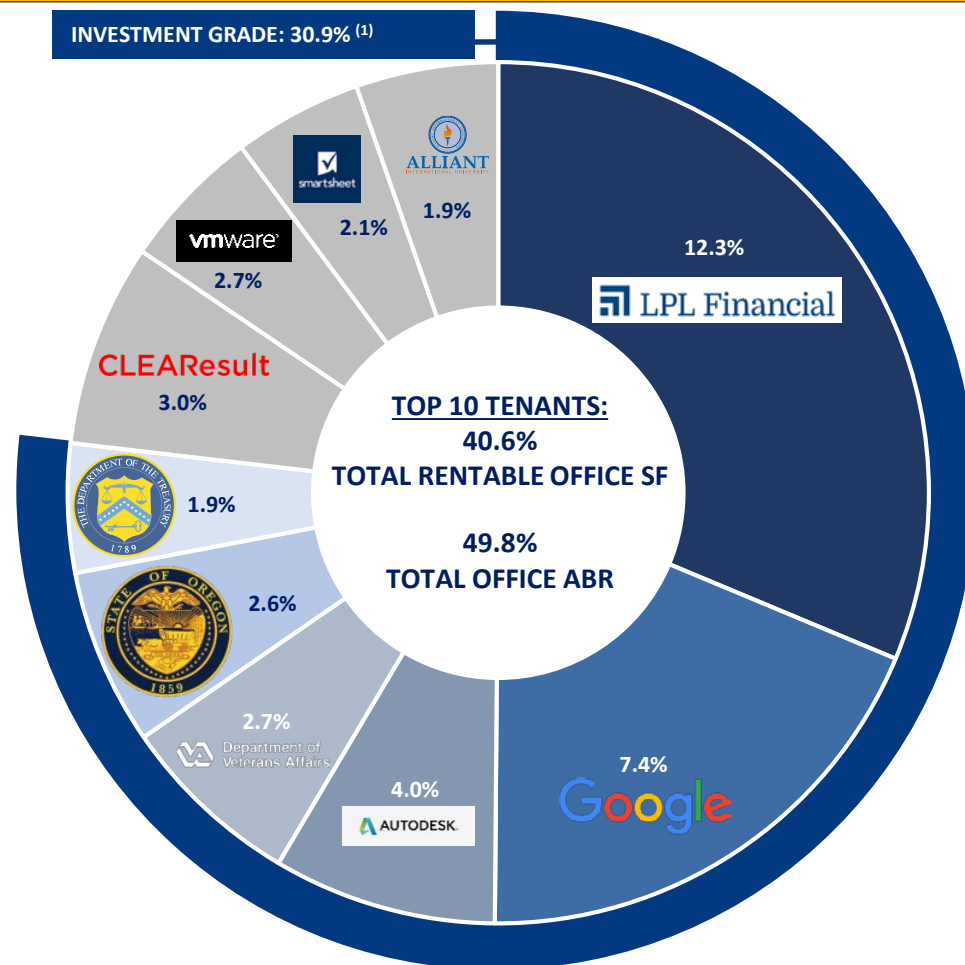


# Office Cash Flow Strength And Stability

**INDUSTRY DIVERSIFICATION WITHIN  
OFFICE TENANTS (% OF ABR)**



**TOP 10 OFFICE TENANTS  
(% OF TOTAL RENTABLE OFFICE SF)**



Source: As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.

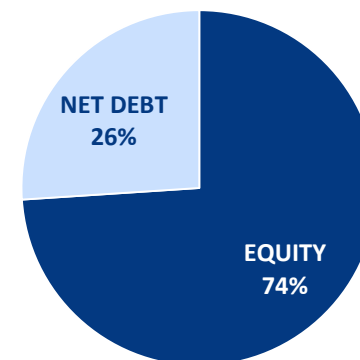
(1) Investment grade rated tenant or parent company.

# Flexible Capital Structure and Strong Balance Sheet

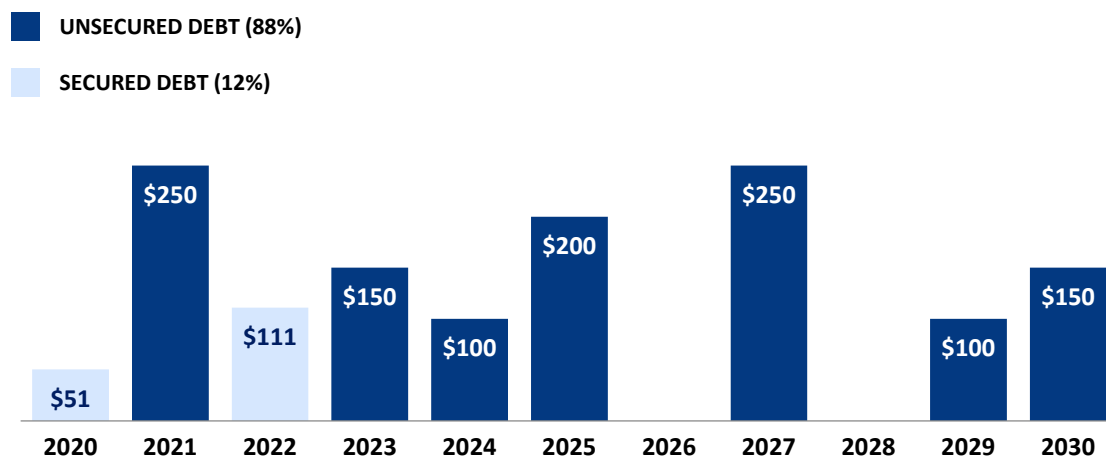
## CONSERVATIVE BALANCE SHEET<sup>(1)</sup>

- 26% Net Debt / Total Enterprise Value
- Net debt / EBITDA of 5.5x,
- Largely unsecured debt structure:
  - 88% unsecured
  - 12% secured
- Weighted Average Term to Maturity: 5.4 years
- \$350MM unsecured revolving line of credit with \$350MM capacity as of 9/30/2019

## CURRENT TOTAL CAPITALIZATION OF \$4.9 BN<sup>(1)</sup>



## WELL-STAGGERED DEBT MATURITY SCHEDULE (\$MM)<sup>(1)</sup>



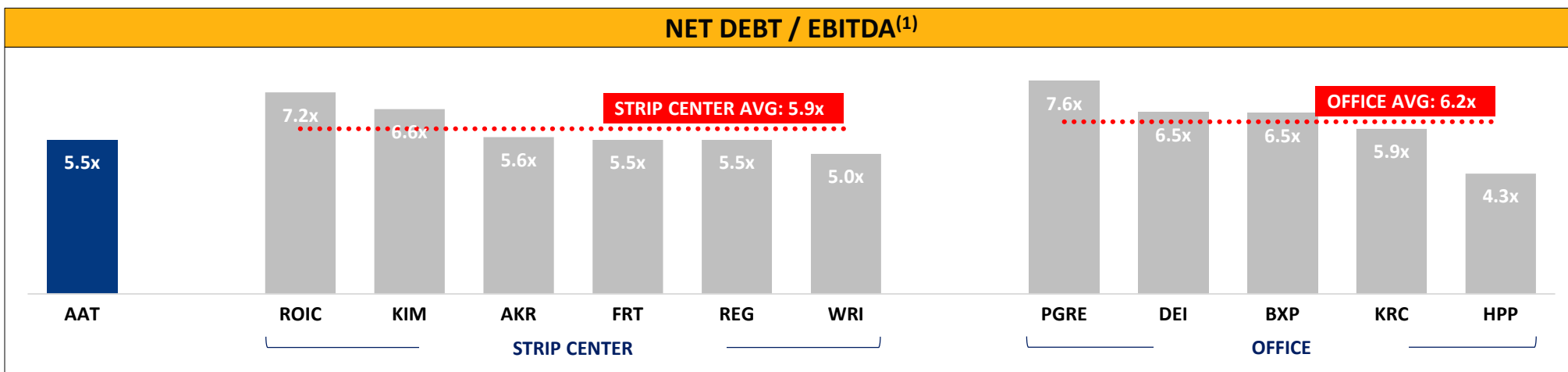
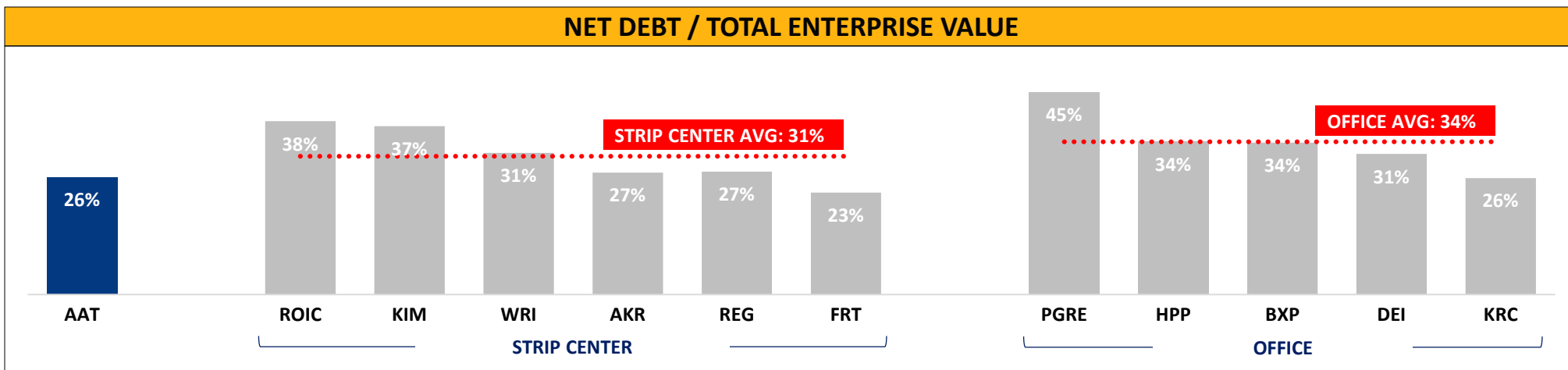
## CREDIT RATINGS

FITCH	BBB
MOODY'S	Baa3
STANDARD & POOR'S	BBB-

(1) As of 9/30/2019, unless noted.

# Conservative Leverage Metrics

American Assets has one of the most conservative balance sheets among its peers



As of 9/30/2019

Source: Per latest company public filings.

(1) See "Financial Definitions" pages of this presentation.



---

**A HISTORY OF SUCCESS.  
A FUTURE OF OPPORTUNITY.**

## **Appendix**



# Pacific Ridge Apartments

## San Diego, CA



UNITS:	533
PERCENTAGE LEASED AS OF 9/30/2019:	93.1%
MONTHLY ABR AS OF 9/30/2019:	\$2,774



# Embassy Suites Waikiki Beach

## Honolulu, HI

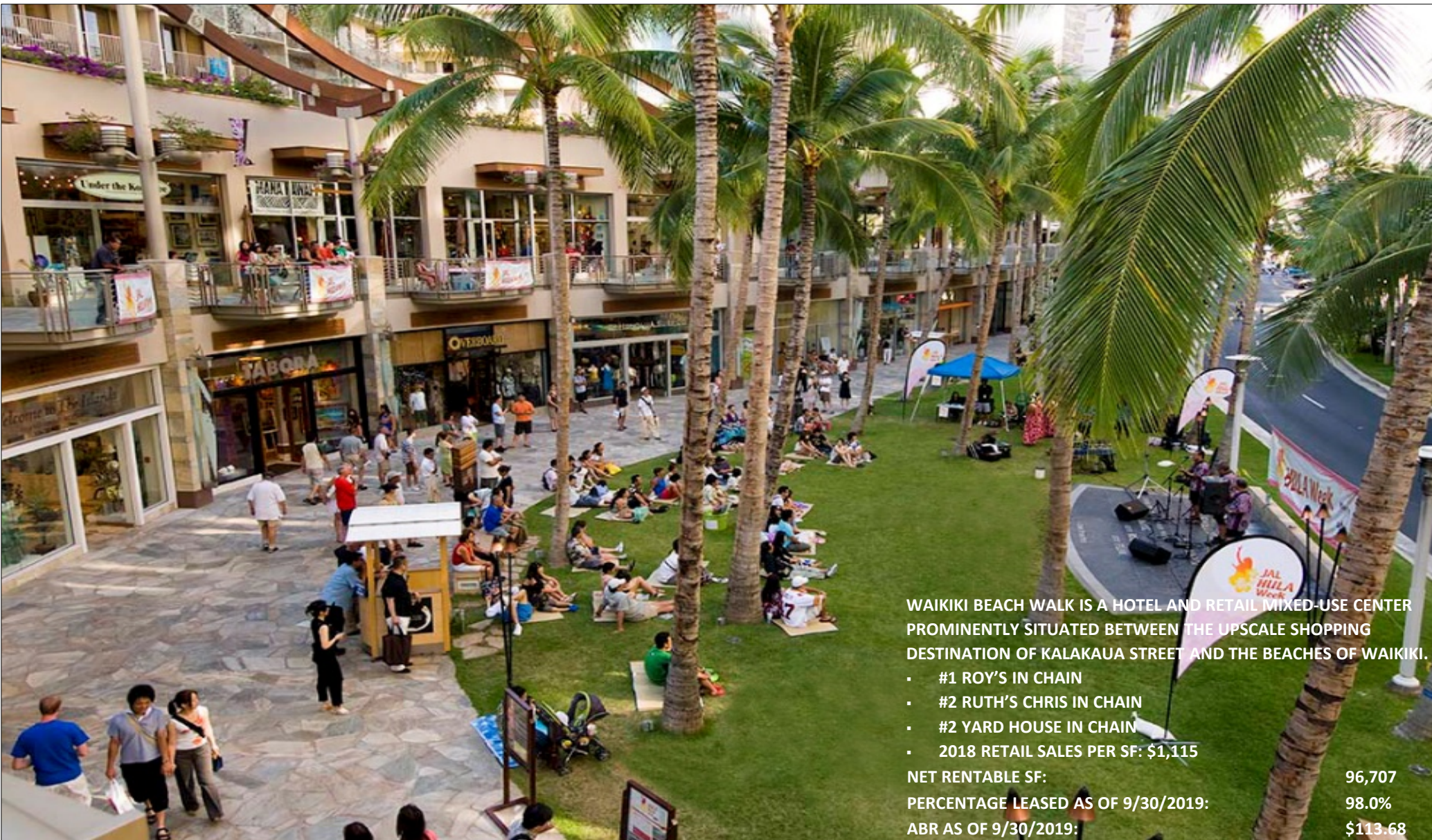


ROOMS:	369
AVERAGE OCCUPANCY AS OF 9/30/2019:	92.9%
AVERAGE DAILY RATE AS OF 9/30/2019:	\$356.80
REVPAR AS OF 9/30/2019:	\$331.59



# Waikiki Beach Walk

## Honolulu, HI



WAIKIKI BEACH WALK IS A HOTEL AND RETAIL MIXED-USE CENTER PROMINENTLY SITUATED BETWEEN THE UPSCALE SHOPPING DESTINATION OF KALAKAUA STREET AND THE BEACHES OF WAIKIKI.

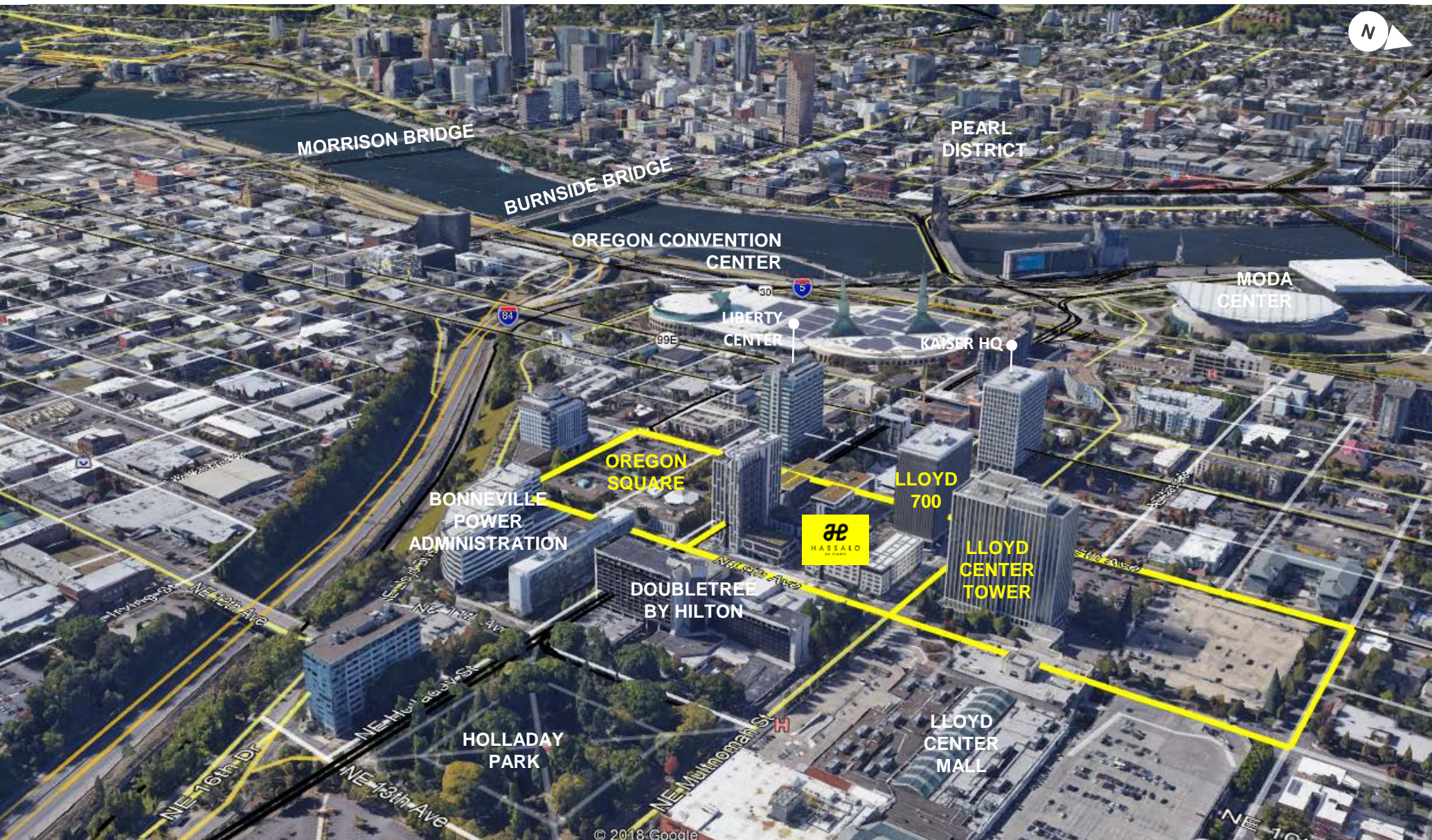
- #1 ROY'S IN CHAIN
- #2 RUTH'S CHRIS IN CHAIN
- #2 YARD HOUSE IN CHAIN
- 2018 RETAIL SALES PER SF: \$1,115

NET RENTABLE SF:	96,707
PERCENTAGE LEASED AS OF 9/30/2019:	98.0%
ABR AS OF 9/30/2019:	\$113.68



# Lloyd District

## Portland, OR





# Hassalo on Eighth

Portland, OR

Hassalo on Eighth is the world's first recipient of the LEED v.4 for Neighborhood Development Platinum Certification





# Hassalo on Eighth

## Portland, OR



### AWARDS HASSALO ON EIGHTH RECEIVED TO DATE

- THE WORLD'S FIRST RECIPIENT OF THE LEED V.4 (LEED V4 ND) FOR NEIGHBORHOOD DEVELOPMENT PLATINUM CERTIFICATION
- AWARDED THE 2017 LEED HOMES PROJECT OF THE YEAR BY THE U.S. GREEN BUILDING COUNCIL
- 2017 MODEL THE WAY (LLOYD ECODISTRICT) – CATALYST AWARD FOR NORM
- 2017 PROPERTY OF THE YEAR – MULTIFAMILYNW
- RECEIVED U.S. GREEN BUILDING COUNCIL'S HIGHEST CERTIFICATION OF LEED PLATINUM FOR HOMES
- THE FIRST NEIGHBORHOOD PROJECT IN THE COUNTRY TO GET THE LEED V4 FOR HOMES CERTIFICATION
- SUSTAINABLE DEVELOPMENT OF THE YEAR – CAB – NAIOP-SIOR - 2016
- ENR NORTHWEST REGIONAL BEST PROJECT – 2016
- DAILY JOURNAL OF COMMERCE 2016 NEWSMAKERS AWARD
- PORTLAND BUSINESS JOURNAL 2016 PROJECT OF THE YEAR
- EXCELLENCE IN CONCRETE – MIXED USE, OWNER/DEVELOPER – 2016
- EARTH ADVANTAGE GREEN HOME BUILDER OF THE YEAR 2016
- DAILY JOURNAL OF COMMERCE TOP PROJECT FOR 2016 FOR PRIVATE DEVELOPMENT
- BICYCLE TRANSPORTATION ALLIANCE BUILDER OF THE YEAR AWARD – 2016



# Torrey Point

San Diego, CA





# First and Main

Portland, OR



NET RENTABLE SF: 360,641  
PERCENTAGE LEASED AS OF 9/30/2019: 98.7%  
ABR AS OF 9/30/2019: \$31.71



# City Center

Bellevue, WA



# Overview of Sustainability Practices

**AAT is a dedicated steward of our community and our environment. Together with our community partners, we have developed and incorporated into our business practices innovative programs to promote environmental sustainability and social responsibility.**

## TEAM

AAT's Sustainability Committee is comprised primarily of property managers and engineers with corporate participation from the Legal/Accounting/Finance department:

- Committee is responsible for the oversight of AAT's sustainability efforts across the entire portfolio
- Status updates are provided to executive management monthly and BOD quarterly

## INITIATIVE

AAT's Sustainability Committee engages with all AAT property managers to aggregate data for existing sustainability initiatives and develop new sustainability initiatives for implementation:

- Created various checklists requiring property manager sign-offs, certifications and deadlines

Contracted with service provider Measurabl, which provides software to help collect, report and analyze AAT's sustainability data:

- Energy metrics
- Awards/Certifications
- Projects & Audits

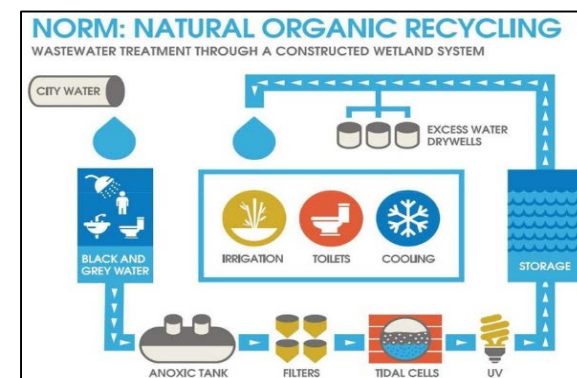
## GOALS

- Successfully submitted our 2019 Global Real Estate Sustainability Benchmark (GRESB) survey
- To implement additional Environmental, Social and Governance initiatives throughout our various properties

# Overview of Sustainability Practices

## Some of our sustainable specific accomplishments:

- Portfolio wide participation in the US Environmental Protection Agency's (EPA's) Portfolio Manager Program to track and benchmark each property's energy, water, greenhouse gases and waste usage.
- AAT has invested in LED lighting retrofitting projects for interior, exterior and garage lighting, for our properties across all asset types.
- Portland - Hassalo on Eighth:
  - The world's first recipient of the LEED v.4 for Neighborhood Development (LEED v4 ND) Platinum Certification
  - Awarded the 2017 LEED Homes Project of the Year by the U.S. Green Building Council
  - Received U.S. Green Building Council's highest certification of LEED Platinum for Homes
  - The first neighborhood project in the country to get the LEED V4 for Homes Certification
  - The property was designed to be 30% more energy efficient than current codes require
  - Development, installation and operation of the nation's largest and first multi-family Natural Organic Recycling Machine (or NORM):
    - Capability of treating 100% of the grey and black water created by Hassalo on Eighth
      - and Lloyd 700 office building
    - Approximately 47,000 gallons of wastewater diverted from the municipal sewer system daily
    - NORM's bi-products are recycled for further off-site use, including bio-solids as fertilizer and fats, oils and greases as fuel
    - NORM is designed to reduce water usage by 50%, or approximately 7,300,000 gallons of water per year
  - Has North America's largest bike hub with space for 900 bicycles
  - Development and installation of a rainwater harvesting and treatment system.
  - Implementation of a light harvesting system (natural daylighting) to reduce energy consumption
- San Diego Properties:
  - AAT implemented one of the largest, most comprehensive and highly successful recycling programs in San Diego for our entire Southern California portfolio that involves the participation of our tenants, merchants, customers, contractors and vendors
  - Variable Frequency Drives on all Cooling Tower HVAC systems. HVACs are controlled by an advance on-demand use control system that bolstered building optimization and reduced the necessity of cooling empty buildings
  - Storm Water Pollution Prevention Program with advanced bio-retention systems
- San Francisco – Landmark @ One Market:
  - The first building in San Francisco to be certified using the BREEAM USA standard for existing buildings



# Financial Definitions; Non-GAAP Financial Measures

**Total Capitalization:** Total Capitalization equals Equity Market Capitalization plus Total Existing Debt.

**Net Debt:** Net Debt equals Total Debt minus Cash and Cash Equivalents.

**Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA):** EBITDA is a non-GAAP measure that means net income or loss plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate and impairments of real estate, if any. EBITDA is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA for the years ending December 31, 2011 through December 31, 2018 and the proforma calculation for December 31, 2019 and December 31, 2020 is as follows:

(\$000's; includes discontinued operations)

	Year Ended December 31, 2020 <sup>(1)</sup>	Year Ended December 31, 2019 <sup>(1)</sup>	2018	2017	2016	2015	2014	2013	2012	2011
Net income	\$ 81,971	\$ 64,899	\$ 27,202	\$ 40,132	\$ 45,637	\$ 53,915	\$ 31,145	\$ 22,594	\$ 51,601	\$ 19,324
Depreciation and amortization	102,050	91,849	107,093	83,278	71,319	63,392	66,568	66,775	63,011	58,543
Interest expense	52,237	54,726	52,248	53,848	51,936	47,260	52,965	58,020	59,043	56,552
Interest income	-	(308)	(238)	(548)	(72)	(90)	(155)	(148)	(336)	(1,621)
Income tax expense/(benefit)	(380)	441	327	214	566	295	460	645	1,016	831
Gain on sale of real estate	-	(633)	-	-	-	(7,121)	-	-	(36,720)	(3,981)
<b>EBITDAre</b>	<b>\$ 235,878</b>	<b>\$ 210,974</b>	<b>\$ 186,632</b>	<b>\$ 176,924</b>	<b>\$ 169,386</b>	<b>\$ 157,651</b>	<b>\$ 150,983</b>	<b>\$ 147,886</b>	<b>\$ 137,615</b>	<b>\$ 129,648</b>

(1) Proforma calculation for 2019 and 2020. See forward looking disclosure on page 2.

We caution investors that amounts presented in accordance with our definitions of EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate these non-GAAP measures in the same manner. EBITDA should not be considered as an alternative measure of our net income (loss), operating performance, cash flow or liquidity. EBITDA may include funds that may not be available for our discretionary use due to functional requirements to conserve funds for capital expenditures and property acquisitions and other commitments and uncertainties. Although we believe that EBITDA can enhance an investor's understanding of our results of operations, these non-GAAP financial measures, when viewed individually, are not necessarily a better indicator of any trend as compared to GAAP measures such as net income (loss) or cash flow from operations.

All annualized base rent data of the Company appearing in this presentation is calculated as described in the registration statement that we have filed with the SEC. We caution investors that other equity REITs may not calculate annualized base rent as we do, and, accordingly, our annualized base rent data may not be comparable to such other REITs' annualized base rent data.



# Financial Definitions; Non-GAAP Financial Measures (cont'd)

Annualized base rent (ABR) is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2019. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

**Funds From Operations (FFO):** FFO is a supplemental measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as follows: net income, computed in accordance with GAAP plus depreciation and amortization of real estate assets and excluding extraordinary items, gains and losses on sale of real estate and impairment losses. NAREIT developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider FFO a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs. The reconciliation of net income to FFO for the years ending December 31, 2011 through December 31, 2018 is as follows:

*(Amounts in thousands, except per share amounts; includes discontinued operations)*

	Year Ended December 31,							
	2018	2017	2016	2015	2014	2013	2012	2011
Net Income	\$ 27,202	\$ 40,132	\$ 45,637	\$ 53,915	\$ 31,145	\$ 22,594	\$ 51,601	\$ 19,324
Depreciation and Amortization of Real Estate Assets	107,093	83,278	71,319	63,392	66,568	66,775	63,011	58,543
Depreciation and Amortization on Unconsolidated JV	—	—	—	—	—	—	—	688
Gain on Sale of Real Estate	—	—	—	(7,121)	—	—	(36,720)	(3,981)
FFO, as defined by NAREIT	134,295	123,410	116,956	110,186	97,713	89,369	77,892	74,574
Less: Nonforfeitable dividends on restricted stock awards	(305)	(236)	(183)	(159)	(137)	(357)	(354)	(316)
Less: FFO attributable to Predecessor's controlled and noncontrolled owners' equity	—	—	—	—	—	—	—	(16,973)
FFO Attributable to Common Stock	133,990	123,174	116,773	110,027	97,576	89,012	77,538	57,285
Weighted Average Number of Common Shares	64,139	64,090	63,231	62,343	60,256	57,726	57,263	54,417
FFO per Diluted Share	\$ 2.09	\$ 1.92	\$ 1.85	\$ 1.76	\$ 1.62	\$ 1.54	\$ 1.35	\$ 1.05

# Financial Definitions; Non-GAAP Financial Measures (cont'd)

**Funds From Operations as Adjusted (FFO As Adjusted):** FFO As Adjusted is a supplemental measure of real estate companies' operating performances. We use FFO As Adjusted as a supplemental performance measure because losses from early extinguishment of debt, loan transfer and consent fees and gains on acquisitions of controlling interests create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential. The adjustments noted resulted from our initial public offering and formation transactions. However, other REITs may use different methodologies for defining adjustments and, accordingly, our FFO As Adjusted may not be comparable to other REITs. The reconciliation of net income to FFO for the year ending December 31, 2011 is as follows:

*(Amounts in thousands, except per share amounts; includes discontinued operations)*

	Year Ended December 31, 2011
FFO, as defined by NAREIT	\$ 74,574
Early extinguishment of debt	25,867
Loan transfer and consent fees	9,019
Gain on acquisition of controlling interests	(46,371)
FFO As Adjusted	63,089
Less: Nonforfeitable dividends on restricted stock awards	(316)
Less: FFO attributable to Predecessor's controlled and noncontrolled owners' equity	(2,462)
FFO As Adjusted Attributable to Common Stock	60,311
Weighted Average Number of Common Shares	54,417
FFO As Adjusted per Diluted Share	\$ 1.11

**Net Operating Income (NOI):** NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. We define NOI as operating revenues (rental income, tenant reimbursements and other property income) less property and related expenses (property expenses and real estate taxes). Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other nonproperty income and losses, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate and the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing a perspective on operations not immediately apparent from net income. However, NOI should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of the properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations.

# Financial Definitions; Non-GAAP Financial Measures (cont'd)

**Cash NOI:** Cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. Cash NOI is equal to NOI as defined above, adjusted for non-cash revenue and operating expense items such as straight-line rent, amortization of lease intangibles, amortization of lease incentives and other adjustments. The Company believes cash NOI provides useful information to investors regarding the Company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the Company's properties as this measure is not affected by (1) the non-cash revenue and expense recognition items, (2) the cost of funds of the property owner, (3) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP or (4) general and administrative expenses and other gains and losses that are specific to the property owner. The Company believes the exclusion of these items from net income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the Company's properties as well as trends in occupancy rates, rental rates and operating costs.

## Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures within the meaning Regulation G and other terms that have particular definitions when used by us. The definitions of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. The definitions of these terms, the reasons for their use, and reconciliations to the most directly comparable GAAP measure are included in the Financial Definitions herein.