

# Investor Presentation

February 2021



AAT  
LISTED  
NYSE



# 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 “potential,” “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. Currently, one of the most significant risk factors, is the potential adverse effect of the current COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of us, our tenants and guests, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts us, our tenants and guests 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 measures, among others. 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 and other risks described in documents subsequently filed by the company from time to time 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.

This presentation includes certain non-GAAP financial measures that the company considers meaningful measures of financial performance during the COVID-19 pandemic.



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**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>

## 8.9% CAGR

FFO PER SHARE (2011–2019)<sup>(1)</sup>

## 4.5% CAGR

DIVIDENDS (2011–2019)<sup>(1)</sup>

## 10.4% CAGR

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

## 6.4% RETURN

ANNUALIZED TSR (IPO-12/31/2020)<sup>(1)</sup>

## 6.1% CAGR

FFO PER SHARE (2011–2020)<sup>(1)</sup>

## 2.5% CAGR

DIVIDENDS (2011–2020)<sup>(1)</sup>

## 9.3% CAGR

NET ASSET VALUE (2011–2020)<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

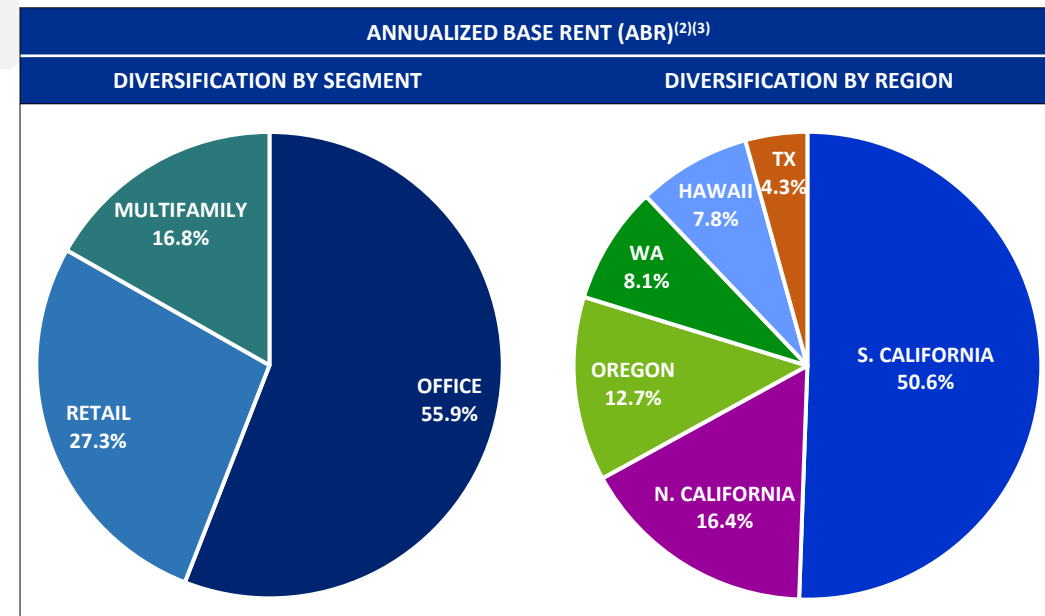
(1) Source: Bloomberg. Total Shareholder Return (TSR) assumes dividends are reinvested in security through December 31, 2019 and December 31, 2020. AAT IPO on January 13, 2011.

(2) AAT's NAV CAGR estimate is based on both management's knowledge of its core markets and published pricing data since IPO. The NAV is kept flat at \$51.50 in 2020.

# Portfolio Composition



REGION	MARKET	SQUARE FEET ('000'S) <sup>(1)</sup>				UNITS <sup>(1)</sup>	
		OFFICE	RETAIL	MIXED USE	TOTAL	MULTIFAMILY	HOTEL
S. CALIFORNIA	SAN DIEGO	1,550	1,322	-	2,872	1,455	-
OREGON	PORTLAND	876	44	-	920	657	-
N. CALIFORNIA	MONTEREY	-	673	-	673	-	-
TEXAS	SAN ANTONIO	-	588	-	588	-	-
N. CALIFORNIA	SAN FRANCISCO	523	35	-	558	-	-
HAWAII	OAHU	-	430	97	527	-	369
WASHINGTON	BELLEVUE	498	-	-	498	-	-
<b>TOTAL</b>		<b>3,447</b>	<b>3,092</b>	<b>97</b>	<b>6,636</b>	<b>2,112</b>	<b>369</b>



- (1) As of 12/31/2020. As reported in AAT's supplemental information disclosure package as furnished to the SEC and available on AAT's website.
- (2) Annualized base rent (ABR) is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) under commenced leases for the month ended December 31, 2020 by 12. 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. 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.
- (3) Retail data includes WBW Retail. Hawaii data excludes Embassy Suites Hotel.

# 4Q-2020 Billing/Collection Activity

## Collections

- Approximately, 92.1% of 4Q-2020 recurring rents have been collected to date<sup>(1)</sup>

## Rent Deferrals

- As of December 31, 2020, we have entered into deferral agreements for \$8.6 million of recurring rents related to the second, third, and fourth quarters of 2020.

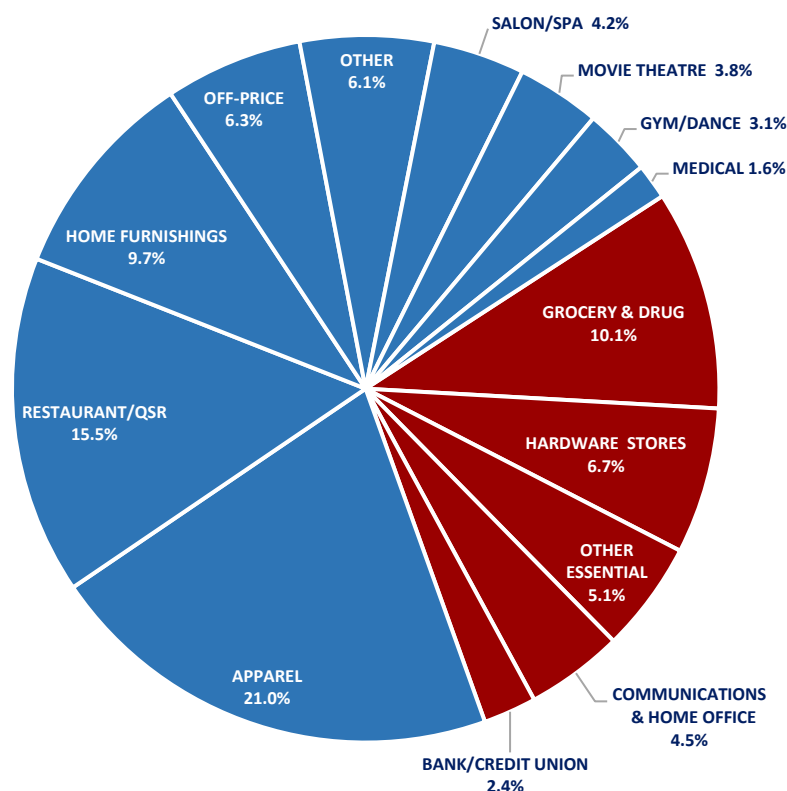
(UNAUDITED, AMOUNTS IN THOUSANDS)		COLLECTED TO DATE <sup>(1)</sup>		COVID-19 ADJUSTMENTS <sup>(2)</sup>		OUTSTANDING	
4Q-2020 AS OF 2/6/2021	BILLED <sup>(1)</sup>	\$	%	\$	%	\$	%
RETAIL	\$25,263	\$22,300	88.3%	\$1,559	6.2%	\$1,404	5.6%
WAIKIKI BEACH WALK - RETAIL	\$3,505	\$1,237	35.3%	\$178	5.1%	\$2,089	59.6%
<b>TOTAL RETAIL</b>	<b>\$28,768</b>	<b>\$23,537</b>	<b>81.8%</b>	<b>\$1,738</b>	<b>6.0%</b>	<b>\$3,493</b>	<b>12.1%</b>
<b>OFFICE</b>	<b>\$37,436</b>	<b>\$37,003</b>	<b>98.8%</b>	<b>\$338</b>	<b>0.9%</b>	<b>\$95</b>	<b>0.3%</b>
MULTIFAMILY							
SAN DIEGO	\$10,693	\$10,290	96.2%			\$404	3.8%
HASSALO	\$3,065	\$2,812	91.8%			\$253	8.2%
<b>TOTAL MULTIFAMILY</b>	<b>\$13,758</b>	<b>\$13,102</b>	<b>95.2%</b>			<b>\$656</b>	<b>4.8%</b>
<b>TOTAL 4Q-2020 AS OF 2/6/2021</b>	<b>\$79,962</b>	<b>\$73,642</b>	<b>92.1%</b>	<b>\$2,076</b>	<b>2.6%</b>	<b>\$4,245</b>	<b>5.3%</b>

(1) Billed recurring rents are primarily composed of base rent and cost reimbursements. Collected data as of February 6, 2021.

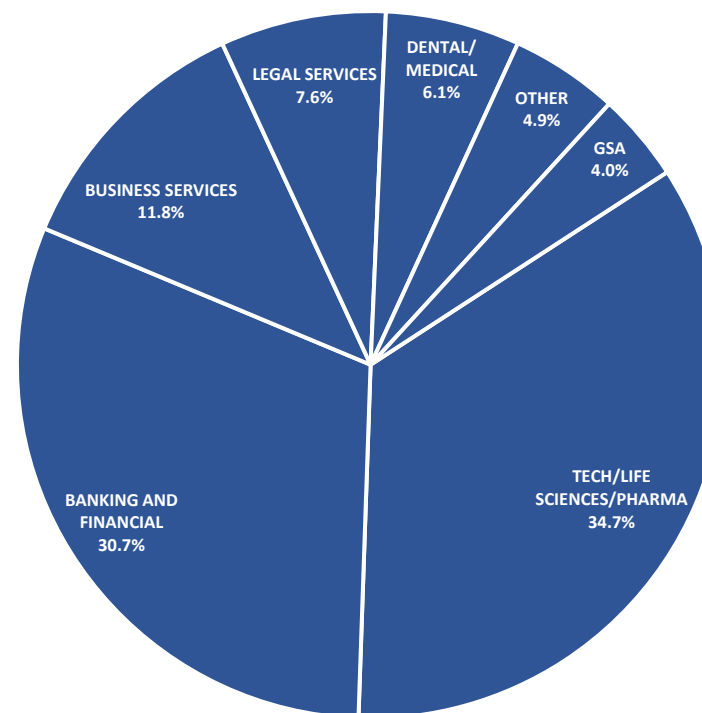
(2) Includes rent deferrals and other monetary lease concessions.

# 4Q-2020 Retail and Office Billed

**4Q-2020 RETAIL BILLED<sup>(1)</sup>**



**4Q-2020 OFFICE BILLED<sup>(1)</sup>**



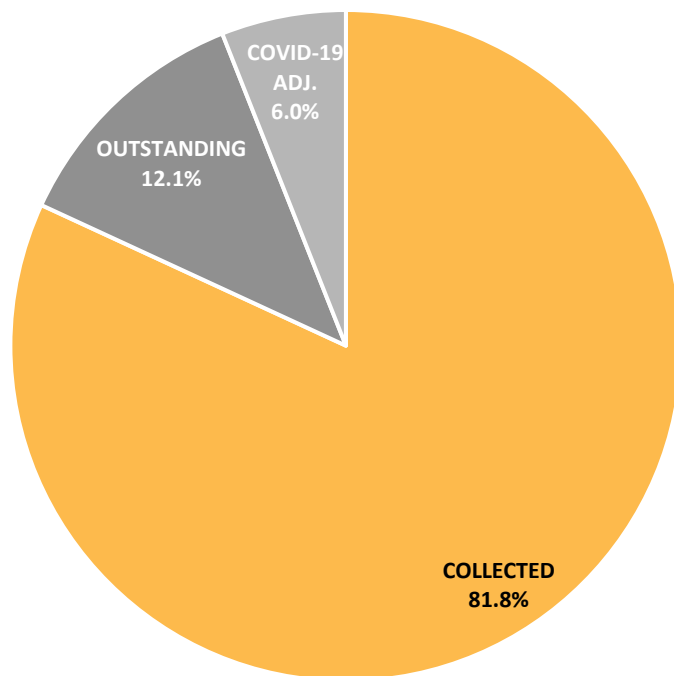
(UNAUDITED, AMOUNTS IN THOUSANDS)		4Q-2020 <sup>(1)</sup>		
RETAIL TENANTS	% OF RETAIL BILLED <sup>(1)</sup>	BILLED	COLLECTED	% COLLECTED
ESSENTIAL TENANTS <sup>(2)</sup>	28.7%	\$8,254	\$8,249	99.9%
NON-ESSENTIAL TENANTS	71.3%	\$20,514	\$15,288	74.5%
<b>TOTAL RETAIL BILLED</b>	<b>100.0%</b>	<b>\$28,768</b>	<b>\$23,537</b>	<b>81.8%</b>

(1) Billed recurring rents are primarily composed of base rent and cost reimbursements. Retail data includes WBW Retail. Collected data as of February 6, 2021.

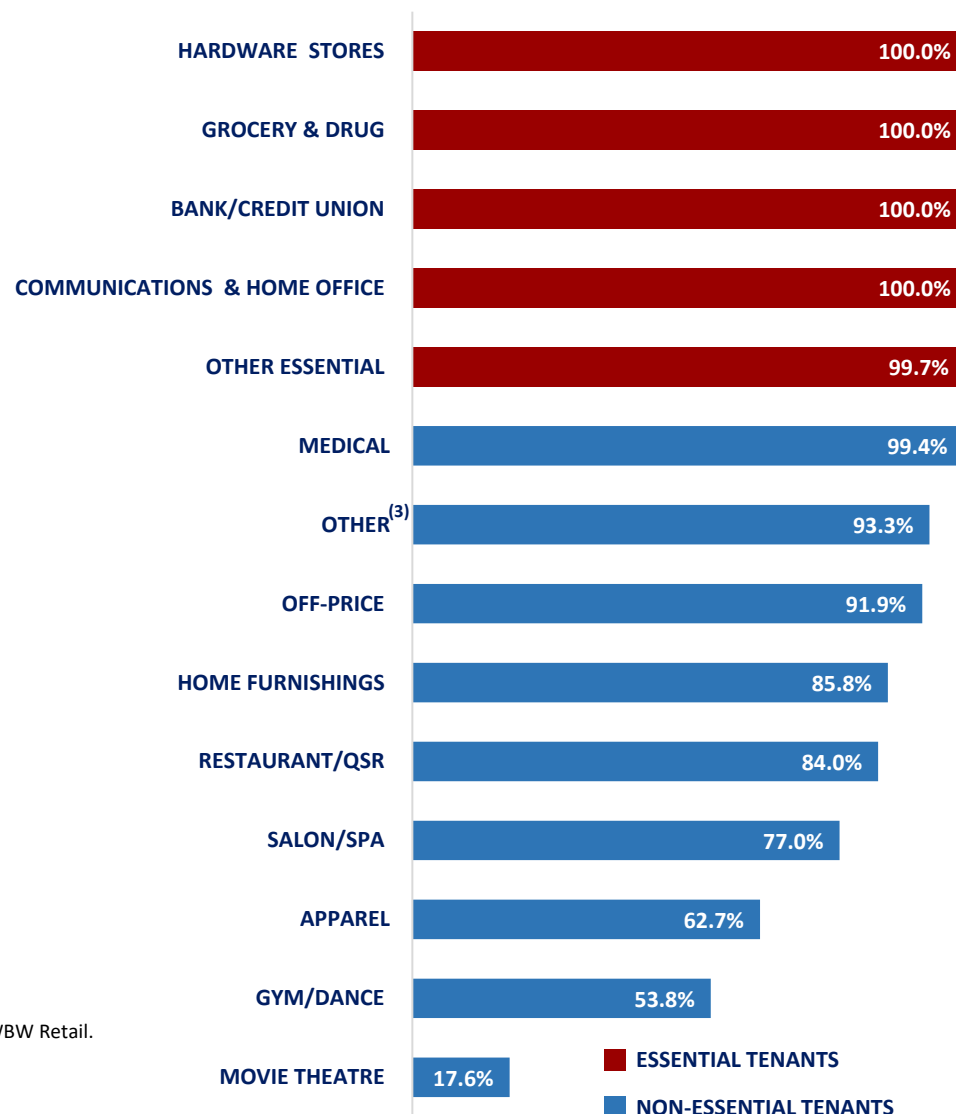
(2) Essential Tenants per the Department of Homeland Security.

# 4Q-2020 Retail Collections by Category

**4Q-2020 RETAIL RENT COLLECTED TO DATE<sup>(1)(2)</sup>**



**4Q-2020 RETAIL RENT COLLECTED TO DATE BY CATEGORY<sup>(1)</sup>**



(1) Billed recurring rents are primarily composed of base rent and cost reimbursements. Retail data includes WBW Retail. Collected data as of February 6, 2021.

(2) COVID-19 Adjustments includes rent deferrals and other monetary lease concessions.

(3) Other includes Dry Cleaners, Tailors, Cobblers, Churches, Book Stores, Realtors, Insurance Agents, Tax Preparers, Wellness Products and Electronics.



# January-2021 Billing/Collection Activity

## Collections

- Approximately, 91.7% of January-2021 recurring rents have been collected to date<sup>(1)</sup>

(UNAUDITED, AMOUNTS IN THOUSANDS)		COLLECTED TO DATE <sup>(1)</sup>		COVID-19 ADJUSTMENTS <sup>(2)</sup>		OUTSTANDING	
JANUARY-2021 AS OF 2/19/2021	BILLED <sup>(1)</sup>	\$	%	\$	%	\$	%
RETAIL	\$8,250	\$7,194	87.2%	\$355	4.3%	\$701	8.5%
WAIKIKI BEACH WALK - RETAIL	\$1,226	\$508	41.4%	\$17	1.4%	\$702	57.2%
<b>TOTAL RETAIL</b>	<b>\$9,476</b>	<b>\$7,702</b>	<b>81.3%</b>	<b>\$372</b>	<b>3.9%</b>	<b>\$1,403</b>	<b>14.8%</b>
<b>OFFICE</b>	<b>\$12,434</b>	<b>\$12,249</b>	<b>98.5%</b>	<b>\$102</b>	<b>0.8%</b>	<b>\$83</b>	<b>0.7%</b>
MULTIFAMILY							
SAN DIEGO	\$3,599	\$3,470	96.4%			\$129	3.6%
HASSALO	\$1,011	\$909	89.9%			\$102	10.1%
<b>TOTAL MULTIFAMILY</b>	<b>\$4,610</b>	<b>\$4,379</b>	<b>95.0%</b>			<b>\$231</b>	<b>5.0%</b>
<b>TOTAL JANUARY-2021 AS OF 2/19/2021</b>	<b>\$26,520</b>	<b>\$24,330</b>	<b>91.7%</b>	<b>\$474</b>	<b>1.8%</b>	<b>\$1,717</b>	<b>6.5%</b>

(1) Billed recurring rents are primarily composed of base rent and cost reimbursements. Collected data as of February 19, 2021.

(2) Includes rent deferrals and other monetary lease concessions.

# NOI Growth Potential (2019A – 2022E)

(\$ IN MILLIONS)

	2019 ACTUAL	NET CHANGE AMOUNT %	2020 ACTUAL	NET CHANGE AMOUNT %	2021 GROWTH POTENTIAL	NET CHANGE AMOUNT %	2022 GROWTH POTENTIAL
<b>CASH NOI</b>							
OFFICE	\$87.3	\$19.0 22%	\$106.4	\$10.6 10%	\$117.0	\$13.0 11%	\$130.0
RETAIL	69.9	(12.1) (17%)	57.8	(1.8) (3%)	56.0	7.0 13%	\$63.0
MULTIFAMILY	30.3	(1.7) (6%)	29	1.4 5%	30.0	1.0 3%	\$31.0
MIXED-USE	24.6	(20.4) (83%)	4.2	(2.2) (52%)	2.0	18.0 900%	\$20.0
<b>TOTAL CASH NOI<sup>(1)</sup></b>	<b>\$212.1</b>	<b>(\$15.2) (7%)</b>	<b>\$196.9</b>	<b>\$8.1 4%</b>	<b>\$205.0</b>	<b>\$39.0 19%</b>	<b>\$244.0</b>
<b>GAAP ADJUSTMENTS<sup>(2)</sup></b>	<b>22.6</b>	<b>3.9 17%</b>	<b>26.5</b>	<b>(10.5) (40%)</b>	<b>16.0</b>	<b>(11.0) (69%)</b>	<b>5.0</b>
<b>NOI</b>	<b>\$234.8</b>	<b>(\$11.3) (5%)</b>	<b>\$223.5</b>	<b>(\$2.5) (1%)</b>	<b>\$221.0</b>	<b>\$28.0 13%</b>	<b>\$249.0</b>

**Note:** The company's growth potential excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments. These estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels and interest rates. Our actual results may differ materially from these estimates.

(1) Summary of year over year changes in Cash NOI:

► **2020 Actual to 2021 Estimated:**

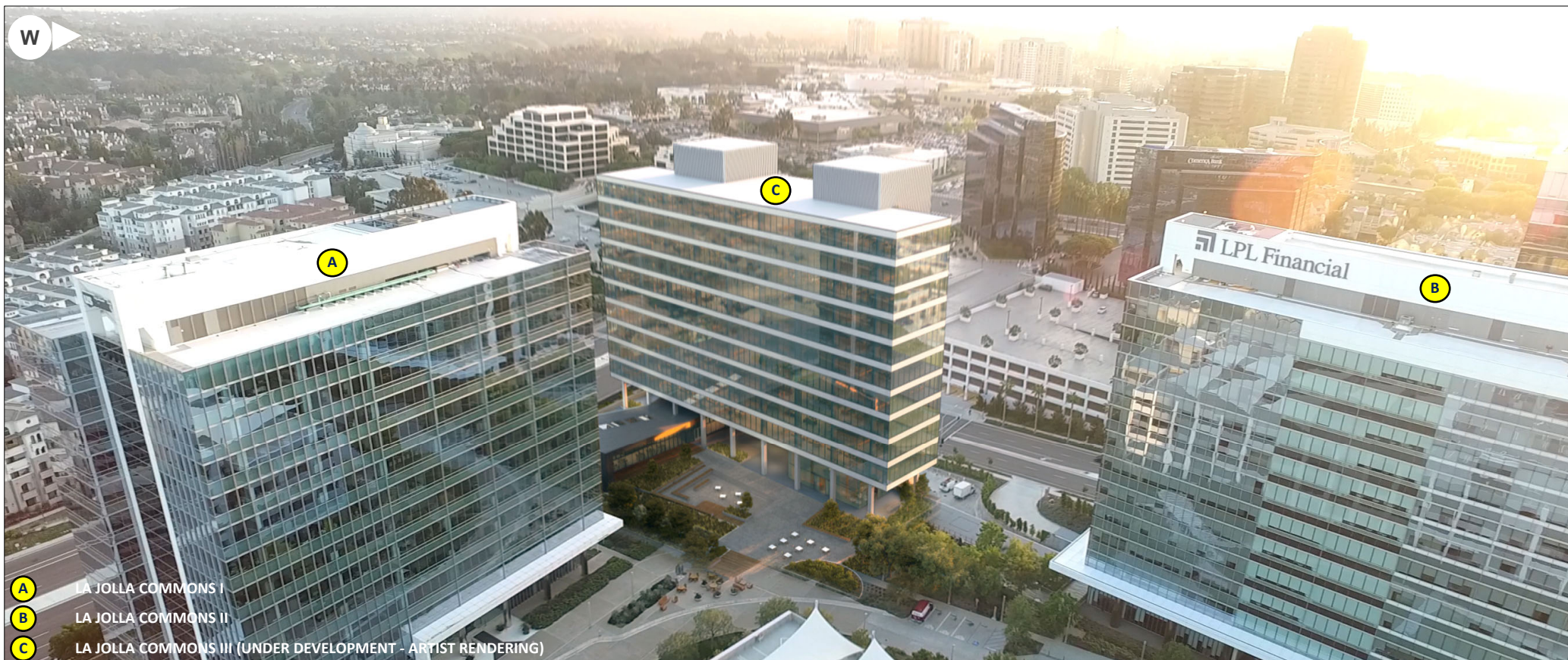
- **Office:** Office Cash NOI is projected to increase approximately \$10.6M or 10%, of which approximately \$1.0M of revenue is projected to be derived from speculative leases and renewals during the year. The properties estimated to experience significant increases include La Jolla Commons \$3.5M, Landmark \$2.5M, Torrey Reserve \$1.6M, Torrey Point \$1.6M, and the Lloyd District \$1.3M.
- **Retail:** Retail Cash NOI is projected to decrease approximately \$1.8M or 3% in 2021 as we estimate that the economy will not begin to recover from the COVID-19 pandemic until the second half of 2021. All lease modifications negotiated during 2020 and 2021 have been reflected in the forecast. In addition to the projected Cash NOI for 2021, we have taken a reserve of approximately \$9.1M based on management's review of all retail leases.
- **Multifamily:** Multifamily Cash NOI is projected to increase approximately \$1.4M or 5% for the year as San Diego's Multifamily Cash NOI is expected to increase approximately \$1.6M offset by an expected decrease in Portland's Multifamily Cash NOI of approximately \$0.2M for the year.
- **Mixed use:** Mixed-Use Cash NOI is projected to decrease approximately \$2.2M or 52%, Waikiki Beach Walk-Retail Cash NOI for 2021 is expected to decrease approximately \$1.2M and Embassy Suites Cash NOI is expected to decrease approximately \$1.0M as we do not expect that Hawaii's tourism industry will begin recovering from the effects of the pandemic until the second half of 2021.

► **2021 Estimated to 2022 Estimated (Return to somewhat normalcy):**

- **Office:** Office Cash NOI is forecasted to grow approximately \$13.0M or 11% in 2022. Of this amount, Cash NOI at Landmark is expected to increase approximately \$3.0M as Google will be paying full unabated rent on its lease beginning in the second half of 2022. Other office properties with estimated significant Cash NOI growth include: Torrey Reserve \$3.4M, City Center Bellevue \$2.1M, First & Main \$1.5M, La Jolla Commons \$1.1M and Oregon Squire 710 Bldg. \$0.8M. Included in our Office Cash NOI forecasted growth for 2022 is \$7.1M of revenue derived from speculative leasing.
- **Retail:** Retail Cash NOI is expected to grow approximately \$7.0M or 13% as we anticipate the economic recovery, that is estimated to begin in the second half of 2021, carries over into 2022 for a full year. The most significant growth is expected in those properties with movie theatre, gyms and full service restaurants.
- **Multifamily:** The Cash NOI for all Multifamily properties is projected to increase \$1.0M or 3.0% in 2022.
- **Mixed use:** Mixed-Use Cash NOI is projected to increase approximately \$18.0M or 900% in 2022. The Cash NOI for Embassy Suites is anticipated to increase approximately \$10.0M and Cash NOI for Waikiki Beach-Retail is anticipated to increase approximately \$8.0M as we expect Hawaii's tourism industry to continue its recovery during 2022.

(2) GAAP Adjustments primarily consists of Straight Line Rent Adjustments and Amortization of Above/Below Market Rents.

# Development Pipeline



PROPERTY	TYPE	LOCATION	ESTIMATED RENTABLE SF	OPPORTUNITY
LA JOLLA COMMONS III	OFFICE	SAN DIEGO, CA	214,000	DEVELOPMENT OF APPROXIMATELY 214,000 SQUARE FEET CLASS A+ OFFICE
WAIKELE CENTER	RETAIL	HONOLULU, HI	90,000	DEVELOPMENT OF 90,000 SQUARE FEET RETAIL BUILDING
OREGON SQUARE – PHASE 2B	OFFICE	PORTLAND, OR	385,000	DEVELOPMENT OF BUILD-TO-SUIT OFFICE TOWERS AND/OR MIXED-USE RESIDENTIAL TOWERS

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. Square footages and units set forth above are estimates only and ultimately may differ materially from actual square footages and units.



# Development Pipeline (La Jolla Commons III)

LA JOLLA COMMONS III (UNDER DEVELOPMENT - ARTIST RENDERING)

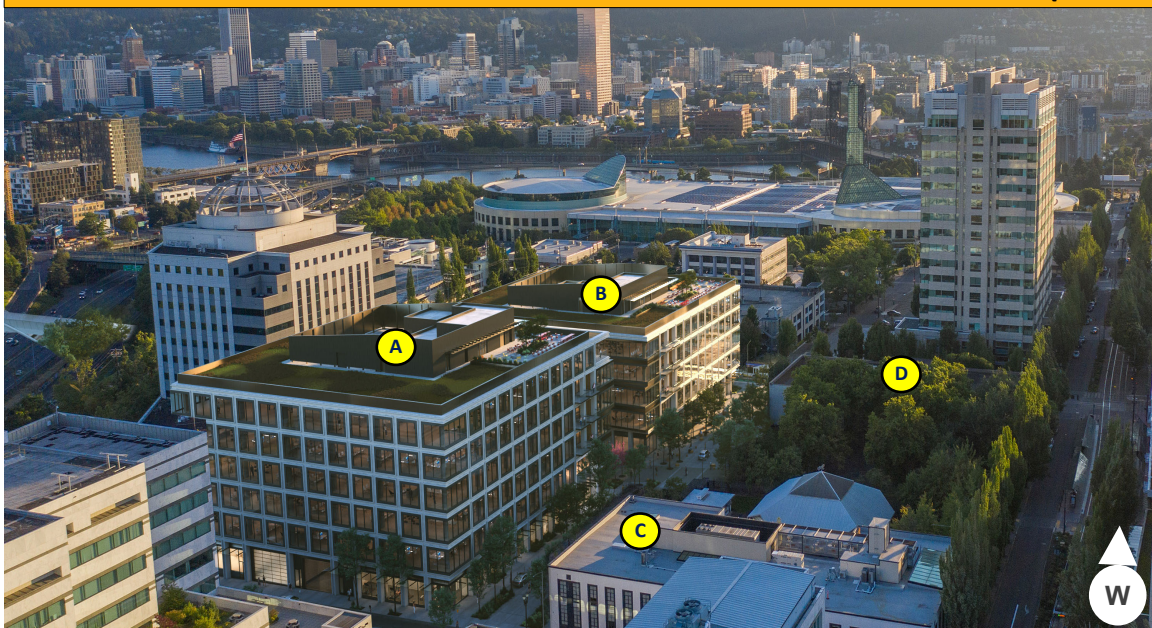


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# Development Pipeline – Oregon Square Phase 2B

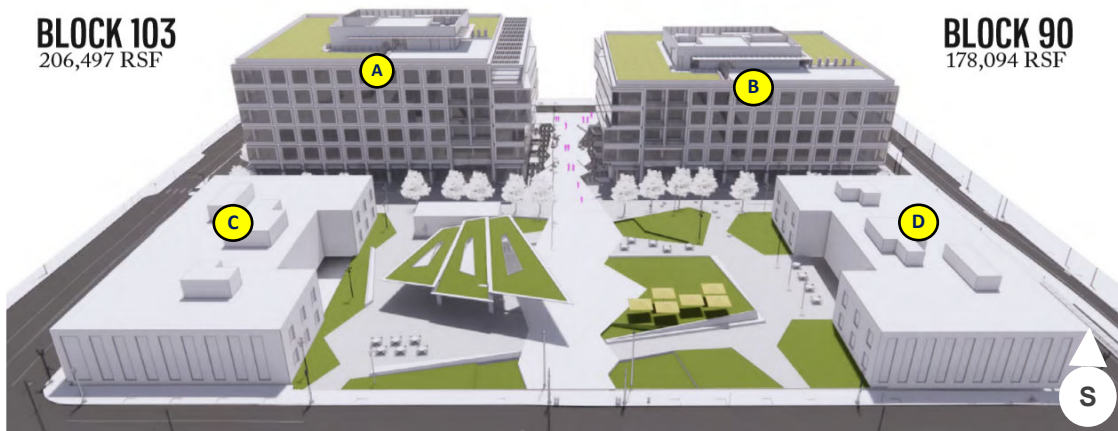
## OREGON SQUARE PHASE 2B – BLOCK 90 & 103 (UNDER DEVELOPMENT - ARTIST RENDERING)



- PLANNED TWO-BUILDING, APPROXIMATELY 385,000 SF OFFICE CAMPUS (EXPANDABLE TO 555,000 SF).
- WHEN BUILT, THE TWO CLASS “A” BUILDINGS WILL HELP FURTHER THE “LIVE, WORK, PLAY” COMMUNITY IN THE LLOYD NEIGHBORHOOD, PROVIDING SPECTACULAR 360-DEGREE VIEWS.
- UNDERGROUND PARKING FACILITY WITH 246 STALLS LOCATED BENEATH BOTH BLOCKS; ADDITIONAL PARKING AVAILABLE BENEATH ADJACENT HASSALO ON EIGHTH.
- LARGE FLOOR PLATES WITH 11’ FINISHED CEILINGS AND GLASS LINE ALLOW DEEP DAYLIGHTING SOLUTIONS WHILE ALSO ALLOWING GREATER SPACE PLANNING FLEXIBILITY.
- EACH FLOOR FEATURES OUTDOOR SPACE AND BOTH BUILDINGS FEATURE ROOFTOP DECKS.
- ADJACENT TO HASSALO ON EIGHTH, COMPRISED OF THREE RESIDENTIAL BUILDINGS WITH STREET-LEVEL RESTAURANTS, RETAIL, FITNESS, GROCERY AND MEDICAL.
- DIRECT ACCESS TO THE NEW CONGRESSMAN EARL BLUMENAUER BICYCLE & PEDESTRIAN BRIDGE, PROVIDING ACCESS TO THE CENTRAL EASTSIDE, AND A BLOCK FROM THE STREETCAR AND MAX LINES.
- CONVENIENTLY LOCATED WITHIN WALKING DISTANCE TO LLOYD CENTER, OREGON CONVENTION CENTER, AND MODA CENTER, HOME TO THE NBA’S PORTLAND TRAILBLAZERS.
- THE REVITALIZATION OF THE LLOYD COMMUNITY IS IN FULL SWING. BUSINESSES AND AMENITIES ALIKE ARE FLOCKING TO THE AREA TO BE A PART OF THE BUSTLING COMMUNITY.
- LLOYD CENTER HAS RECENTLY GIVEN THE MALL A FACE LIFT, A STRONG SIGN OF THE AREA’S GROWING PROSPERITY.
- AMONG THE NATIONAL COMPANIES COMMITTED TO LEASING SPACE AT LLOYD CENTER IS LIVE NATION ENTERTAINMENT, PROVIDING A CONCERT VENUE ON THE EASTSIDE THE LIKES OF WHICH PORTLAND HAS NEVER EXPERIENCED.

**BLOCK 103**  
206,497 RSF

**BLOCK 90**  
178,094 RSF



- A** BLOCK 103
- B** BLOCK 90
- C** BUILDING 830 - 100% LEASED TO WEWORK
- D** BUILDING 710 – CURRENTLY UNDER REDEVELOPMENT

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. Square footages and units set forth above are estimates only and ultimately may differ materially from actual square footages and units.



# Development Pipeline – Oregon Square Phase 2B



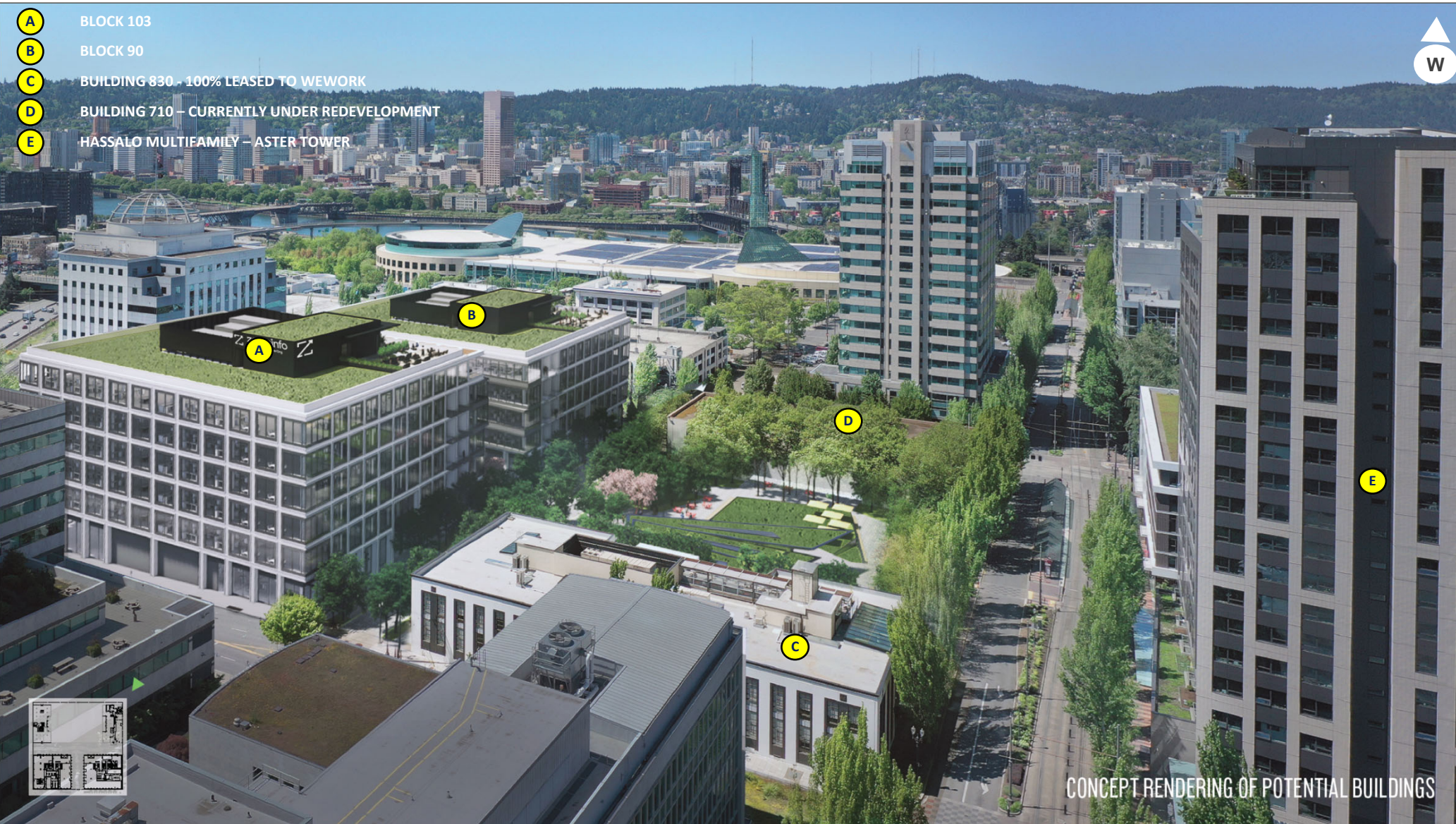
BLOCK 103

BLOCK 90

BUILDING 830 - 100% LEASED TO WEWORK

BUILDING 710 – CURRENTLY UNDER REDEVELOPMENT

HASSALO MULTIFAMILY – ASTER TOWER



CONCEPT RENDERING OF POTENTIAL BUILDINGS

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. Square footages and units set forth above are estimates only and ultimately may differ materially from actual square footages and units.



# Lloyd District

## Portland, OR







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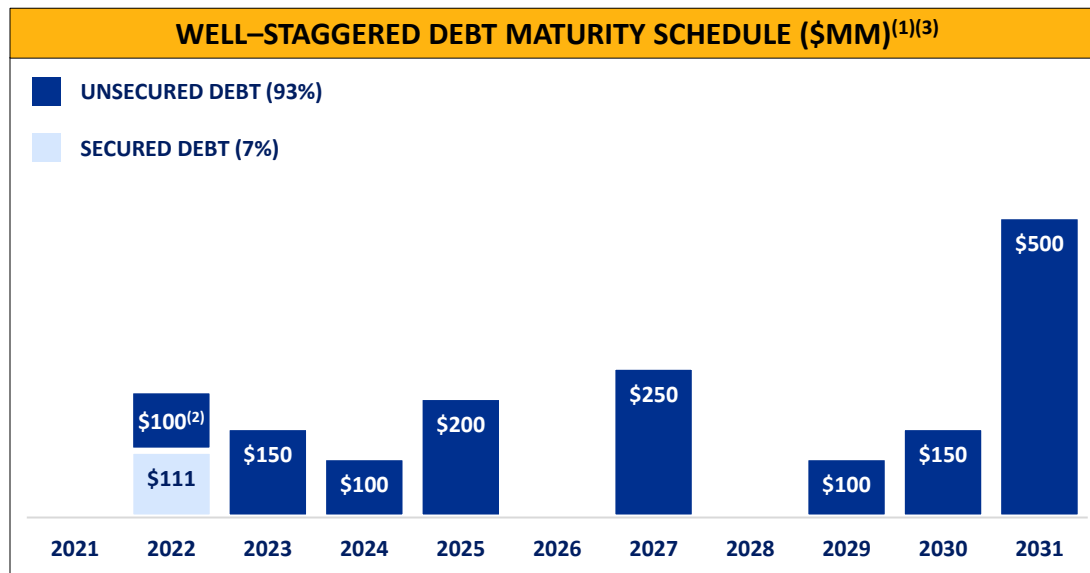
**A HISTORY OF SUCCESS.  
A FUTURE OF OPPORTUNITY.**

## **Capital Management and Financial Summary**



# Balance Sheet and Liquidity

- Cash Balance as of February 19, 2020: \$379 million
- As of January 31, 2021, AAT has no debt obligations maturing during the remainder of 2021



INVESTMENT GRADE CREDIT RATINGS	
FITCH	BBB (STABLE)
MOODY'S	Baa3 (STABLE)
STANDARD & POOR'S	BBB- (STABLE)

(1) As of 1/31/2021, unless noted.

(2) \$100 million Term Loan A has a stated maturity of January 9, 2022, subject to our option to extend Term Loan A up to two times, with each such extension for a one-year period.

(3) Debt Maturity Schedule reflects the issuance of \$500 million of 3.375% senior unsecured notes due February 1, 2031, the prepayment of the \$150 million Senior Guaranteed Notes, Series A, due October 31, 2021, with make-whole thereon, and repayment of the \$100 million outstanding balance on our unsecured line of credit each in January 2021.



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

## **Appendix**

# Pacific Ridge Apartments

## San Diego, CA





# Embassy Suites Waikiki Beach

## Honolulu, HI

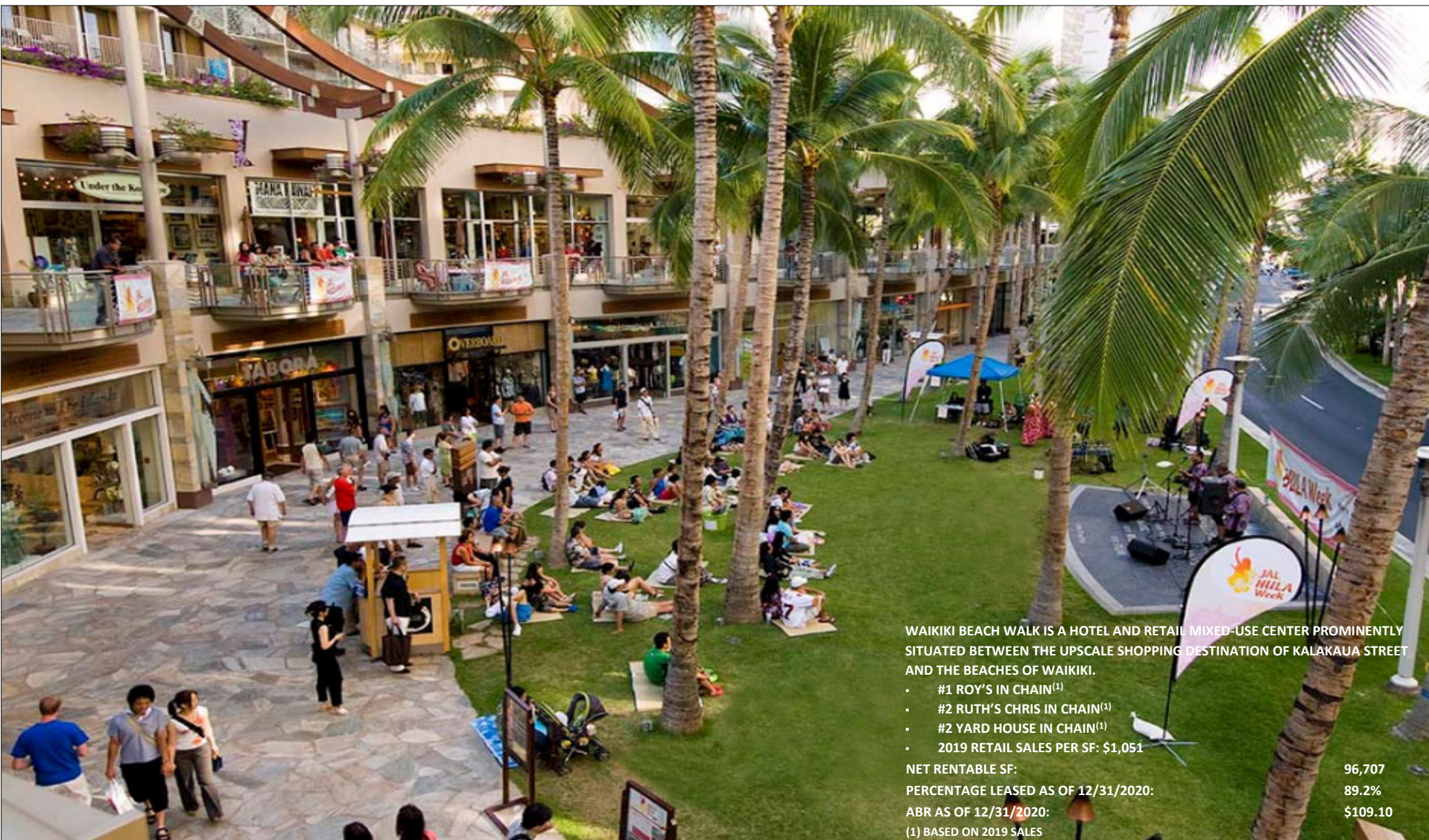


ROOMS:	369
AVERAGE OCCUPANCY AS OF 12/31/2020:	46.8%
AVERAGE DAILY RATE AS OF 12/31/2020:	\$205.17
REVPAR AS OF 12/31/2020:	\$96.05



# 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<sup>(1)</sup>
- #2 RUTH'S CHRIS IN CHAIN<sup>(1)</sup>
- #2 YARD HOUSE IN CHAIN<sup>(1)</sup>
- 2019 RETAIL SALES PER SF: \$1,051

NET RENTABLE SF:

96,707

PERCENTAGE LEASED AS OF 12/31/2020:

89.2%

ABR AS OF 12/31/2020:

\$109.10

(1) BASED ON 2019 SALES



# Torrey Point

San Diego, CA





# First and Main

Portland, OR





# City Center

Bellevue, WA





# Overview of ESG 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, social responsibility and governance.**

## TEAM

AAT's Environmental Sustainability, Social Responsibility and Governance Committee (ESG Committee) is comprised of members from each department at AAT including Operations, Legal, Human Resources and Finance departments:

- 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 ESG Committee works in collaboration with our property managers and engineers to aggregate data for existing sustainability practices and develop new sustainability initiatives for implementation:

- Created policies and procedures to verify a portfolio property's practices, track and aggregate data, submit for certifications and meet critical deadlines

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

- Utility usage metrics including energy, water and greenhouse gases
- Awards/Certifications
- Projects & Audits

## GOALS

- Continue our transparency as it relates to our sustainability practice with our annual ESG report and GRESB submission
- To implement additional Environmental, Social and Governance commitments and initiatives
- Further align our sustainability practice with industry accepted reporting standards

# Overview of ESG Practices

## Some of our sustainable specific accomplishments:

### ■ Environmental Sustainability:

- With our actions and operations, in 2020, we increased our overall Global Real Estate Sustainability Benchmark, or GRESB, Score by 14 points.
- We have installed 171 electric vehicle charging (EVC) stations spread across 13 properties. We intend to install additional EVC stations to meet the rising demand.
- At Lloyd Center Tower, in 2020 we purchased renewable energy certificates (RECs) through Pacific Power's Blue Sky Renewable Energy program equating to approximately 3.2 million kWh of solar and wind generated electricity.
- Continued investment in LED lighting retrofitting projects for interior, exterior and garage lighting, for our properties across all asset types.
- Since implementing DocuSign in 2015, we materially reduced our reliance on printing and shipping, thus decreasing our greenhouse gas emissions: to date, we have saved approximately 28,845 pounds of wood, or 87 trees, 84,933 gallons of water, or 61 washing machines, 67,706 pounds of carbon emission, or 6 cars, and 4,687 pounds of waste, or 78 trash cans.
- 8 properties in our portfolio (comprising a total of 9 office buildings and 3 multifamily buildings), are Leadership in Energy and Environmental Design (or LEED) Certified, consisting of approximately 3.3 million square feet, including 657 multifamily units, in the aggregate.
- Landmark @ One Market, a LEED Gold and ENERGY STAR certified historical office building, originally built in 1917, was the first building in San Francisco to be certified by the Building Research Establishment Environmental Assessment Method (or BREEAM) USA standard for existing buildings.
- Continued investment in LED lighting retrofitting projects for interior, exterior and garage lighting, for our properties across all asset types.
- As part of our Hassalo on Eighth design, we developed, installed and operate 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. It was also designed to reduce water usage by 50%, or approximately 7,300,000 gallons of water per year.

### ■ Social Responsibility and Governance:

- In partnership with a local San Diego radio station, we created the Tribute to Teachers program, a program that honors local school educators for their outstanding work inside and outside of the classroom. In 2020, we honored 4 educators, and since the start of the program in 2014, we have honored 32 educators.
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- We participate in community awareness programs including sponsoring over 394 blood drives across our properties in 4 different states in 2020.
- With our full support, our employees volunteer their time and energy for various community service projects including the physical renovation and refresh of community centers of various local non-profit organizations, including the Boys & Girls Club and the Salvation Army.
- We promote and encourage a healthy and balanced living for our employees by providing health and wellness seminars, workshops promoting preventative care and health screenings.
- AAT and AAT's employee adheres to various governance guidelines, policies, laws, rules and regulations. Every employee, executive officer and member of our BOD are required to annually review and recertify their commitment to AAT's Code of Business Conduct and Ethics Policy and Insider Trading Compliance Program.
- To provide guidance to our tenants, and in addition to Green Lease clauses, we created Tenant Sustainability Guidelines to help tenants form their sustainability policy.
- To further align our stakeholders to our governance practice, we created and require all vendors and contractors to adhere to a Vendor Code of Conduct when conducting business with AAT.

# 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, 2020 is as follows:

(\$000's; includes discontinued operations)

	YEAR ENDED DECEMBER 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NET INCOME	\$ 35,588	\$ 60,188	\$ 27,202	\$ 40,132	\$ 45,637	\$ 53,915	\$ 31,145	\$ 22,594	\$ 51,601	\$ 19,324
DEPRECIATION AND AMORTIZATION	108,292	96,205	107,093	83,278	71,319	63,392	66,568	66,775	63,011	58,543
INTEREST EXPENSE	53,440	54,008	52,248	53,848	51,936	47,260	52,965	58,020	59,043	56,552
INTEREST INCOME	(436)	(696)	(238)	(548)	(72)	(90)	(155)	(148)	(336)	(1,621)
INCOME TAX EXPENSE/(BENEFIT)	(9)	819	327	214	566	295	460	645	1,016	831
GAIN ON SALE OF REAL ESTATE	-	(633)	-	-	-	(7,121)	-	-	(36,720)	(3,981)
EBITDAre	\$ 196,875	\$ 209,891	\$ 186,632	\$ 176,924	\$ 169,386	\$ 157,651	\$ 150,983	\$ 147,886	\$ 137,615	\$ 129,648

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.

Annualized base rent (ABR) is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) under commenced leases for the month ended December 31, 2020 by 12. 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. 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)

**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, 2020 is as follows:

(\$000's, except per share amounts; includes discontinued operations)

	YEAR ENDED DECEMBER 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NET INCOME	\$ 35,588	\$ 60,188	\$ 27,202	\$ 40,132	\$ 45,637	\$ 53,915	\$ 31,145	\$ 22,594	\$ 51,601	\$ 19,324
DEPRECIATION AND AMORTIZATION OF REAL ESTATE ASSETS	108,292	96,205	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	-	(633)	-	-	-	(7,121)	-	-	(36,720)	(3,981)
<b>FFO, AS DEFINED BY NAREIT</b>	<b>\$ 143,880</b>	<b>\$ 155,760</b>	<b>\$ 134,295</b>	<b>\$ 123,410</b>	<b>\$ 116,956</b>	<b>\$ 110,186</b>	<b>\$ 97,713</b>	<b>\$ 89,369</b>	<b>\$ 77,892</b>	<b>\$ 74,574</b>
LESS: NONFORFEITABLE DIVIDENDS ON RESTRICTED STOCK AWARDS	(377)	(376)	(305)	(236)	(183)	(159)	(137)	(357)	(354)	(316)
LESS: FFO ATTRIBUTABLE TO PREDECESSOR'S CONTROLLED AND NONCONTROLLED OWNERS' EQUITY	-	-	-	-	-	-	-	-	-	(16,973)
<b>FFO ATTRIBUTABLE TO COMMON STOCK</b>	<b>\$ 143,503</b>	<b>\$ 155,384</b>	<b>\$ 133,990</b>	<b>\$ 123,174</b>	<b>\$ 116,773</b>	<b>\$ 110,027</b>	<b>\$ 97,576</b>	<b>\$ 89,012</b>	<b>\$ 77,538</b>	<b>\$ 57,285</b>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	76,122	70,789	64,139	64,090	63,231	62,343	60,256	57,726	57,263	54,417
<b>FFO PER DILUTED SHARE</b>	<b>\$ 1.89</b>	<b>\$ 2.20</b>	<b>\$ 2.09</b>	<b>\$ 1.92</b>	<b>\$ 1.85</b>	<b>\$ 1.76</b>	<b>\$ 1.62</b>	<b>\$ 1.54</b>	<b>\$ 1.35</b>	<b>\$ 1.05</b>

# 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.