

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of Earliest Event Reported):
July 27, 2021



American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35030
(Commission
File No.)

27-3338708
(I.R.S. Employer
Identification No.)

3420 Carmel Mountain Road, Suite 100
San Diego, California 92121
(Address of principal executive offices and Zip Code)

(858) 350-2600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Name of Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
American Assets Trust, Inc.	Common Stock, par value \$0.01 per share	AAT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On July 27, 2021, American Assets Trust, Inc. (the "Company") issued a press release regarding its financial results for the quarter ending June 30, 2021. Also on July 27, 2021, the Company made available on the "Investors" page of its website at www.americanassetstrust.com certain supplemental information concerning the Company's financial results and operations for the quarter ending June 30, 2021. Copies of the press release and supplemental information are attached hereto as Exhibits 99.1 and 99.2, respectively.

Exhibits 99.1 and 99.2, are being furnished pursuant to Item 2.02 and shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arranges of Certain Officers.

On July 23, 2021, the Board of Directors of the Company appointed Adam Wyll to the position of President and Chief Operating Officer. Mr. Wyll has served as the Company's Executive Vice President and Chief Operating Officer since November 2019 and as the Company's Senior Vice President, General Counsel and Secretary from the Company's initial public offering in January 2011 until November 2019. Mr. Wyll holds a doctorate of jurisprudence degree from the University of Texas at Austin, School of Law and bachelor of business administration degree in finance from the University of Texas at Austin, School of Business. Ernest Rady will continue to serve as the Chairman of the Board of Directors and Chief Executive Officer of the Company.

Item 7.01 Regulation FD Disclosure.

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the quarter ending June 30, 2021 and made available on its website certain supplement information relating thereto.

The information being furnished pursuant to Item 7.01 and shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1**	Press release issued by American Assets Trust, Inc. on July 27, 2021.
99.2**	American Assets Trust, Inc. Supplemental Information for the quarter ended June 30, 2021.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).

** Furnished herewith

SIGNATURES

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

American Assets Trust, Inc.

By: /s/ Robert F. Barton

Robert F. Barton

Executive Vice President, CFO

July 27, 2021



American Assets Trust, Inc. Reports Second Quarter 2021 Financial Results

Net income available to common stockholders of \$8.9 million and \$10.2 million for the three and six months ended June 30, 2021, respectively, or \$0.15 and \$0.17 per diluted share, respectively

Funds From Operations per diluted share increased 6% and decreased 14% year-over-year for the three and six months ended June 30, 2021, respectively, or \$0.51 and \$0.89 per diluted share, respectively

On a sequential basis, Funds From Operations per diluted share increased 34% from the first to the second quarter of 2021, from \$0.38 to \$0.51 per diluted share

SAN DIEGO, California - 7/27/2021 - American Assets Trust, Inc. (NYSE: AAT) (the “company”) today reported financial results for its second quarter ended June 30, 2021.

Second Quarter Highlights

- Net income available to common stockholders of \$8.9 million and \$10.2 million for the three and six months ended June 30, 2021, respectively, or \$0.15 and \$0.17 per diluted share, respectively.
- Funds From Operations increased 6% and decreased 14% year-over-year to \$0.51 and \$0.89 per diluted share for the three and six months ended June 30, 2021, respectively, compared to the same periods in 2020.
- On a sequential basis, Funds From Operations per diluted share increased 34% from the first to the second quarter of 2021, from \$0.38 to \$0.51 per diluted share.
- Same-store cash NOI increased 23.3% and 6.4% year-over-year for the three and six months ended June 30, 2021, respectively. Excluding lease termination fees, same-store cash NOI would have been 23.0% and 5.7% for the three and six months ended June 30, 2021, respectively.
- For the three months ended June 30, 2021, we have collected 99% of office rents, 92% of retail rents (including the retail component of Waikiki Beach Walk) and 94% of multifamily rents, that were due during the second quarter.
- Total collections increased to 96% in the second quarter of 2021.
- Leased approximately 47,000 comparable office square feet at an average straight-line basis and cash-basis contractual rent increase of 15% and increase of 9%, respectively, during the three months ended June 30, 2021.
- Leased approximately 110,000 comparable retail square feet at an average straight-line basis and cash-basis contractual rent decrease of 16% and decrease of 20%, respectively, during the three months ended June 30, 2021.

Eastgate Office Park

- Closed on acquisition of Eastgate Office Park on July 7, 2021, consisting of an approximately 280,000 square foot, multi-tenant office campus in the premier I-90 corridor submarket of Bellevue, Washington for \$125 million.

Financial Results

Net income attributable to common stockholders was \$8.9 million, or \$0.15 per basic and diluted share for the three months ended June 30, 2021 compared to \$7.7 million, or \$0.13 per basic and diluted share for the three months ended June 30, 2020. For the six months ended June 30, 2021, net income attributed to common stockholders was \$10.2 million, or \$0.17 per basic and diluted share compared to \$19.7 million, or \$0.33 per basic and diluted share for the six months ended June 30, 2020. The year-over-year decrease in net income attributable to common stockholders is primarily due to (i) a \$4.3 million debt extinguishment charge related to the repayment of the

company's Senior Guaranteed Notes, Series A on January 26, 2021, (ii) a \$2.4 million decrease in rental revenue for tenants who were changed to cash basis of revenue recognition during 2020 as the collectability was determined to be no longer probable for certain tenants at Alamo Quarry Market, Carmel Mountain Plaza, Del Monte Center, The Shops at Kalakaua, and Waikiki Beach Walk Retail, in large part due to, collection challenges with our movie theatres and gyms and a reduction in Hawaii tourism, (iii) a decrease in revenue at our Waikiki Beach Walk Retail and Embassy Suites Hotel due to the COVID-19 pandemic causing a decline in occupancy, (iv) increase in interest expense related to our \$500 million public bond offering at 3.375% issued in January of 2021. These decreases were partially offset by an incremental increase in annualized base rents at La Jolla Commons, City Center Bellevue, and Torrey Reserve Campus.

During the second quarter of 2021, the company generated Funds From Operations ("FFO") for common stockholders of \$39.0 million, or \$0.51 per diluted share, compared to \$36.3 million, or \$0.48 per diluted share, for the second quarter of 2020. For the six months ended June 30, 2021, the company generated FFO for common stockholders of \$68.1 million, or \$0.89 per diluted share, compared to \$79.1 million, or \$1.04 per diluted share, for the six months ended June 30, 2020. The decrease in FFO from the corresponding period in 2020 was primarily due to the above described debt extinguishment charge, increase in interest expense related to the \$500 million public bond offering and a decrease in rental revenue from tenants who were changed to cash basis of revenue recognition, and a decrease in revenue at our Waikiki Beach Walk Retail and Embassy Suites Hotel, partially offset by an increase in revenue and annualized base rents in our office segment.

FFO is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of FFO to net income is attached to this press release.

Leasing

The portfolio leased status as of the end of the indicated quarter was as follows:

	June 30, 2021	March 31, 2021	June 30, 2020
Total Portfolio			
Office	90.3%	91.4%	94.4%
Retail	91.1%	90.8%	94.7%
Multifamily	87.8%	91.9%	85.1%
Mixed-Use:			
Retail	89.2%	88.2%	95.7%
Hotel ⁽¹⁾	67.2%	47.5%	46.4%
Same-Store Portfolio			
Office ⁽²⁾	92.6%	93.7%	96.4%
Retail	91.1%	90.8%	94.7%
Multifamily	87.8%	91.9%	85.1%

(1) Based on quarter-to-date average occupancy for the three months ended June 30, 2021. The rate for the month of June 2021 was \$316.18 and the occupancy was 82.9%.

(2) Same-store office leased percentages excludes One Beach Street due to significant redevelopment activity.

During the second quarter of 2021, the company signed 44 leases for approximately 171,500 square feet of office and retail space, as well as 511 multifamily apartment leases. Renewals accounted for 62% of the comparable office leases, 77% of the comparable retail leases, and 44% of the residential leases.

Office and Retail

On a comparable space basis (i.e. leases for which there was a former tenant) during the second quarter of 2021 and trailing four quarters ended June 30, 2021, our retail and office leasing spreads are shown below:

		Number of Leases Signed	Comparable Leased Sq. Ft.	Average Cash Basis % Change Over Prior Rent	Average Cash Contractual Rent Per Sq. Ft.	Prior Average Cash Contractual Rent Per Sq. Ft.	Straight-Line Basis % Change Over Prior Rent
Office	Q2 2021	13	47,000	9.3%	\$47.16	\$43.16	14.7%
	Last 4 Quarters	43	190,000	4.1%	\$45.02	\$43.26	7.6%
Retail	Q2 2021	26	110,000	(20.3)%	\$47.42	\$59.48	(15.7)%
	Last 4 Quarters	89	374,000	(13.7)%	\$38.53	\$44.63	(9.0)%

Multifamily

The average monthly base rent per leased unit for same-store properties for the second quarter of 2021 was \$2,187 compared to an average monthly base rent per leased unit of \$2,152 for the second quarter of 2020, which is an increase of approximately 2%.

Same-Store Cash Net Operating Income

For the three and six months ended June 30, 2021, same-store cash NOI decreased 23.3% and 6.4%, respectively, compared to the three and six months ended June 30, 2020. The same-store cash NOI by segment was as follows (in thousands):

	Three Months Ended ⁽¹⁾ June 30,			Six Months Ended ⁽¹⁾ June 30,		
	2021	2020	Change	2021	2020	Change
Cash Basis:						
Office ⁽²⁾	\$ 30,088	\$ 26,897	11.9	\$ 56,886	\$ 53,591	6.1 %
Retail ⁽²⁾	17,142	9,257	85.2 %	31,859	27,660	15.2
Multifamily	6,651	7,555	(12.0)	13,454	14,821	(9.2)
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI ⁽³⁾	\$ 53,881	\$ 43,709	23.3 %	\$ 102,199	\$ 96,072	6.4 %

(1) Same-store portfolio excludes (i) One Beach Street due to significant redevelopment activity; (ii) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (iii) land held for development.

(2) Same-store cash NOI for the three and six months ended June 30, 2021 includes cash lease termination fees received of \$0.5 million and \$0.6 million, respectively.

(3) Excluding lease termination fees for the three and six months ended June 30, 2021, same-store cash NOI would have been 23.0% and 5.7%, respectively.

Same-store cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of same-store cash NOI to net income is attached to this press release.

Balance Sheet and Liquidity

At June 30, 2021, the company had gross real estate assets of \$3.3 billion and liquidity of \$718.3 million, comprised of cash and cash equivalents of \$368.3 million and \$350.0 million of availability on its line of credit, which the company believes is sufficient to meet the company's short-term liquidity requirements. At June 30, 2021, the company has only 1 out of 28 assets encumbered by a mortgage. The company has no debt obligations maturing during the remainder of 2021.

Dividends

The company declared dividends on its shares of common stock of \$0.28 per share for the second quarter of 2021. The dividends were paid on June 24, 2021.

In addition, the company has declared a dividend on its common stock of \$0.30 per share for the third quarter of 2021. The dividend will be paid in cash on September 23, 2021 to stockholders of record on September 9, 2021. The company increased the dividend from \$0.28 per share in the second quarter of 2021 based on the company's rent collection in the second quarter and better than anticipated revenue at Waikiki Beach Walk - Embassy Suites Hotel.

COVID-19 Operational Update

Rent Collection for the Second Quarter of 2021 and July 2021⁽¹⁾

	April	May	June	Q2 Average	July
Office	99.3%	99.3%	99.1%	99.3%	99.0%
Retail	94.3%	94.2%	95.6%	94.7%	93.1%
Multifamily	94.3%	93.8%	94.6%	94.2%	91.1%
Mixed-Use ⁽²⁾	69.7%	71.6%	72.4%	71.2%	63.4%
Average	95.9%	96.0%	96.5%	96.1%	94.8%

(1) Data as of July 15, 2021.

(2) Includes only the retail portion of Waikiki Beach Walk Retail and Embassy Suites Hotel.

Rent Deferrals

As of June 30, 2021, we have entered into deferral agreements for \$8.2 million of recurring rents related to the second quarter of 2020 through the second quarter of 2021. The weighted average payback period of the deferral agreements is approximately 38 months. Revenue from approximately 66% of tenants with deferral agreements is recognized on a straight-line basis comprising approximately 42% of the deferred amount. For the second quarter of 2021, we collected approximately 94% of the \$0.8 million of the deferred rent repayments due during the period.

Conference Call

The company will hold a conference call to discuss the results for the second quarter of 2021 on Wednesday, July 28, 2021 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-877-868-5513 and use the pass code 8731469. A telephonic replay of the conference call will be available beginning at 2:00 p.m. PT on Wednesday, July 28, 2021 through Wednesday, August 4, 2021. To access the replay, dial 1-855-859-2056 and use the pass code 8731469. A live on-demand audio webcast of the conference call will be available on the company's website at www.americanassetstrust.com. A replay of the call will also be available on the company's website.

Supplemental Information

Supplemental financial information regarding the company's second quarter 2021 results may be found on the "Financial Reporting" tab of the "Investors" page of the company's website at www.americanassetstrust.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

Financial Information
American Assets Trust, Inc.
Consolidated Balance Sheets
(In Thousands, Except Share Data)

	<u>June 30, 2021</u> (unaudited)	<u>December 31, 2020</u>
Assets		
Real estate, at cost		
Operating real estate	\$ 3,171,449	\$ 3,155,280
Construction in progress	115,546	91,047
Held for development	547	547
	<u>3,287,542</u>	<u>3,246,874</u>
Accumulated depreciation	(801,482)	(754,140)
Real estate, net	2,486,060	2,492,734
Cash and cash equivalents	368,266	137,333
Restricted cash	1,716	1,716
Accounts receivable, net	6,582	6,938
Deferred rent receivables, net	77,674	72,476
Other assets, net	105,233	106,112
Total assets	<u>\$ 3,045,531</u>	<u>\$ 2,817,309</u>
Liabilities and equity		
Liabilities:		
Secured notes payable, net	\$ 110,944	\$ 110,923
Unsecured notes payable, net	1,537,307	1,196,677
Unsecured line of credit, net	—	99,151
Accounts payable and accrued expenses	80,291	59,262
Security deposits payable	6,728	6,590
Other liabilities and deferred credits, net	83,115	91,300
Total liabilities	<u>1,818,385</u>	<u>1,563,903</u>
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,474,866 and 60,476,292 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	605	605
Additional paid-in capital	1,448,612	1,445,644
Accumulated dividends in excess of net income	(199,956)	(176,560)
Accumulated other comprehensive income	2,122	1,753
Total American Assets Trust, Inc. stockholders' equity	<u>1,251,383</u>	<u>1,271,442</u>
Noncontrolling interests	(24,237)	(18,036)
Total equity	<u>1,227,146</u>	<u>1,253,406</u>
Total liabilities and equity	<u>\$ 3,045,531</u>	<u>\$ 2,817,309</u>

American Assets Trust, Inc.
Unaudited Consolidated Statements of Operations
(In Thousands, Except Shares and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue:				
Rental income	\$ 87,639	\$ 79,230	\$ 168,769	\$ 171,300
Other property income	4,170	2,879	7,026	7,552
Total revenue	91,809	82,109	175,795	178,852
Expenses:				
Rental expenses	20,204	16,981	38,450	39,549
Real estate taxes	10,612	8,961	21,966	20,006
General and administrative	6,924	6,679	13,747	13,499
Depreciation and amortization	27,646	26,493	55,147	53,955
Total operating expenses	65,386	59,114	129,310	127,009
Operating income	26,423	22,995	46,485	51,843
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt	—	—	(4,271)	—
Other income (expense), net	(74)	162	(127)	270
Net income	11,487	9,826	13,220	25,310
Net income attributable to restricted shares	(135)	(69)	(272)	(173)
Net income attributable to unitholders in the Operating Partnership	(2,411)	(2,101)	(2,750)	(5,413)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 8,941	\$ 7,656	\$ 10,198	\$ 19,724
Net income per share				
Basic income attributable to common stockholders per share	\$ 0.15	\$ 0.13	\$ 0.17	\$ 0.33
Weighted average shares of common stock outstanding - basic	59,985,787	59,724,139	59,985,065	59,723,605
Diluted income attributable to common stockholders per share	\$ 0.15	\$ 0.13	\$ 0.17	\$ 0.33
Weighted average shares of common stock outstanding - diluted	76,167,324	76,114,687	76,166,602	76,114,153
Dividends declared per common share	\$ 0.28	\$ 0.20	\$ 0.56	\$ 0.50

Reconciliation of Net Income to Funds From Operations

The company's FFO attributable to common stockholders and operating partnership unitholders and reconciliation to net income is as follows (in thousands except shares and per share data, unaudited):

	Three Months Ended		Six Months Ended	
	June 30, 2021		June 30, 2021	
Funds From Operations (FFO)				
Net income	\$	11,487	\$	13,220
Depreciation and amortization of real estate assets		27,646		55,147
FFO, as defined by NAREIT	\$	39,133	\$	68,367
Less: Nonforfeitable dividends on restricted stock awards		(134)		(269)
FFO attributable to common stock and units	\$	38,999	\$	68,098
FFO per diluted share/unit	\$	0.51	\$	0.89
Weighted average number of common shares and units, diluted		76,167,246		76,166,158

Reconciliation of Same-Store Cash NOI to Net Income

The company's reconciliation of Same-Store Cash NOI to Net Income is as follows (in thousands, unaudited):

	Three Months Ended ⁽¹⁾		Year Ended ⁽¹⁾	
	June 30,		June 30,	
	2021	2020	2021	2020
Same-store cash NOI	53,881	\$ 43,709	\$ 102,199	\$ 96,072
Non-same-store cash NOI	4,628	(1,463)	6,022	2,867
Tenant improvement reimbursements ⁽²⁾	220	202	291	2,998
Cash NOI	\$ 58,729	\$ 42,448	\$ 108,512	\$ 101,937
Non-cash revenue and other operating expenses ⁽³⁾	2,264	13,719	6,867	17,360
General and administrative	(6,924)	(6,679)	(13,747)	(13,499)
Depreciation and amortization	(27,646)	(26,493)	(55,147)	(53,955)
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt	—	—	(4,271)	—
Other income (expense), net	(74)	162	(127)	270
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310

Number of properties included in same-store analysis	26	24	26	24
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(1) Same-store portfolio excludes (i) One Beach Street, due to significant redevelopment activity; (ii) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (iii) land held for development.

(2) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

(3) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; net change in lease receivables, the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, and straight-line rent expense for our lease of the Annex at The Landmark at One Market.

Reported results are preliminary and not final until the filing of the company's Form 10-Q with the Securities and Exchange Commission and, therefore, remain subject to adjustment.

Use of Non-GAAP Information

Funds from Operations

The company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year-over-year, captures trends in occupancy rates, rental rates and operating costs. The company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the company's operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the company's properties, all of which have real economic effects and could materially impact the company's results from operations, the utility of FFO as a measure of the company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the company does, and, accordingly, the company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the company's performance. FFO should not be used as a measure of the company's liquidity, nor is it indicative of funds available to fund the company's cash needs, including the company's ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Cash Net Operating Income

The company uses cash net operating income ("NOI") internally to evaluate and compare the operating performance of the company's properties. 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. Cash NOI is a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP.

Cash NOI, is a non-GAAP financial measure of performance. The company defines cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, net change in lease receivables, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other nonproperty income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the company's cash NOI may not be comparable to the cash NOIs of other REITs.

About American Assets Trust, Inc.

American Assets Trust, Inc. is a full service, vertically integrated and self-administered real estate investment trust, or REIT, headquartered in San Diego, California. The company has over 50 years of experience in acquiring, improving, developing and managing premier office, retail, and residential properties throughout the United States in some of the nation's most dynamic, high-barrier-to-entry markets primarily in Southern California, Northern California, Oregon, Washington, Texas and Hawaii. The company's office portfolio comprises approximately 3.7 million rentable square feet, and its retail portfolio comprises approximately 3.1 million square feet. In addition, the company owns one mixed-use property (including approximately 97,000 rentable square feet of retail space and a 369-room all-suite hotel) and 2,112 multifamily units. In 2011, the company was formed to succeed to the real estate business of American Assets, Inc., a privately held corporation founded in 1967 and, as such, has significant experience, long-standing relationships and extensive knowledge of its core markets, submarkets and asset classes. For additional information, please visit www.americanassetstrust.com.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. While forward-looking statements reflect the company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. 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 the company, its tenants and guests, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the company, its 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. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the company's most recent 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. The company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

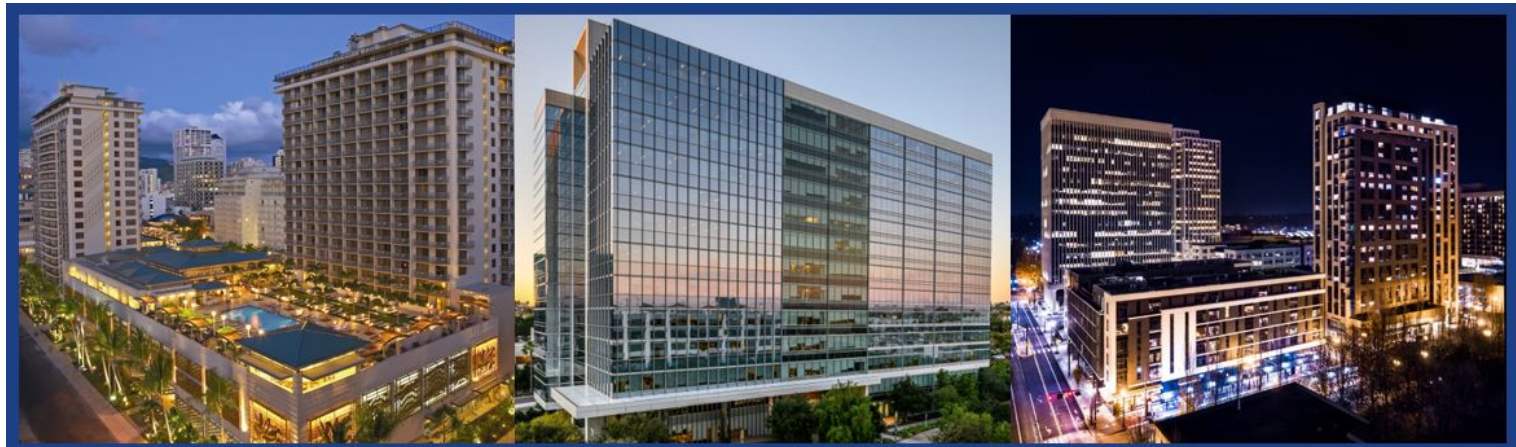
Source: American Assets Trust, Inc.

Investor and Media Contact:

American Assets Trust
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

SECOND QUARTER 2021

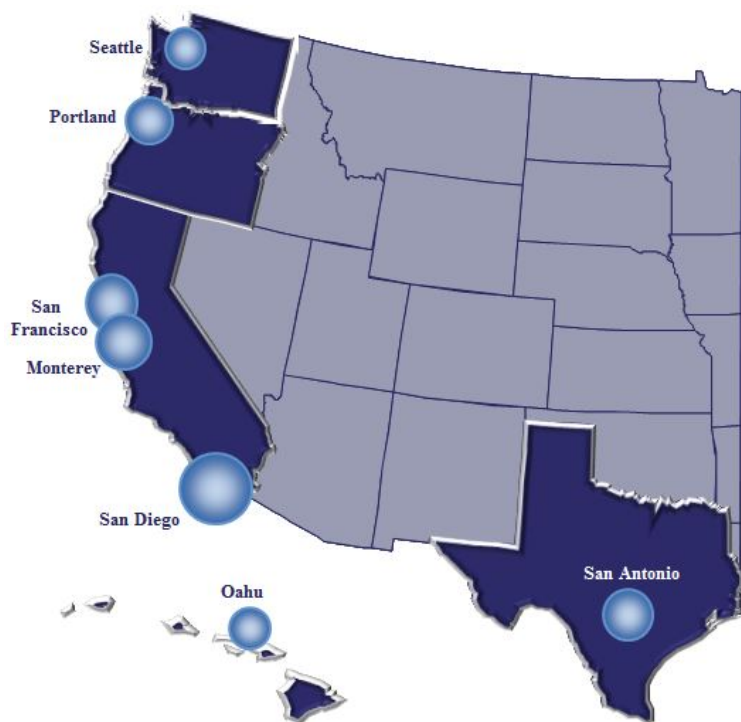
Supplemental Information



Investor and Media Contact
American Assets Trust, Inc.
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

AMERICAN
ASSETS
TRUST 

**American Assets Trust, Inc.'s Portfolio is concentrated in high-barrier-to-entry markets
with favorable supply/demand characteristics**



Market	Office	Retail	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
San Diego	1,550,673	1,322,012	1,455 ⁽¹⁾	—	—
San Francisco	522,696	35,159	—	—	—
Oahu	—	429,718	—	96,707	369
Monterey	—	673,155	—	—	—
San Antonio	—	588,148	—	—	—
Portland	876,243	44,236	657	—	—
Seattle	497,666	—	—	—	—
Total	3,447,278	3,092,428	2,112	96,707	369

Note: Circled areas represent all markets in which American Assets Trust, Inc. currently owns and operates its real estate properties. Size of circle denotes approximation of square feet / units. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.

Data is as of June 30, 2021.

(1) Includes 122 RV spaces.

(2) Percentage of Net Operating Income (NOI) calculated for the three months ended June 30, 2021. Reconciliation of NOI to net income is included in the Glossary of Terms.

	Square Feet	%	NOI % ⁽²⁾
Office	3.4 million	52%	54%
Retail	3.1 million	48%	27%
Totals	6.5 million		

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This Supplemental Information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: adverse economic or real estate developments in our markets; our failure to generate sufficient cash flows to service our outstanding indebtedness; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; difficulties in identifying properties to acquire and completing acquisitions; difficulties in completing dispositions; our failure to successfully operate acquired properties and operations; our inability to develop or redevelop our properties due to market conditions; fluctuations in interest rates and increased operating costs; risks related to joint venture arrangements; our failure to obtain necessary outside financing; on-going litigation; general economic conditions; financial market fluctuations; risks that affect the general retail, office, multifamily and mixed-use environment; the competitive environment in which we operate; decreased rental rates or increased vacancy rates; conflicts of interests with our officers or directors; lack or insufficient amounts of insurance; environmental uncertainties and risks related to adverse weather conditions and natural disasters; other factors affecting the real estate industry generally; limitations imposed on our business and our ability to satisfy complex rules in order for us to continue to qualify as a REIT for U.S. federal income tax purposes; and changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs. Currently, one of the most significant risk factors, is the potential adverse effect of the current COVID-19 pandemic on our financial condition, results of operations, cash flows and performance or that of, 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.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, refer to our most recent Annual Report on Form 10-K and other risks described in documents subsequently filed by us from time to time with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except shares and per share data)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	(unaudited)	(audited)
ASSETS		
Real estate, at cost		
Operating real estate	\$ 3,171,449	\$ 3,155,280
Construction in progress	115,546	91,047
Held for development	547	547
	<u>3,287,542</u>	<u>3,246,874</u>
Accumulated depreciation	(801,482)	(754,140)
Net real estate	2,486,060	2,492,734
Cash and cash equivalents	368,266	137,333
Restricted cash	1,716	1,716
Accounts receivable, net	6,582	6,938
Deferred rent receivable, net	77,674	72,476
Other assets, net	105,233	106,112
TOTAL ASSETS	<u>\$ 3,045,531</u>	<u>\$ 2,817,309</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Secured notes payable, net	\$ 110,944	\$ 110,923
Unsecured notes payable, net	1,537,307	1,196,677
Unsecured line of credit, net	—	99,151
Accounts payable and accrued expenses	80,291	59,262
Security deposits payable	6,728	6,590
Other liabilities and deferred credits, net	83,115	91,300
Total liabilities	<u>1,818,385</u>	<u>1,563,903</u>
Commitments and contingencies		
EQUITY:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,474,866 and 60,476,292 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	605	605
Additional paid in capital	1,448,612	1,445,644
Accumulated dividends in excess of net income	(199,956)	(176,560)
Accumulated other comprehensive income	2,122	1,753
Total American Assets Trust, Inc. stockholders' equity	<u>1,251,383</u>	<u>1,271,442</u>
Noncontrolling interests	(24,237)	(18,036)
Total equity	<u>1,227,146</u>	<u>1,253,406</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,045,531</u>	<u>\$ 2,817,309</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
REVENUE:				
Rental income	\$ 87,639	\$ 79,230	\$ 168,769	\$ 171,300
Other property income	4,170	2,879	7,026	7,552
Total revenue	91,809	82,109	175,795	178,852
EXPENSES:				
Rental expenses	20,204	16,981	38,450	39,549
Real estate taxes	10,612	8,961	21,966	20,006
General and administrative	6,924	6,679	13,747	13,499
Depreciation and amortization	27,646	26,493	55,147	53,955
Total operating expenses	65,386	59,114	129,310	127,009
OPERATING INCOME	26,423	22,995	46,485	51,843
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt			(4,271)	—
Other (expense) income, net	(74)	162	(127)	270
NET INCOME	11,487	9,826	13,220	25,310
Net income attributable to restricted shares	(135)	(69)	(272)	(173)
Net income attributable to unitholders in the Operating Partnership	(2,411)	(2,101)	(2,750)	(5,413)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS	\$ 8,941	\$ 7,656	\$ 10,198	\$ 19,724
EARNINGS PER COMMON SHARE				
Basic income from operations attributable to common stockholders per share	\$ 0.15	\$ 0.13	\$ 0.17	\$ 0.33
Weighted average shares of common stock outstanding - basic	59,985,787	59,724,139	59,985,065	59,723,605
Diluted income from continuing operations attributable to common stockholders per share	\$ 0.15	\$ 0.13	\$ 0.17	\$ 0.33
Weighted average shares of common stock outstanding - diluted	76,167,324	76,114,687	76,166,602	76,114,153

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Funds from Operations (FFO) ⁽¹⁾				
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310
Depreciation and amortization of real estate assets	27,646	26,493	55,147	53,955
FFO, as defined by NAREIT	39,133	36,319	68,367	79,265
Less: Nonforfeitable dividends on restricted stock awards	(134)	(68)	(269)	(170)
FFO attributable to common stock and common units	<u>\$ 38,999</u>	<u>\$ 36,251</u>	<u>\$ 68,098</u>	<u>\$ 79,095</u>
FFO per diluted share/unit	<u>\$ 0.51</u>	<u>\$ 0.48</u>	<u>\$ 0.89</u>	<u>\$ 1.04</u>
Weighted average number of common shares and common units, diluted ⁽²⁾	<u>76,167,246</u>	<u>76,115,546</u>	<u>76,166,158</u>	<u>76,114,609</u>
Funds Available for Distribution (FAD) ⁽¹⁾	<u>\$ 26,453</u>	<u>\$ 10,137</u>	<u>\$ 44,482</u>	<u>\$ 29,202</u>
Dividends				
Dividends declared and paid	\$ 21,464	\$ 15,293	\$ 42,927	\$ 38,230
Dividends declared and paid per share/unit	\$ 0.28	\$ 0.20	\$ 0.56	\$ 0.50

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION (CONTINUED)

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Funds Available for Distribution (FAD) ⁽¹⁾				
FFO	\$ 39,133	\$ 36,319	\$ 68,367	\$ 79,265
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures	(12,347)	(14,015)	(20,875)	(35,777)
Net effect of straight-line rents ⁽³⁾	(1,905)	(7,124)	(7,126)	(9,876)
Amortization of net above (below) market rents ⁽⁴⁾	(749)	(955)	(1,528)	(1,902)
Net effect of other lease assets ⁽⁵⁾	392	(5,640)	1,789	(5,582)
Amortization of debt issuance costs and debt fair value adjustment	579	368	1,156	742
Non-cash compensation expense	1,484	1,252	2,968	2,502
Nonforfeitable dividends on restricted stock awards	(134)	(68)	(269)	(170)
FAD	\$ 26,453	\$ 10,137	\$ 44,482	\$ 29,202
Summary of Capital Expenditures				
Tenant improvements and leasing commissions	\$ 7,383	\$ 7,892	\$ 12,101	\$ 22,924
Maintenance capital expenditures	4,964	6,123	8,774	12,853
	\$ 12,347	\$ 14,015	\$ 20,875	\$ 35,777

Notes:

- (1) See Glossary of Terms.
- (2) For the three and six months ended June 30, 2021 and 2020, the weighted average common shares and common units used to compute FFO per diluted share/unit include operating partnership common units and unvested restricted stock awards that are subject to time vesting. The shares/units used to compute FFO per diluted share/unit include additional shares/units which were excluded from the computation of diluted EPS, as they were anti-dilutive for the periods presented.
- (3) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (4) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (5) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, net change in lease receivables, and straight-line rent expense for our leases at The Landmark at One Market.

SAME-STORE NET OPERATING INCOME (NOI)

(Unaudited, amounts in thousands)

	Three Months Ended June 30, 2021				
	Office	Retail	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 44,637	\$ 22,981	\$ 12,739	\$ —	\$ 80,357
Non-same store ⁽¹⁾	(67)	—	—	11,519	11,452
Total	44,570	22,981	12,739	11,519	91,809
Real estate expenses					
Same-store	11,400	6,735	5,493	—	23,628
Non-same store ⁽¹⁾	248	—	—	6,940	7,188
Total	11,648	6,735	5,493	6,940	30,816
Net Operating Income (NOI)					
Same-store	33,237	16,246	7,246	—	56,729
Non-same store ⁽¹⁾	(315)	—	—	4,579	4,264
Total	\$ 32,922	\$ 16,246	\$ 7,246	\$ 4,579	\$ 60,993
Same-store NOI	\$ 33,237	\$ 16,246	\$ 7,246	\$ —	\$ 56,729
Net effect of straight-line rents ⁽²⁾	(2,545)	644	(263)	—	(2,164)
Amortization of net above (below) market rents ⁽³⁾	(458)	(262)	—	—	(720)
Net effect of other lease assets ⁽⁴⁾	73	515	(332)	—	256
Tenant improvement reimbursements ⁽⁵⁾	(219)	(1)	—	—	(220)
Same-store cash NOI ⁽⁵⁾	\$ 30,088	\$ 17,142	\$ 6,651	\$ —	\$ 53,881

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on June 30, 2021 and 2020. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, net change in lease receivables, and straight-line rent expense for our leases at the Annex at The Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

NOI and same-store cash NOI are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance. Reconciliations of NOI and same-store cash NOI to net income are included in the Glossary of Terms.

SAME-STORE NET OPERATING INCOME (NOI) (CONTINUED)

(Amounts in thousands)

	Six Months Ended June 30, 2021				
	Office	Retail	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 88,858	\$ 44,755	\$ 25,291	\$ —	\$ 158,904
Non-same store ⁽¹⁾	176	—	—	16,715	16,891
Total	89,034	44,755	25,291	16,715	175,795
Real estate expenses					
Same-store	22,497	14,177	10,984	—	47,658
Non-same store ⁽¹⁾	515	—	—	12,243	12,758
Total	23,012	14,177	10,984	12,243	60,416
Net Operating Income (NOI)					
Same-store	66,361	30,578	14,307	—	111,246
Non-same store ⁽¹⁾	(339)	—	—	4,472	4,133
Total	\$ 66,022	\$ 30,578	\$ 14,307	\$ 4,472	\$ 115,379
Same-store NOI	\$ 66,361	\$ 30,578	\$ 14,307	\$ —	\$ 111,246
Net effect of straight-line rents ⁽²⁾	(8,538)	1,281	(521)	—	(7,778)
Amortization of net above (below) market rents ⁽³⁾	(946)	(525)	—	—	(1,471)
Net effect of other lease assets ⁽⁴⁾	298	527	(332)	—	493
Tenant improvement reimbursements ⁽⁵⁾	(289)	(2)	—	—	(291)
Same-store cash NOI ⁽⁵⁾	\$ 56,886	\$ 31,859	\$ 13,454	\$ —	\$ 102,199

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on June 30, 2021 and 2020. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, net change in lease receivables, and straight-line rent expense for our leases at the Annex at The Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from Same-store Cash NOI to provide a more accurate measure of operating performance.

NOI and same-store cash NOI are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance. Reconciliations of NOI and same-store cash NOI to net income are included in the Glossary of Terms.

SAME-STORE CASH NOI COMPARISON EXCLUDING REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
Cash Basis:						
Office	\$ 30,088	\$ 26,897	11.9 %	\$ 56,886	\$ 53,591	6.1 %
Retail	17,142	9,257	85.2	31,859	27,660	15.2
Multifamily	6,651	7,555	(12.0)	13,454	14,821	(9.2)
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI ⁽¹⁾⁽²⁾	<u>\$ 53,881</u>	<u>\$ 43,709</u>	<u>23.3 %</u>	<u>\$ 102,199</u>	<u>\$ 96,072</u>	<u>6.4 %</u>

Notes:

(1) Excluding lease termination fees, for the three and six months ended June 30, 2021 and 2020, same-store cash NOI would be 23.0% and 5.7%, respectively.

(2) See Glossary of Terms.

Same-store cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI to net income is included in the Glossary of Terms.

SAME-STORE CASH NOI COMPARISON WITH REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
Cash Basis:						
Office	\$ 30,181	\$ 26,763	12.8 %	\$ 56,990	\$ 53,292	6.9 %
Retail	17,142	9,257	85.2	31,859	27,660	15.2
Multifamily	6,651	7,555	(12.0)	13,454	14,821	(9.2)
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI with Redevelopment ⁽¹⁾	<u>\$ 53,974</u>	<u>\$ 43,575</u>	<u>23.9 %</u>	<u>\$ 102,303</u>	<u>\$ 95,773</u>	<u>6.8 %</u>

Notes:

- (1) Excluding lease termination fees, for the three and six months ended June 30, 2021 and 2020, same-store cash NOI with redevelopment would be 23.3% and 6.8%, respectively.
 (2) See Glossary of Terms.

Same-store cash NOI with redevelopment is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI with redevelopment to net income is included in the Glossary of Terms.

CASH NOI BY REGION

(Unaudited, amounts in thousands)

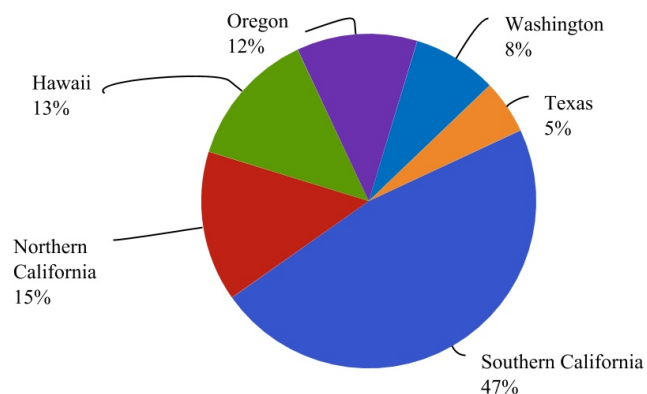
	Three Months Ended June 30, 2021				
	Office	Retail	Multifamily	Mixed-Use	Total
Cash Basis:					
Southern California	13,419	8,487	5,844	—	27,750
Northern California	6,457	2,005	—	—	8,462
Hawaii	—	3,241	—	4,546	7,787
Oregon	5,703	353	808	—	6,864
Texas	—	3,058	—	—	3,058
Washington	4,808	—	—	—	4,808
Total Cash NOI	<u>\$ 30,387</u>	<u>\$ 17,144</u>	<u>\$ 6,652</u>	<u>\$ 4,546</u>	<u>\$ 58,729</u>

Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

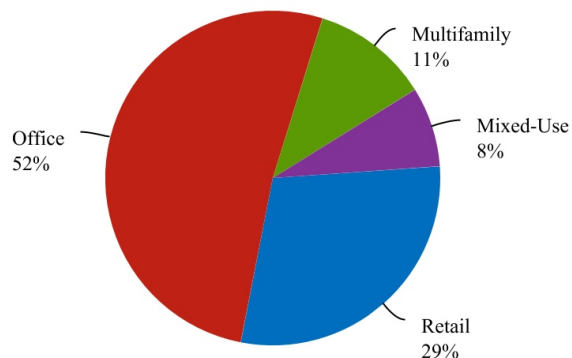
Three Months Ended June 30, 2021

Cash NOI Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

PROPERTY REVENUE AND OPERATING EXPENSES

(Unaudited, amounts in thousands)

Three Months Ended June 30, 2021

Property	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Office Portfolio						
La Jolla Commons	\$ 7,547	\$ 149	\$ 2,268	\$ (2,590)	\$ (104)	\$ 7,270
Torrey Reserve Campus ⁽⁷⁾	5,134	67	221	(1,426)	73	4,069
Torrey Point	1,219	79	—	(327)	(346)	625
Solana Crossing	1,974	10	45	(506)	(58)	1,465
The Landmark at One Market	9,608	69	102	(2,628)	(881)	6,270
One Beach Street	163	137	20	(132)	(1)	187
First & Main	2,695	175	653	(893)	(152)	2,478
Lloyd Portfolio ⁽⁷⁾	4,140	261	178	(1,240)	(19)	3,320
City Center Bellevue	5,839	600	263	(1,613)	(281)	4,808
Subtotal Office Portfolio	\$ 38,319	\$ 1,547	\$ 3,750	\$ (11,355)	\$ (1,769)	\$ 30,492
Retail Portfolio						
Carmel Country Plaza	\$ 852	\$ 24	\$ 184	\$ (219)	\$ 41	\$ 882
Carmel Mountain Plaza	3,077	107	706	(848)	143	3,185
South Bay Marketplace	479	(15)	138	(166)	183	619
Gateway Marketplace	634	1	201	(216)	36	656
Lomas Santa Fe Plaza	1,385	8	333	(427)	100	1,399
Solana Beach Towne Centre	1,473	63	528	(564)	246	1,746
Del Monte Center	2,523	385	798	(1,210)	(745)	1,751
Geary Marketplace	267	—	132	(139)	(6)	254
The Shops at Kalakaua	148	39	54	(72)	(18)	151
Waialele Center	2,919	375	946	(1,695)	545	3,090
Alamo Quarry Market	3,163	395	714	(1,083)	(131)	3,058
Hassalo on Eighth - Retail	431	25	42	(94)	(51)	353
Subtotal Retail Portfolio	\$ 17,351	\$ 1,407	\$ 4,776	\$ (6,733)	\$ 343	\$ 17,144

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Unaudited, amounts in thousands)

Property	Three Months Ended June 30, 2021					
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Multifamily Portfolio						
Loma Palisades	\$ 3,563	\$ 246	\$ —	\$ (1,383)	\$ (5)	\$ 2,421
Imperial Beach Gardens	970	62	—	(367)	(20)	645
Mariner's Point	485	31	—	(177)	(11)	328
Santa Fe Park RV Resort	401	31	—	(250)	—	182
Pacific Ridge Apartments	4,084	245	—	(1,787)	(274)	2,268
Hassalo on Eighth - Multifamily	2,572	364	—	(1,530)	(598)	808
Subtotal Multifamily Portfolio	\$ 12,075	\$ 979	\$ —	\$ (5,494)	\$ (908)	\$ 6,652
Mixed-Use Portfolio						
Waikiki Beach Walk - Retail	\$ 6,179	\$ 1,157	\$ 604	\$ (1,568)	\$ (3,379)	\$ 2,993
Waikiki Beach Walk - Embassy Suites™	6,189	733	—	(5,371)	2	1,553
Subtotal Mixed-Use Portfolio	\$ 12,368	\$ 1,890	\$ 604	\$ (6,939)	\$ (3,377)	\$ 4,546
Subtotal Development Properties	\$ —	\$ 9	\$ —	\$ (116)	\$ 2	\$ (105)
Total	\$ 80,113	\$ 5,832	\$ 9,130	\$ (30,637)	\$ (5,709)	\$ 58,729

Cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of total cash NOI to net income is included in the Glossary of Terms.

Notes:

- (1) Base rent for our office and retail portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended June 30, 2021 (before deferrals, abatements, and tenant improvement reimbursements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our office and retail portfolio were approximately \$1.8 million and \$0.6 million, respectively, for the three months ended June 30, 2021. Total abatements for our mixed-use portfolio were approximately \$2.2 million for the three months ended June 30, 2021. 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. Multifamily portfolio base rent represents base rent (including parking, before abatements) less vacancy allowance and employee rent credits and includes additional rents (additional rents include insufficient notice penalties, month-to-month charges and pet rent). There were \$0.6 million of abatements for our multifamily portfolio for the three months ended June 30, 2021. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended June 30, 2021. Total tenant improvement reimbursements for our office portfolio was approximately \$0.2 million for the three months ended June 30, 2021. There were no tenant improvement reimbursements for our retail portfolio or the retail portion of our mixed-use portfolio for the three months ended June 30, 2021.
- (2) Represents additional property-related income for the three months ended June 30, 2021, which includes: (i) percentage rent, (ii) other rent (such as storage rent, license fees and association fees) and (iii) other property income (such as late fees, default fees, lease termination fees, parking revenue, the reimbursement of general excise taxes, laundry income and food and beverage sales).
- (3) Represents billed tenant expense reimbursements for the three months ended June 30, 2021.
- (4) Represents property operating expenses for the three months ended June 30, 2021. Property operating expenses includes all rental expenses, except non cash rent expense.
- (5) Represents various rental adjustments related to base rent (deferrals, abatements, tenant improvement reimbursements, and net change in lease receivables).
- (6) See Glossary of Terms.
- (7) Base rent shown includes amounts related to American Assets Trust, L.P.'s corporate leases at Torrey Point and Lloyd Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatements were both \$345 for the three months ended June 30, 2021.

SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

Segment	Three Months Ended June 30, 2021					
	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Office Portfolio	\$ 5,731	\$ 3,157	\$ 8,888	\$ 3,230	\$ 9,225	\$ 21,343
Retail Portfolio	1,368	405	1,773	5	—	1,778
Multifamily Portfolio	—	1,002	1,002	31	—	1,033
Mixed-Use Portfolio	284	400	684	—	—	684
Total	\$ 7,383	\$ 4,964	\$ 12,347	\$ 3,266	\$ 9,225	\$ 24,838

Segment	Six Months Ended June 30, 2021					
	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Office Portfolio	\$ 8,939	\$ 5,796	\$ 14,735	\$ 6,001	\$ 10,134	\$ 30,870
Retail Portfolio	2,953	534	3,487	13	—	3,500
Multifamily Portfolio	—	1,965	1,965	31	—	1,996
Mixed-Use Portfolio	209	479	688	—	—	688
Total	\$ 12,101	\$ 8,774	\$ 20,875	\$ 6,045	\$ 10,134	\$ 37,054

SUMMARY OF OUTSTANDING DEBT

(Unaudited, amounts in thousands)

Debt	Amount Outstanding at June 30, 2021	Interest Rate	Annual Debt Service ⁽¹⁾	Maturity Date
City Center Bellevue ⁽²⁾	111,000	3.98 %	4,479	November 1, 2022
Secured Notes Payable / Weighted Average ⁽³⁾	\$ 111,000	3.98 %	\$ 4,479	
Term Loan A ⁽⁴⁾	\$ 100,000	4.13 %	\$ 100,852	January 9, 2022
Term Loan B ⁽⁵⁾	100,000	2.75 %	2,749	March 1, 2023
Term Loan C ⁽⁶⁾	50,000	2.74 %	1,371	March 1, 2023
Series F Notes ⁽⁷⁾	100,000	3.85 %	3,780	July 19, 2024
Series B Notes	100,000	4.45 %	4,450	February 2, 2025
Series C Notes	100,000	4.50 %	4,500	April 1, 2025
Series D Notes ⁽⁸⁾	250,000	3.87 %	10,725	March 1, 2027
Series E Notes ⁽⁹⁾	100,000	4.18 %	4,240	May 23, 2029
Series G Notes ⁽¹⁰⁾	150,000	3.88 %	5,865	July 30, 2030
3.375% Senior Unsecured Notes ⁽¹¹⁾	500,000	3.38 %	17,109	February 1, 2031
Unsecured Notes Payable / Weighted Average ⁽¹²⁾	\$ 1,550,000	3.72 %	\$ 155,641	
Unsecured Line of Credit ⁽¹³⁾	\$ —	1.19 %		

Notes:

- (1) Includes interest and principal payments due over the next twelve months.
- (2) Interest only.
- (3) The Secured Notes Payable total does not include debt issuance costs, net of \$0.1 million.
- (4) Term Loan A had an initial stated maturity of January 9, 2021, subject to our option to extend Term Loan A up to three times, with each such extension for a one-year period. In October 2020, we exercised our first option to extend the maturity date of Term Loan A from January 9, 2021 to January 9, 2022. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an effective interest rate of 4.13% through January 9, 2021, subject to adjustments based on our consolidated leverage ratio.
- (5) Term Loan B matures on March 1, 2023. Term Loan B accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 2.65%, subject to adjustments based on our consolidated leverage ratio.
- (6) Term Loan C matures on March 1, 2023. Term Loan C accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 2.64%, subject to adjustments based on our consolidated leverage ratio.
- (7) \$100 million of 3.78% Senior Guaranteed Notes, Series F, due July 19, 2024. Net of the settlement of the treasury lock contract, the effective interest rate for the Series F Notes is approximately 3.85%, through maturity.
- (8) \$250 million of 4.29% Senior Guaranteed Notes, Series D, due March 1, 2027. Net of the settlement of the forward-starting interest rate swap, the effective interest rate for the Series D Notes is approximately 3.87% per annum, through maturity.
- (9) \$100 million of 4.24% Senior Guaranteed Notes, Series E, due May 23, 2029. Net of the settlement of the treasury lock contract, the effective interest rate for the Series E Notes is approximately 4.18%, through maturity.
- (10) \$150 million of 3.91% Senior Guaranteed Notes, Series G, due July 30, 2030. Net of the settlement of the treasury lock contract, the effective interest rate for the Series G Notes is approximately 3.88% through maturity.
- (11) \$500 million of 3.375% Senior Unsecured Notes due February 1, 2031. Net of debt issuance discount, the effective interest rate for the 3.375% Notes is approximately 3.502% through maturity.
- (12) The Unsecured Notes Payable total does not include debt issuance costs and discounts, net of \$12.7 million.
- (13) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$350 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$250 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan matures on January 9, 2022, subject to our option to extend the Revolver Loan up to two times, with each such extension for a six-month period. The Revolver Loan currently accrues interest at LIBOR, plus a spread which ranges from 1.05%-1.50%, based on our consolidated leverage ratio. The Revolver Loan total does not include debt issuance costs, net of \$0.6 million.

MARKET CAPITALIZATION

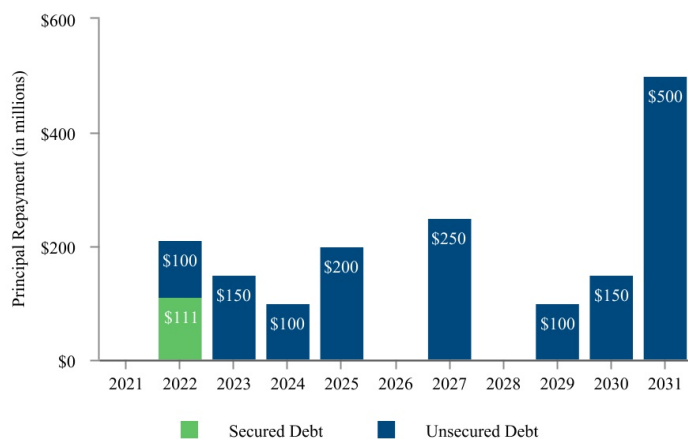
(Unaudited, amounts in thousands, except per share data)

Market data	June 30, 2021
Common shares outstanding	60,475
Common units outstanding	16,181
Common shares and common units outstanding	76,656
Market price per common share	\$ 37.29
Equity market capitalization	\$ 2,858,502
Total debt	\$ 1,661,000
Total market capitalization	\$ 4,519,502
Less: Cash on hand	\$ (368,266)
Total enterprise value	\$ 4,151,236
Total unencumbered assets, gross	\$ 3,557,573
Total debt/Total capitalization	36.8 %
Total debt/Total enterprise value	40.0 %
Net debt/Total enterprise value ⁽¹⁾	31.1 %
Total unencumbered assets, gross/Unsecured debt	229.5 %

Credit Ratings		
Rating Agency	Rating	Outlook
Fitch	BBB	Stable
Moody's	Baa3	Stable
Standard & Poors	BBB-	Stable

	Quarter Annualized	Trailing 12 Months
Total debt/Adjusted EBITDA ⁽²⁾⁽³⁾	7.7 x	8.6 x
Net debt/Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾	6.0 x	6.7 x
Interest coverage ratio ⁽⁴⁾	3.7 x	3.5 x
Fixed charge coverage ratio ⁽⁴⁾	3.7 x	3.5 x

**Debt Maturity Schedule
as of June 30, 2021**



Weighted Average Fixed Interest Rate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	—%	4.1%	2.7%	3.8%	4.5%	—%	3.9%	—%	4.2%	3.9%	3.4%

Total Weighted Average Fixed Interest Rate: 3.73%
Weighted Average Term to Maturity: 5.9 years

Notes:

- (1) Net debt is equal to total debt less cash on hand.
- (2) See Glossary of Terms for discussion of EBITDA and Adjusted EBITDA.
- (3) As used here, Adjusted EBITDA represents the actual for the three months ended June 30, 2021, annualized.
- (4) Calculated as Adjusted EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

SUMMARY OF DEVELOPMENT OPPORTUNITIES

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. This schedule will update as we modify various assumptions and markets conditions change. Square footages and units set forth below are estimates only and ultimately may differ materially from actual square footages and units.

Development Projects								Project Costs (in thousands) ⁽³⁾	
Property	Location	Start Date	Completion Date	Estimated Stabilized Yield ⁽¹⁾	Rentable Square Feet	Percent Leased	Estimated Stabilization Date ⁽²⁾	Cost Incurred to Date	Total Estimated Investment
Office Property:									
La Jolla Commons	University Town Center, San Diego, CA	April 2021	September 2023	6.5% - 7.5%	213,000	—%	2024	\$36,766	\$175,000
One Beach Street	San Francisco, CA	February 2021	August 2022	TBD	102,000	15.4%	2023	\$3,596	\$42,800

Development/Redevelopment Pipeline						
Property	Property Type	Location	Estimated Rentable Square Feet	Multifamily Units	Opportunity	
Waikale Center	Retail	Honolulu, HI	90,000	N/A	Development of 90,000 square feet retail building (former KMart Space)	
Lomas Santa Fe Plaza	Retail	Solana Beach, CA	45,000	N/A	Development of 45,000 square feet retail building	
Lloyd Portfolio - multiple phases ⁽⁴⁾	Mixed Use	Portland, OR				
Phase 2A - Oregon Square			33,000	N/A	Remodel and repurpose a 33,000 square feet office building into flexible creative office space	
Phase 2B - Oregon Square			385,000	N/A	Development of build-to-suit office towers	

Notes:

- (1) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (2) Based on management's estimation of stabilized occupancy (90%).
- (3) Project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (4) The Lloyd Portfolio was acquired in 2011, consisting of approximately 600,000 rentable square feet on more than 16 acres located in the Lloyd District of Portland, Oregon. The portion of the property that has been designated for additional development is expected to include a high density, transit oriented, mixed-use urban village, with the potential to be in excess of approximately three million square feet. The entitlement for such development opportunity allows a 12:1 Floor Area Ratio with a 250 foot height limit and provides for retail, office and/or multifamily development. Additional development plans are in the early stages and will continue to progress as demand and economic conditions allow.

PORTFOLIO DATA

As of June 30, 2021

Office and Retail Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Office Properties									
La Jolla Commons	San Diego, CA	2008/2014	2	724,186	96.8%	\$ 40,680,250	\$58.03		
Torrey Reserve Campus	San Diego, CA	1996-2000/2014-2016	14	521,678	78.4%	20,693,260	50.60		
Torrey Point	San Diego, CA	2017	2	92,195	94.6	5,172,747	59.31		
Solana Crossing	Solana Beach, CA	1982/2005	4	212,614	83.2	7,804,644	44.12		
The Landmark at One Market	San Francisco, CA	1917/2000	1	422,426	100.0	38,435,965	90.99		
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	100,270	15.4	979,002	63.40		
First & Main	Portland, OR	2010	1	360,314	93.0	10,824,485	32.30		
Lloyd Portfolio	Portland, OR	1940-2015	3	515,929	98.8	16,435,686	32.24		
City Center Bellevue	Bellevue, WA	1987	1	497,666	91.9	23,402,361	51.17		
Subtotal/Weighted Average Office Portfolio ⁽⁸⁾			29	3,447,278	90.3%	\$ 164,428,400	\$52.82		
Retail Properties									
Carmel Country Plaza	San Diego, CA	1991	9	78,098	85.0%	\$ 3,649,437	\$54.98		Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza ⁽⁹⁾	San Diego, CA	1994/2014	15	528,416	94.1	13,214,364	26.58	At Home Stores	Dick's Sporting Goods
South Bay Marketplace ⁽⁹⁾	San Diego, CA	1997	9	132,877	100.0	1,916,310	14.42		Ross Dress for Less, Grocery Outlet
Gateway Marketplace	San Diego, CA	1997/2016	3	127,861	100.0	2,489,023	19.47	Hobby Lobby	Smart & Final, Aldi
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	208,030	97.5	6,030,225	29.73		Vons, Home Goods
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	94.0	6,257,360	26.98		Dixieline Probuild, Marshalls
Del Monte Center ⁽⁹⁾	Monterey, CA	1967/1984/2006	16	673,155	81.7	9,168,137	16.67	Macy's	Century Theatres, Whole Foods Market
Geary Marketplace	Walnut Creek, CA	2012	3	35,159	100.0	1,275,699	36.28		Sprouts Farmer Market, Habit Burger Grill
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	77.7	672,886	74.20		Hawaii Beachware & Fashion, Diesel U.S.A. Inc.
Waialele Center	Waipahu, HI	1993/2008	9	418,047	100.0	11,573,803	27.69	Lowe's, Safeway	UFC Gym, Old Navy
Alamo Quarry Market ⁽⁹⁾	San Antonio, TX	1997/1999	16	588,148	87.6	12,872,044	24.98	Regal Cinemas	Whole Foods Market, Nordstrom Rack
Hassalo on Eighth	Portland, OR	2015	3	44,236	71.0	945,225	30.10		Providence Health & Services, Sola Salons
Subtotal/Weighted Average Retail Portfolio ⁽⁸⁾			107	3,092,428	91.1%	\$ 70,064,513	\$24.87		
Total/Weighted Average Office and Retail Portfolio ⁽⁸⁾			136	6,539,706	90.7%	\$ 234,492,913	\$39.53		

As of June 30, 2021

Property	Location	Year Built/ Renovated	Number of Buildings	Units	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Average Monthly Base Rent per Leased Unit ⁽⁴⁾
Loma Palisades	San Diego, CA	1958/2001-2008	80	548	92.5%	\$ 13,282,140	\$ 2,184
Imperial Beach Gardens	Imperial Beach, CA	1959/2008	26	160	95.0	3,995,520	\$ 2,191
Mariner's Point	Imperial Beach, CA	1986	8	88	98.9	1,948,644	\$ 1,866
Santa Fe Park RV Resort ⁽¹⁰⁾	San Diego, CA	1971/2007-2008	1	126	84.9	1,938,312	\$ 1,510
Pacific Ridge Apartments	San Diego, CA	2013	3	533	71.5	13,299,504	\$ 2,908
Hassalo on Eighth - Velomor	Portland, OR	2015	1	177	93.2	2,798,640	\$ 1,414
Hassalo on Eighth - Aster Tower	Portland, OR	2015	1	337	95.6	5,653,464	\$ 1,462
Hassalo on Eighth - Elwood	Portland, OR	2015	1	143	93.7	2,176,164	\$ 1,353
Total/Weighted Average Multifamily Portfolio			121	2,112	87.8%	\$ 45,092,388	\$ 2,026

Mixed-Use Portfolio									
Retail Portion	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	89.2 %	\$ 7,395,322	\$ 85.73		Yard House, Roy's

Hotel Portion	Location	Year Built/ Renovated	Number of Buildings	Units	Average Occupancy ⁽¹¹⁾	Average Daily Rate ⁽¹¹⁾	Annualized Revenue per Available Room ⁽¹¹⁾
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008/2014/2020	2	369	67.2 %	\$ 274.21	\$ 184.35

Notes:

- The net rentable square feet for each of our retail properties and the retail portion of our mixed-use property is the sum of (1) the square footages of existing leases, plus (2) for available space, the field-verified square footage. The net rentable square feet for each of our office properties is the sum of (1) the square footages of existing leases, plus (2) for available space, management's estimate of net rentable square feet based, in part, on past leases. The net rentable square feet included in such office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 2010 measurement guidelines. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.
- Percentage leased for each of our retail and office properties and the retail portion of the mixed-use property includes square footage under leases as of June 30, 2021, including leases which may not have commenced as of June 30, 2021. Percentage leased for our multifamily properties includes total units rented as of June 30, 2021.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) under commenced leases for the month ended June 30, 2021 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. The foregoing notwithstanding, the annualized base rent for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$30,324,726 to our estimate of annual triple net operating expenses of \$10,355,523 for an estimated annualized base rent on a modified gross lease basis of \$40,680,249 for La Jolla Commons.
- Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of June 30, 2021. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of June 30, 2021. The foregoing notwithstanding, the annualized base rent per leased square foot for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. See footnote 3 for further explanation.
- Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- This property contains 422,426 net rentable square feet consisting of The Landmark at One Market (378,206 net rentable square feet) as well as a separate long-term leasehold interest in approximately 44,220 net rentable square feet of space located in an adjacent six-story leasehold known as the Annex. We currently lease the Annex from an affiliate of the Paramount Group pursuant to a long-term master lease effective through June 30, 2026, which we have the option to extend until 2031 pursuant to one five-year extension option.

PROPERTY REPORT (CONTINUED)

(8) Lease data for signed but not commenced leases as of June 30, 2021 is in the following table:

	Leased Square Feet Under Signed But Not Commenced Leases (a)	Annualized Base Rent (b)	Annualized Base Rent per Leased Square Foot (b)	Pro Forma Annualized Base Rent per Leased Square Foot (c)
Office Portfolio	14,285	634,489	44.54	52.99
Retail Portfolio	60,054	1,302,056	21.87	24.97
Total Retail and Office Portfolio	74,339	1,936,545	26.06	39.60

(a) Office portfolio leases signed but not commenced of 7,536 and 6,709 square feet are expected to commence during the third and fourth quarters of 2021, respectively. Retail portfolio leases signed but not commenced of 5,720, 7,500, and 46,854 square feet are expected to commence during the fourth quarter of 2021 and first and second quarters of 2022, respectively.

(b) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for signed but not commenced leases as of June 30, 2021 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. The foregoing notwithstanding, the annualized base rent for signed but not commenced leases as of June 30, 2021 at La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage for signed but not commenced leases.

(c) Pro forma annualized base rent is calculated by dividing annualized base rent for commenced leases and for signed but not commenced leases as of June 30, 2021, by square footage under lease as of June 30, 2021.

(9) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases in the following table:

Property	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	Aggregate Annualized Base Rent
Carmel Mountain Plaza	5	17,607	801,962
South Bay Marketplace	1	2,824	102,276
Del Monte Center	1	212,580	96,000
Alamo Quarry Market	3	20,694	385,506

(10) The Santa Fe Park RV Resort is subject to seasonal variation, with higher rates of occupancy occurring during the summer months. During the 12 months ended June 30, 2021, the highest average monthly occupancy rate for this property was 94%, occurring in July 2020. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.

(11) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2021, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for the three months ended June 30, 2021 by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for the three months ended June 30, 2021 and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

OFFICE LEASING SUMMARY

As of June 30, 2021

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	13	100%	47,380	\$47.16	\$43.16	\$ 189,381	9.3 %	14.7 %	3.6	\$ 336,658	\$7.11
1st Quarter 2021	14	100%	65,047	\$42.16	\$43.16	\$ (65,120)	(2.3)%	1.3 %	4.2	\$ 490,096	\$7.53
4th Quarter 2020	7	100%	21,949	\$46.36	\$44.13	\$ 48,864	5.0 %	3.6 %	2.5	\$ —	\$0.00
3rd Quarter 2020	9	100%	55,152	\$46.01	\$43.11	\$ 160,333	6.7 %	10.8 %	3.7	\$ 600,270	\$10.88
Total 12 months	43	100%	189,528	\$45.02	\$43.26	\$ 333,458	4.1 %	7.6 %	3.7	\$ 1,427,024	\$7.53

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	5	38%	14,284	\$45.40	\$41.88	\$ 50,347	8.4 %	11.7 %	4.6	\$ 335,246	\$23.47
1st Quarter 2021	2	14%	5,333	\$50.78	\$46.51	\$ 22,800	9.2 %	20.9 %	5.2	\$ 328,575	\$61.61
4th Quarter 2020	—	—%	—	\$0.00	\$0.00	\$ —	—%	—%	—	\$ —	\$0.00
3rd Quarter 2020	—	—%	—	\$0.00	\$0.00	\$ —	—%	—%	—	\$ —	\$0.00
Total 12 months	7	16%	19,617	\$46.86	\$43.14	\$ 73,147	8.6 %	14.6 %	4.8	\$ 663,821	\$33.84

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	8	62%	33,096	\$47.92	\$43.72	\$ 139,034	9.6 %	15.8 %	3.1	\$ 1,412	\$0.04
1st Quarter 2021	12	86%	59,714	\$41.39	\$42.86	\$ (87,920)	(3.4)%	(0.5)%	4.1	\$ 161,521	\$2.70
4th Quarter 2020	7	100%	21,949	\$46.36	\$44.13	\$ 48,864	5.0 %	3.6 %	2.5	\$ —	\$0.00
3rd Quarter 2020	9	100%	55,152	\$46.01	\$43.11	\$ 160,333	6.7 %	10.8 %	3.7	\$ 600,270	\$10.88
Total 12 months	36	84%	169,911	\$44.80	\$43.27	\$ 260,311	3.5 %	6.9 %	3.6	\$ 763,203	\$4.49

Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	14	47,684	\$47.22	3.6	\$ 359,458	\$7.54
1st Quarter 2021	14	65,047	\$42.16	4.2	\$ 490,096	\$7.53
4th Quarter 2020	8	23,082	\$46.65	2.5	\$ 36,306	\$1.57
3rd Quarter 2020	10	59,196	\$46.28	4.1	\$ 1,004,770	\$16.97
Total 12 months	46	195,009	\$45.18	3.8	\$ 1,890,630	\$9.69

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Excludes renewals at fixed contractual rates specified in the lease.

RETAIL LEASING SUMMARY

As of June 30, 2021

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	26	100%	109,875	\$47.42	\$59.48	\$ (1,325,297)	(20.3)%	(15.7)%	5.9	\$ 2,097,825	\$19.09
1st Quarter 2021	20	100%	46,243	\$53.23	\$57.74	\$ (208,641)	(7.8)%	(5.0)%	4.3	\$ 323,509	\$7.00
4th Quarter 2020	22	100%	146,791	\$31.75	\$35.90	\$ (610,205)	(11.6)%	(6.6)%	2.4	\$ 1,199,330	\$8.17
3rd Quarter 2020	21	100%	71,419	\$29.29	\$31.23	\$ (138,787)	(6.2)%	(3.6)%	2.6	\$ 142,000	\$1.99
Total 12 months	89	100%	374,328	\$38.53	\$44.63	\$ (2,282,930)	(13.7)%	(9.0)%	3.7	\$ 3,762,664	\$10.05

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	6	23%	50,869	\$42.00	\$67.28	\$ (1,286,156)	(37.6)%	(24.6)%	9.6	\$ 2,050,825	\$40.32
1st Quarter 2021	—	—%	—	\$0.00	\$0.00	\$ —	—%	—%	—	\$ —	\$0.00
4th Quarter 2020	1	5%	2,856	\$30.41	\$43.85	\$ (38,375)	(30.6)%	(20.5)%	10.0	\$ 126,400	\$44.26
3rd Quarter 2020	—	—%	—	\$0.00	\$0.00	\$ —	—%	—%	—	\$ —	\$0.00
Total 12 months	7	8%	53,725	\$41.38	\$66.03	\$ (1,324,531)	(37.3)%	(24.4)%	9.6	\$ 2,177,225	\$40.53

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	20	77%	59,006	\$52.09	\$52.75	\$ (39,141)	(1.3)%	4.8%	2.7	\$ 47,000	\$0.80
1st Quarter 2021	20	100%	46,243	\$53.23	\$57.74	\$ (208,641)	(7.8)%	(5.0)%	4.3	\$ 323,509	\$7.00
4th Quarter 2020	21	95%	143,935	\$31.77	\$35.75	\$ (571,830)	(11.1)%	(6.3)%	2.2	\$ 1,072,930	\$7.45
3rd Quarter 2020	21	100%	71,419	\$29.29	\$31.23	\$ (138,787)	(6.2)%	(3.6)%	2.6	\$ 142,000	\$1.99
Total 12 months	82	92%	320,603	\$38.05	\$41.04	\$ (958,399)	(7.3)%	(4.0)%	2.7	\$ 1,585,439	\$4.94

Total Lease Summary - Comparable and Non-Comparable ⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2021	30	123,835	\$45.58	6.2	\$ 3,007,025	\$24.28
1st Quarter 2021	25	59,274	\$49.75	5.4	\$ 862,436	\$14.55
4th Quarter 2020	25	150,988	\$31.80	2.5	\$ 1,510,710	\$10.01
3rd Quarter 2020	21	71,419	\$29.29	2.6	\$ 142,000	\$1.99
Total 12 months	101	405,516	\$38.19	4.1	\$ 5,522,171	\$13.62

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease, including leases signed for the retail portion of our mixed-use property.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Excludes renewals at fixed contractual rates specified in the lease.

MULTIFAMILY LEASING SUMMARY

As of June 30, 2021

Lease Summary - Loma Palisades

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	507	92.5%	\$13,282,140	\$2,184
1st Quarter 2021	539	98.4%	\$14,944,104	\$2,309
4th Quarter 2020	522	95.3%	\$14,420,472	\$2,301
3rd Quarter 2020	517	94.3%	\$14,340,048	\$2,312

Lease Summary - Imperial Beach Gardens

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	152	95.0%	\$3,995,520	\$2,191
1st Quarter 2021	153	95.6%	\$3,794,388	\$2,067
4th Quarter 2020	151	94.4%	\$3,920,016	\$2,163
3rd Quarter 2020	157	98.1%	\$3,810,600	\$2,023

Lease Summary - Mariner's Point

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	87	98.9%	\$1,948,644	\$1,866
1st Quarter 2021	80	90.9%	\$1,923,168	\$2,004
4th Quarter 2020	85	96.6%	\$1,860,348	\$1,824
3rd Quarter 2020	82	93.2%	\$1,833,660	\$1,863

Lease Summary - Santa Fe Park RV Resort

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	107	84.9%	\$1,938,312	\$1,510
1st Quarter 2021	105	83.3%	\$1,299,000	\$1,031
4th Quarter 2020	98	77.8%	\$1,250,460	\$1,063
3rd Quarter 2020	94	74.6%	\$1,669,836	\$1,480

Lease Summary - Pacific Ridge Apartments

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	381	71.5%	\$13,299,504	\$2,908
1st Quarter 2021	506	94.9%	\$18,089,184	\$2,980
4th Quarter 2020	496	93.1%	\$18,171,132	\$3,052
3rd Quarter 2020	507	95.1%	\$18,164,184	\$2,986

ULTIFAMILY LEASING SUMMARY (CONTINUED)

As of June 30, 2021

Lease Summary - Hassalo on Eighth - Velomor

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	165	93.2%	\$2,798,640	\$1,414
1st Quarter 2021	153	86.4%	\$2,840,460	\$1,548
4th Quarter 2020	121	68.4%	\$2,467,308	\$1,698
3rd Quarter 2020	134	75.7%	\$2,668,716	\$1,660

Lease Summary - Hassalo on Eighth - Aster Tower

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	322	95.6%	\$5,653,464	\$1,462
1st Quarter 2021	295	87.5%	\$5,310,636	\$1,501
4th Quarter 2020	253	75.1%	\$5,109,600	\$1,682
3rd Quarter 2020	262	77.7%	\$5,341,092	\$1,700

Lease Summary - Hassalo on Eighth - Elwood

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	134	93.7%	\$2,176,164	\$1,353
1st Quarter 2021	109	76.2%	\$1,937,784	\$1,482
4th Quarter 2020	94	65.7%	\$1,702,044	\$1,510
3rd Quarter 2020	95	66.4%	\$1,923,936	\$1,689

Total Multifamily Lease Summary

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2021	1,855	87.8%	\$45,092,388	\$2,026
1st Quarter 2021	1,940	91.9%	\$50,138,724	\$2,153
4th Quarter 2020	1,820	86.2%	\$48,901,380	\$2,238
3rd Quarter 2020	1,848	87.5%	\$49,752,072	\$2,244

Notes:

- (1) Percentage leased for our multifamily properties includes total units rented as of each respective quarter end date.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) as of each respective quarter end date.
- (3) Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of each respective quarter end date.

MIXED-USE LEASING SUMMARY

As of June 30, 2021

Lease Summary - Retail Portion

Quarter	Number of Leased Square Feet	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Annualized Base Rent per Leased Square Foot ⁽³⁾
2nd Quarter 2021	86,216	89.2%	\$7,395,322	\$86
1st Quarter 2021	85,292	88.2%	\$8,915,314	\$105
4th Quarter 2020	86,300	89.2%	\$9,411,407	\$109
3rd Quarter 2020	84,937	87.8%	\$10,534,918	\$124

Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy ⁽⁴⁾	Average Daily Rate ⁽⁴⁾	Annualized Revenue per Available Room ⁽⁴⁾
2nd Quarter 2021	248	67.2%	\$274	\$184
1st Quarter 2021	175	47.5%	\$208	\$99
4th Quarter 2020	173	46.8%	\$205	\$96
3rd Quarter 2020	244	66.0%	\$209	\$138

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of June 30, 2021, including leases which may not have commenced as of June 30, 2021.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2021 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.
- (3) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of June 30, 2021.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2021, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for each respective quarter period by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for each respective quarter period and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

LEASE EXPIRATIONS

As of June 30, 2021

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	24,860	0.7 %	0.4 %	\$3.73	23,571	0.8 %	0.4 %	\$44.10	5,859	6.1 %	0.1 %	\$26.67	54,290	0.8 %	\$23.73
2021	57,861	1.7	0.9	\$50.27	49,816	1.6	0.8	\$34.05	8,776	9.1	0.1	\$99.93	116,453	1.8	\$47.07
2022	272,415	7.9	4.1	\$49.63	384,997	12.4	5.8	\$30.60	4,881	5.0	0.1	\$132.59	662,293	10.0	\$39.18
2023	348,405	10.1	5.2	\$54.42	235,506	7.6	3.5	\$22.51	6,460	6.7	0.1	\$21.26	590,371	8.9	\$41.33
2024	214,611	6.2	3.2	\$48.13	461,604	14.9	7.0	\$27.81	9,895	10.2	0.1	\$89.83	686,110	10.3	\$35.06
2025	312,703	9.1	4.7	\$38.73	222,960	7.2	3.4	\$30.38	18,099	18.7	0.3	\$96.84	553,762	8.3	\$37.27
2026	285,215	8.3	4.3	\$42.83	243,026	7.9	3.7	\$30.47	3,029	3.1	—	\$65.80	531,270	8.0	\$37.31
2027	258,548	7.5	3.9	\$48.12	133,090	4.3	2.0	\$28.57	2,706	2.8	—	111.07	394,344	5.9	\$41.95
2028	142,954	4.1	2.2	\$49.40	560,587	18.1	8.4	\$15.16	8,820	9.1	0.1	92.92	712,361	10.7	\$22.99
2029	775,216	22.5	11.7	\$62.75	181,689	5.9	2.7	\$19.41	1,055	1.1	—	\$190.20	957,960	14.4	\$54.67
2030	176,044	5.1	2.7	\$33.11	43,630	1.4	0.7	\$23.94	—	—	—	—	219,674	3.3	\$31.29
Thereafter	240,641	7.0	3.6	\$41.38	257,834	8.3	3.9	\$24.67	15,596	16.1	0.2	90.79	514,071	7.7	\$34.50
Signed Leases Not Commenced															
Available	4,752	0.1	0.1	—	19,480	0.6	0.3	—	1,040	1.1	—	—	25,272	0.4	—
Total ⁽²⁾	<u>3,447,278</u>	<u>100.0 %</u>	51.9 %	\$44.69	<u>3,092,428</u>	<u>100.0 %</u>	46.6 %	\$22.66	<u>96,707</u>	<u>100.0 %</u>	1.5 %	\$76.47	<u>6,636,413</u>	<u>100.0 %</u>	\$34.89

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	24,860	0.7 %	0.4 %	\$3.73	23,571	0.8 %	0.4 %	\$44.10	5,859	6.1 %	0.1 %	\$26.67	54,290	0.8 %	\$23.73
2021	57,861	1.7	0.9	\$50.27	46,776	1.5	0.7	\$32.52	8,776	9.1	0.1	\$99.93	113,413	1.7	\$46.79
2022	143,846	4.2	2.2	\$45.57	116,803	3.8	1.8	\$38.50	4,881	5.0	0.1	\$132.59	265,530	4.0	\$44.06
2023	156,625	4.5	2.4	\$45.25	111,836	3.6	1.7	\$24.11	6,460	6.7	0.1	\$21.26	274,921	4.1	\$36.09
2024	62,380	1.8	0.9	\$48.02	212,827	6.9	3.2	\$30.65	4,493	4.6	0.1	\$197.82	279,700	4.2	\$37.21
2025	106,361	3.1	1.6	\$45.65	68,580	2.2	1.0	\$32.80	6,541	6.8	0.1	\$191.98	181,482	2.7	\$46.07
2026	140,299	4.1	2.1	\$45.77	60,309	2.0	0.9	\$35.70	3,029	3.1	—	\$65.80	203,637	3.1	\$43.09
2027	147,654	4.3	2.2	\$41.26	162,196	5.2	2.4	\$27.64	2,706	2.8	—	111.07	312,556	4.7	\$34.80
2028	91,100	2.6	1.4	\$40.57	134,774	4.4	2.0	\$22.29	1,906	2.0	—	209.64	227,780	3.4	\$31.17
2029	157,750	4.6	2.4	\$52.26	120,897	3.9	1.8	\$32.01	6,457	6.7	0.1	\$31.08	285,104	4.3	\$43.19
2030	222,491	6.5	3.4	\$36.02	65,058	2.1	1.0	\$34.81	11,558	12.0	0.2	43.00	299,107	4.5	\$36.03
Thereafter	1,798,246	52.2	27.1	\$54.00	1,674,683	54.2	25.2	\$21.36	22,510	23.3	0.3	\$81.56	3,495,439	52.7	\$38.54
Signed Leases Not Commenced															
Available	4,752	0.1	0.1	—	19,480	0.6	0.3	—	1,040	1.1	—	—	25,272	0.4	—
Total ⁽²⁾	<u>3,447,278</u>	<u>100.0 %</u>	51.9 %	\$44.69	<u>3,092,428</u>	<u>100.0 %</u>	46.6 %	\$22.66	<u>96,707</u>	<u>100.0 %</u>	1.5 %	\$76.47	<u>6,636,413</u>	<u>100.0 %</u>	\$34.89

As of June 30, 2021

Notes:

- (1) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent for leases expiring during the applicable period, by (ii) square footage under such expiring leases. Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2021 for the leases expiring during the applicable period by (ii) 12 months.
- (2) Individual items may not add up to total due to rounding.

Type	At June 30, 2021			At June 30, 2020		
	Size	Leased ⁽¹⁾	Leased %	Size	Leased ⁽¹⁾	Leased %
Overall Portfolio⁽²⁾ Statistics						
Office Properties (square feet)	3,447,278	3,114,225	90.3 %	3,443,879	3,249,403	94.4 %
Retail Properties (square feet)	3,092,428	2,817,790	91.1 %	3,093,650	2,928,232	94.7 %
Multifamily Properties (units)	2,112	1,855	87.8 %	2,112	1,797	85.1 %
Mixed-Use Properties (square feet)	96,707	86,216	89.2 %	96,707	92,531	95.7 %
Mixed-Use Properties (units)	369	212 ⁽³⁾	57.4 %	369	171 ⁽³⁾	46.4 %
Same-Store⁽²⁾ Statistics						
Office Properties (square feet) ⁽⁴⁾	3,347,008	3,098,778	92.6 %	3,346,265	3,227,106	96.4 %
Retail Properties (square feet)	3,092,428	2,817,790	91.1 %	3,093,650	2,928,232	94.7 %
Multifamily Properties (units)	2,112	1,855	87.8 %	2,112	1,797	85.1 %

Notes:

- (1) Leased square feet includes square feet under lease as of each date, including leases which may not have commenced as of that date. Leased units for our multifamily properties include total units rented as of that date.
- (2) See Glossary of Terms.
- (3) Represents average occupancy for the six months ended June 30, 2021 and 2020.
- (4) The same-store portfolio excludes One Beach Street due to significant redevelopment activity.

As of June 30, 2021

Tenant	Property	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Office	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Office	Annualized Base Rent as a Percentage of Total
1 Google LLC	The Landmark at One Market	12/31/2029	253,198	7.3 %	3.8 %	\$ 24,904,188	15.2 %	10.3 %
2 LPL Holdings, Inc.	La Jolla Commons	4/30/2029	421,001	12.2	6.3	18,724,794	11.4	7.7
3 Autodesk, Inc. (1)	The Landmark at One Market	12/31/2022 12/31/2023	138,615	4.0	2.1	12,615,795	7.7	5.2
4 Smartsheet, Inc. (2)	City Center Bellevue	12/31/2026 4/30/2029	124,217	3.6	1.9	6,572,101	4.0	2.7
5 VMware, Inc. (3)	City Center Bellevue	11/30/2022 5/31/2025 9/30/2027	109,985	3.2	1.7	5,656,197	3.4	2.3
6 Illumina, Inc.	La Jolla Commons	10/31/2027	73,176	2.1	1.1	4,302,749	2.6	1.8
7 Clearex Operating, LLC	First & Main	4/30/2025	101,848	3.0	1.5	3,283,536	2.0	1.4
8 State of Oregon: Department of Environmental Quality	Lloyd Portfolio	10/31/2031	87,787	2.5	1.3	2,766,541	1.7	1.1
9 Genentech, Inc.	Lloyd Portfolio	10/31/2026	66,852	1.9	1.0	2,269,545	1.4	0.9
10 Internal Revenue Service	First & Main	8/31/2030	63,648	1.8	1.0	2,200,553	1.3	0.9
Top 10 Office Tenants Total			1,440,327	41.6 %	21.7 %	\$ 83,295,999	50.7 %	34.3 %

Notes:

- (1) For Autodesk, Inc., 45,795 and 92,820 of leased square feet are set to expire on December 31, 2022 and 2023, respectively.
(2) For Smartsheet, Inc., 73,669 and 50,548 of leased square feet are set to expire on December 31, 2026 and April 30, 2029, respectively.
(3) For VMWare, Inc., 54,643, 18,240, and 37,102 of leased square feet are set to expire on November 30, 2022, May 31, 2025, and September 30, 2027, respectively.

As of June 30, 2021

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Retail	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Retail	Annualized Base Rent as a Percentage of Total
1 Lowe's	Waikele Center	5/31/2028	155,000	5.0 %	2.3 %	\$ 3,720,000	5.3 %	1.5 %
2 Nordstrom Rack (1)	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2022 10/31/2022	69,047	2.2	1.0	2,189,648	3.1	0.9
3 Sprouts Farmers Market (2)	Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace	6/30/2024 3/31/2025 9/30/2032	71,431	2.3	1.1	2,121,187	3.0	0.9
4 Marshalls (3)	Solana Beach Towne Centre, Carmel Mountain Plaza	1/31/2025 1/31/2029	68,055	2.2	1.0	1,728,228	2.5	0.7
5 Vons	Lomas Santa Fe Plaza	12/31/2022	49,895	1.6	0.8	1,399,205	2.0	0.6
6 At Home Stores	Carmel Mountain Plaza	7/31/2029	107,870	3.5	1.6	1,384,552	2.0	0.6
7 Regal Cinemas	Alamo Quarry Market	3/31/2028	72,447	2.3	1.1	1,231,599	1.8	0.5
8 Safeway	Waikele Center	1/31/2040	50,050	1.6	0.8	1,201,200	1.7	0.5
9 Michaels (4)	Carmel Mountain Plaza Alamo Quarry Market	1/31/2024 2/29/2028	46,850	1.5	0.7	1,072,635	1.5	0.4
10 Saks Fifth Avenue OFF 5TH (5)	Carmel Mountain Plaza	10/31/2021	40,594	1.3	0.6	1,033,117	1.5	0.4
Top 10 Retail Tenants Total			731,239	23.5 %	11.0 %	\$ 17,081,371	24.4 %	7.0 %

Notes:

- (1) For Nordstrom Rack, 39,047 and 30,000 of leased square feet are set to expire on September 30, 2022 (Carmel Mountain Plaza) and October 31, 2022 (Alamo Quarry Market), respectively.
- (2) For Sprouts Farmers Market, 14,986, 30,973 and 25,472 of leased square feet are set to expire on June 30, 2024 (Solana Beach Towne Centre), March 31, 2025 (Carmel Mountain Plaza), and September 30, 2032 (Geary Marketplace), respectively.
- (3) For Marshalls, 39,295 and 28,760 of leased square feet are set to expire on January 31, 2025 (Solana Beach Towne Centre) and 2029 (Carmel Mountain Plaza), respectively.
- (4) For Michaels, 22,969 and 23,881 of leased square feet are set to expire on January 31, 2024 (Carmel Mountain Plaza) and February 29, 2028 (Alamo Quarry Market), respectively.
- (5) Total Wine has leased the entirety of the Saks Fifth Avenue OFF 5TH premises and will take possession subsequent to lease expiration, subject to certain lease conditions.

APPENDIX

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 three and six months ended June 30, 2021 and 2020 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310
Depreciation and amortization	27,646	26,493	55,147	53,955
Interest expense	14,862	13,331	28,867	26,803
Interest income	(100)	(71)	(174)	(383)
Income tax expense	174	(91)	301	115
EBITDA	\$ 54,069	\$ 49,488	\$ 97,361	\$ 105,800

Adjusted EBITDA: Adjusted EBITDA is a non-GAAP measure that begins with EBITDA and includes adjustments for certain items that we believe are not representative of ongoing operating performance. Specifically, we include an early extinguishment of debt adjustment and pro forma adjustment to reflect a full period of NOI on the operating properties we acquire during the quarter, to assume all transactions occurred at the beginning of the quarter. We use Adjusted EBITDA as a supplemental performance measure because we believe these items create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
EBITDA	\$ 54,069	\$ 49,488	\$ 97,361	\$ 105,800
Pro forma adjustments	—	—	—	—
Early extinguishment of debt	—	—	4,271	—
Adjusted EBITDA	\$ 54,069	\$ 49,488	\$ 101,632	\$ 105,800

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDA_{re}): EBITDA_{re} is a supplemental non-GAAP measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines EBITDA_{re} as follows: net income or loss, computed in accordance with GAAP plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate including gain or loss on change of control, impairments of real estate, and adjustments to reflect the entity's share of EBITDA_{re} of unconsolidated affiliates, if any. EBITDA_{re} 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_{re} for the three and six months ended June 30, 2021 and 2020 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310
Depreciation and amortization	27,646	26,493	55,147	53,955
Interest expense	14,862	13,331	28,867	26,803
Interest income	(100)	(71)	(174)	(383)
Income tax expense	174	(91)	301	115
EBITDA _{re}	\$ 54,069	\$ 49,488	\$ 97,361	\$ 105,800

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.

Funds Available for Distribution (FAD): FAD is a supplemental measure of our liquidity. We compute FAD by subtracting from FFO As Adjusted tenant improvements, leasing commissions and maintenance capital expenditures, eliminating the net effect of straight-line rents, amortization of above (below) market rents for acquisition properties, the effects of other lease intangibles, adding noncash amortization of deferred financing costs and debt fair value adjustments, adding noncash compensation expense, and adding (subtracting) unrealized losses (gains) on marketable securities. FAD provides an additional perspective on our ability to fund cash needs and make distributions by adjusting FFO for the impact of certain cash and noncash items, as well as adjusting FFO for recurring capital expenditures and leasing costs. However, other REITs may use different methodologies for calculating FAD and, accordingly, our FAD may not be comparable to other REITs.

Net Operating Income (NOI): We define NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance). NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expense, other nonproperty income and losses, gains and losses from property dispositions, extraordinary items, tenant improvements and leasing commissions. 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.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Reconciliation of NOI to net income				
Total NOI	\$ 60,993	\$ 56,167	\$ 115,379	\$ 119,297
General and administrative	(6,924)	(6,679)	(13,747)	(13,499)
Depreciation and amortization	(27,646)	(26,493)	(55,147)	(53,955)
Operating Income	\$ 26,423	\$ 22,995	\$ 46,485	\$ 51,843
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt			(4,271)	—
Other income (expense), net	(74)	162	(127)	270
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310
Net income attributable to restricted shares	(135)	(69)	(272)	(173)
Net income attributable to unitholders in the Operating Partnership	(2,411)	(2,101)	(2,750)	(5,413)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 8,941	\$ 7,656	\$ 10,198	\$ 19,724

Overall Portfolio: Includes all operating properties owned by us as of June 30, 2021.

Cash NOI: We define cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, net change in lease receivables, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other non-property income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, our cash NOI may not be comparable to the cash NOIs of other REITs. We believe 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. We believe the exclusion of these items from net (loss) 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. Cash NOI is a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP. A Reconciliation of Total Cash NOI to Operating Income is presented below:

Reconciliation of Total Cash NOI to Net Income	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Total Cash NOI	\$ 58,729	\$ 42,448	\$ 108,512	\$ 101,937
Non-cash revenue and other operating expenses ⁽¹⁾	2,264	13,719	6,867	17,360
General and administrative	(6,924)	(6,679)	(13,747)	(13,499)
Depreciation and amortization	(27,646)	(26,493)	(55,147)	(53,955)
Operating income	\$ 26,423	\$ 22,995	\$ 46,485	\$ 51,843
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt			(4,271)	—
Other income (expense), net	(74)	162	(127)	270
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310

(1) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, net change in lease receivables, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Cash NOI Comparison with Redevelopment: As noted below in the definition of Same-Store, Non-Same Store and Redevelopment Same-Store, information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods being compared. Redevelopment same-store is considered by management to be an important measure because it assists in eliminating disparities due to the redevelopment of properties during the particular period presented, and thus provides a more consistent performance measure for the comparison of the company's stabilized and redevelopment properties, as applicable. Additionally, redevelopment same-store is considered by management to be an important measure because it assists in evaluating the timing of the start and stabilization of our redevelopment opportunities and the impact that these redevelopments have in enhancing our operating performance. We present Same-Store Cash NOI Comparison with Redevelopment using cash NOI to evaluate and compare the operating performance of the company's properties, as defined above. A reconciliation of Same-Store Cash NOI Comparison with Redevelopment on a cash basis to operating income is presented below:

	Three Months Ended ⁽¹⁾		Six Months Ended ⁽¹⁾	
	June 30,		June 30,	
	2021	2020	2021	2020
Reconciliation of Same-Store Cash NOI Comparison with Redevelopment to Operating Income				
Same-Store Cash NOI	\$ 53,881	\$ 43,709	\$ 102,199	\$ 96,072
Redevelopment Cash NOI ⁽²⁾	93	(134)	104	(299)
Same-Store Cash NOI with Redevelopment	53,974	43,575	102,303	95,773
Tenant improvement reimbursements	220	202	291	2,998
Total Same-Store Cash NOI with Redevelopment	\$ 54,194	\$ 43,777	\$ 102,594	\$ 98,771
Non-Same Store Cash NOI	4,535	(1,329)	5,918	3,166
Total Cash NOI	\$ 58,729	\$ 42,448	\$ 108,512	\$ 101,937
Non-cash revenue and other operating expenses ⁽³⁾	2,264	13,719	6,867	17,360
General and administrative	(6,924)	(6,679)	(13,747)	(13,499)
Depreciation and amortization	(27,646)	(26,493)	(55,147)	(53,955)
Operating income	\$ 26,423	\$ 22,995	\$ 46,485	\$ 51,843
Interest expense	(14,862)	(13,331)	(28,867)	(26,803)
Early extinguishment of debt			(4,271)	—
Other income (expense), net	(74)	162	(127)	270
Net income	\$ 11,487	\$ 9,826	\$ 13,220	\$ 25,310

- (1) Same-store excludes (i) One Beach Street, due to significant redevelopment activity; (ii) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (iii) land held for development.
- (2) Redevelopment property refers to One Beach Street, and Lloyd Portfolio - Land.
- (3) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, net change in lease receivables, lease termination fees at Carmel Mountain Plaza, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Portfolio, Non-Same Store Portfolio and Redevelopment Same-Store: Information provided on a same-store basis includes the results of properties that we owned and operated for the entirety of both periods being compared except for properties for which significant redevelopment or expansion occurred during either of the periods being compared, properties under development, properties classified as held for development and properties classified as discontinued operations. Information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods

being compared. The following table shows the properties included in the same-store, non-same store and redevelopment same-store portfolio for the comparative periods presented.

	Comparison of Three Months Ended June 30, 2021 to 2020			Comparison of Six Months Ended June 30, 2021 to 2020		
	Same-Store	Non Same-Store	Redevelopment Same-Store	Same-Store	Non Same-Store	Redevelopment Same-Store
Office Properties						
La Jolla Commons	X		X	X		
Torrey Reserve Campus	X		X	X		X
Torrey Point	X		X	X		X
Solana Crossing (formerly Solana Beach Corporate Centre)	X		X	X		X
The Landmark at One Market	X		X	X		X
One Beach Street		X	X		X	X
First & Main	X		X	X		X
Lloyd Portfolio	X		X	X		X
City Center Bellevue	X		X	X		X
Retail Properties						
Carmel Country Plaza	X		X	X		X
Carmel Mountain Plaza	X		X	X		X
South Bay Marketplace	X		X	X		X
Gateway Marketplace	X		X	X		X
Lomas Santa Fe Plaza	X		X	X		X
Solana Beach Towne Centre	X		X	X		X
Del Monte Center	X		X	X		X
Geary Marketplace	X		X	X		X
The Shops at Kalakaua	X		X	X		X
Waialele Center	X		X	X		X
Alamo Quarry Market	X		X	X		X
Hassalo on Eighth - Retail	X		X	X		X
Multifamily Properties						
Loma Palisades	X		X	X		X
Imperial Beach Gardens	X		X	X		X
Mariner's Point	X		X	X		X
Santa Fe Park RV Resort	X		X	X		X
Pacific Ridge Apartments	X		X	X		X
Hassalo on Eighth	X		X	X		X
Mixed-Use Properties						
Waikiki Beach Walk - Retail		X			X	
Waikiki Beach Walk - Embassy Suites™		X			X	
Development Properties						
La Jolla Commons - Land		X			X	
Solana Crossing - Land		X			X	
Lloyd Portfolio - Land		X	X		X	X

Tenant Improvements and Incentives: Represents not only the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators, new entrances, etc.) which are required to make the space leasable. Incentives include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.