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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to ______

AMERICAN ASSETS TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)
Commission file number: 001-35030

AMERICAN ASSETS TRUST, L.P.
(Exact Name of Registrant as Specified in its Charter)
Commission file number: 333-202342-01

Maryland	**(American Assets Trust, Inc.)**	**27-3338708**	**(American Assets Trust, Inc.)**
Maryland	**(American Assets Trust, L.P.)**	**27-3338894**	**(American Assets Trust, L.P.)**
(State or other jurisdiction of incorporation or organization)		**(IRS 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)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

American Assets Trust, Inc. ☒ Yes ☐ No
American Assets Trust, L.P. ☒ Yes ☐ No

(American Assets Trust, L.P. became subject to filing requirements under Section 13 of the Securities Exchange Act of 1934, as amended, upon effectiveness of its Registration Statement on Form S-3 on February 6, 2015 and has filed all required reports subsequent to that date.)

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

American Assets Trust, Inc. ☒ Yes ☐ No
American Assets Trust, L.P. ☒ Yes ☐ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

American Assets Trust, Inc.

Large Accelerated Filer	☒		Accelerated Filer	☐
Non-Accelerated Filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐			

American Assets Trust, L.P.

Large Accelerated Filer	☐		Accelerated Filer	☐
Non-Accelerated Filer	☒	(Do not check if a smaller reporting company)	Smaller reporting company	☐
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.

☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

American Assets Trust, Inc. ☐ Yes ☒ No
American Assets Trust, L.P. ☐ Yes ☒ No

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

Name of Registrant	Title of each class	Trading Symbol	Name of each exchange on which registered
American Assets Trust, Inc.	Common Stock, par value $0.01 per share	AAT	New York Stock Exchange
American Assets Trust, L.P.	None	None	None

American Assets Trust, Inc. had 61,404,213 shares of common stock, par value $0.01 per share, outstanding as of July 31, 2026.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended June 30, 2026 of American Assets Trust, Inc., a Maryland corporation, and American Assets Trust, L.P., a Maryland limited partnership, of which American Assets Trust, Inc. is the parent company and sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "we," "us," "our" or "the company" refer to American Assets Trust, Inc. together with its consolidated subsidiaries, including American Assets Trust, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "our Operating Partnership" or "the Operating Partnership" refer to American Assets Trust, L.P. together with its consolidated subsidiaries.

American Assets Trust, Inc. operates as a real estate investment trust, or REIT, and is the sole general partner of the Operating Partnership. As of June 30, 2026, American Assets Trust, Inc. owned an approximate 78.96% partnership interest in the Operating Partnership. The remaining approximately 21.04% partnership interests are owned by non-affiliated investors and certain of our directors and executive officers. As the sole general partner of the Operating Partnership, American Assets Trust, Inc. has full, exclusive and complete authority and control over the Operating Partnership's day-to-day management and business, can cause it to enter into certain major transactions, including acquisitions, dispositions and debt refinancings, and can cause changes in its line of business, capital structure and distribution policies.

American Assets Trust, Inc. believes that combining the quarterly reports on Form 10-Q of American Assets Trust, Inc. and the Operating Partnership into a single report will result in the following benefits:

- better reflects how management and the analyst community view the business as a single operating unit;
- enhances investors' understanding of American Assets Trust, Inc. and the Operating Partnership by enabling them to view the business as a whole and in the same manner as management;
- greater efficiency for American Assets Trust, Inc. and the Operating Partnership and resulting savings in time, effort and expense; and
- greater efficiency for investors by reducing duplicative disclosure by providing a single document for their review.

The management of American Assets Trust, Inc. and the Operating Partnership is the same and operates American Assets Trust, Inc. and the Operating Partnership as one enterprise.

There are certain differences between American Assets Trust, Inc. and the Operating Partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between American Assets Trust, Inc. and the Operating Partnership in the context of how American Assets Trust, Inc. and the Operating Partnership operate as an interrelated consolidated company. American Assets Trust, Inc. is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership. As a result, American Assets Trust, Inc. does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time and guaranteeing certain debt of the Operating Partnership. American Assets Trust, Inc. itself does not hold any indebtedness. The Operating Partnership holds substantially all the assets of the company, directly or indirectly holds the ownership interests in the company's real estate ventures, conducts the operations of the business and is structured as a partnership with no publicly-traded equity. Except for net proceeds from public equity issuances by American Assets Trust, Inc., which are generally contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required by American Assets Trust, Inc.'s business through the Operating Partnership's operations, by the Operating Partnership's direct or indirect incurrence of indebtedness or through the issuance of operating partnership units.

Noncontrolling interests and stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of American Assets Trust, Inc. and those of American Assets Trust, L.P. The partnership interests in the Operating Partnership that are not owned by American Assets Trust, Inc. are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in American Assets Trust, Inc.'s financial statements. To help investors understand the significant differences between American Assets Trust, Inc. and the Operating Partnership, this report presents the following separate sections for each of American Assets Trust, Inc. and the Operating Partnership:

- consolidated financial statements;
- the following notes to the consolidated financial statements:
  - Debt;
  - Equity/Partners' Capital; and
  - Earnings Per Share/Unit; and

- Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of American Assets Trust, Inc. and the Operating Partnership in order to establish that the Chief Executive Officer and the Chief Financial Officer of American Assets Trust, Inc. have made the requisite certifications and American Assets Trust, Inc. and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.

AMERICAN ASSETS TRUST, INC. AND AMERICAN ASSETS TRUST, L.P.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2026

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Real estate, at cost		
Operating real estate	$ 3,718,569	$ 3,694,203
Construction in progress	88,156	68,937
Held for development	487	487
	3,807,212	3,763,627
Accumulated depreciation	(1,195,972)	(1,144,259)
Net real estate	2,611,240	2,619,368
Cash and cash equivalents	109,697	129,362
Accounts receivable, net	5,502	7,407
Deferred rent receivables, net	84,527	84,642
Other assets, net	81,567	80,497
TOTAL ASSETS	$ 2,892,533	$ 2,921,276
LIABILITIES AND EQUITY		
LIABILITIES:		
Secured notes payable, net	$ 74,895	$ 74,849
Unsecured notes payable, net	1,613,061	1,612,761
Accounts payable and accrued expenses	81,216	71,094
Security deposits payable	10,500	10,063
Other liabilities and deferred credits	58,779	61,304
Total liabilities	1,838,451	1,830,071
Commitments and contingencies (Note 11)		
EQUITY:		
American Assets Trust, Inc. stockholders' equity		
Common stock, $0.01 par value, 490,000,000 shares authorized, 61,404,213 and 61,390,936 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	614	614
Additional paid-in capital	1,483,234	1,479,870
Accumulated dividends in excess of net income	(362,058)	(331,086)
Accumulated other comprehensive income	424	1,419
Total American Assets Trust, Inc. stockholders' equity	1,122,214	1,150,817
Noncontrolling interests	(68,132)	(59,612)
Total equity	1,054,082	1,091,205
TOTAL LIABILITIES AND EQUITY	$ 2,892,533	$ 2,921,276

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
REVENUE:				
Rental income	$ 103,115	$ 101,070	$ 207,537	$ 204,021
Other property income	6,368	6,863	12,538	12,519
Total revenue	109,483	107,933	220,075	216,540
EXPENSES:				
Rental expenses	31,769	29,678	63,489	59,978
Real estate taxes	9,791	10,645	21,737	21,650
General and administrative	8,912	8,850	17,695	18,162
Depreciation and amortization	32,712	32,782	65,023	63,276
Total operating expenses	83,184	81,955	167,944	163,066
Gain on sale of real estate	—	—	—	44,476
OPERATING INCOME	26,299	25,978	52,131	97,950
Interest expense, net	(19,931)	(19,784)	(39,638)	(38,564)
Other income, net	422	927	1,036	1,842
NET INCOME	6,790	7,121	13,529	61,228
Net income attributable to restricted shares	(235)	(206)	(471)	(409)
Net income attributable to unitholders in the Operating Partnership	(1,380)	(1,459)	(2,749)	(12,828)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS	$ 5,175	$ 5,456	$ 10,309	$ 47,991
EARNINGS PER COMMON SHARE				
Earnings per common share, basic	$ 0.09	$ 0.09	$ 0.17	$ 0.79
Weighted average shares of common stock outstanding - basic	60,703,355	60,540,125	60,700,533	60,538,720
Earnings per common share, diluted	$ 0.09	$ 0.09	$ 0.17	$ 0.79
Weighted average shares of common stock outstanding - diluted	76,884,892	76,721,662	76,882,070	76,720,257
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.340	$ 0.340	$ 0.680	$ 0.680
COMPREHENSIVE INCOME				
Net income	$ 6,790	$ 7,121	$ 13,529	$ 61,228
Other comprehensive loss - unrealized loss on swap derivatives during the period	(470)	(768)	(746)	(1,960)
Reclassification of amortization of forward-starting swaps included in interest expense	(257)	(258)	(515)	(516)
Comprehensive income	6,063	6,095	12,268	58,752
Comprehensive income attributable to non-controlling interests	(1,227)	(1,241)	(2,483)	(12,303)
Comprehensive income attributable to American Assets Trust, Inc.	$ 4,836	$ 4,854	$ 9,785	$ 46,449

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

American Assets Trust, Inc.
Consolidated Statement of Equity
(Unaudited)
(In Thousands, Except Share Data)

	American Assets Trust, Inc. Stockholders' Equity						
	Common Shares						
	Shares	Amount	Additional Paid-in Capital	Accumulated Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests - Unitholders in the Operating Partnership	Total
Balance at December 31, 2025	61,390,936	$ 614	$ 1,479,870	$ (331,086)	$ 1,419	$ (59,612)	$ 1,091,205
Net income	—	—	—	5,370	—	1,369	6,739
Dividends declared and paid	—	—	—	(20,873)	—	(5,502)	(26,375)
Stock-based compensation	—	—	1,682	—	—	—	1,682
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(217)	(59)	(276)
Reclassification of amortization of forward-starting swaps included in interest expense	—	—	—	—	(204)	(54)	(258)
Balance at March 31, 2026	61,390,936	$ 614	$ 1,481,552	$ (346,589)	$ 998	$ (63,858)	$ 1,072,717
Net income	—	—	—	5,410	—	1,380	6,790
Issuance of restricted stock	15,372	—	—	—	—	—	—
Forfeiture of restricted stock	(2,095)	—	—	—	—	—	—
Dividends declared and paid	—	—	—	(20,879)	—	(5,501)	(26,380)
Stock-based compensation	—	—	1,682	—	—	—	1,682
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(371)	(99)	(470)
Reclassification of amortization of forward-starting swaps included in interest expense	—	—	—	—	(203)	(54)	(257)
Balance at June 30, 2026	61,404,213	$ 614	$ 1,483,234	$ (362,058)	$ 424	$ (68,132)	$ 1,054,082

	American Assets Trust, Inc. Stockholders' Equity						
	Common Shares						
	Shares	Amount	Additional Paid-in Capital	Accumulated Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests - Unitholders in the Operating Partnership	Total
Balance at December 31, 2024	61,138,238	$ 611	$ 1,474,869	$ (304,339)	$ 4,760	$ (51,580)	$ 1,124,321
Net income	—	—	—	42,738	—	11,369	54,107
Forfeiture of restricted stock	(3,508)	—	—	—	—	—	—
Dividends declared and paid	—	—	—	(20,786)	—	(5,502)	(26,288)
Stock-based compensation	—	—	1,670	—	—	—	1,670
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(939)	(253)	(1,192)
Reclassification of amortization of forward-starting swap included in interest expense	—	—	—	—	(204)	(54)	(258)
Balance at March 31, 2025	61,134,730	$ 611	$ 1,476,539	$ (282,387)	$ 3,617	$ (46,020)	$ 1,152,360
Net income	—	—	—	5,662	—	1,459	7,121
Issuance of restricted stock	17,812	1	—	—	—	—	1
Dividends declared and paid	—	—	—	(20,793)	—	(5,501)	(26,294)
Stock-based compensation	—	—	1,683	—	—	—	1,683
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(605)	(163)	(768)
Reclassification of amortization of forward-starting swaps included in interest expense	—	—	—	—	(203)	(55)	(258)
Balance at June 30, 2025	61,152,542	$ 612	$ 1,478,222	$ (297,518)	$ 2,809	$ (50,280)	$ 1,133,845

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

American Assets Trust, Inc.
Consolidated Statements of Cash Flows
(Unaudited)
(In Thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
OPERATING ACTIVITIES		
Net income	$ 13,529	$ 61,228
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred rent revenue and amortization of lease intangibles	(1,816)	(363)
Depreciation and amortization	65,023	63,276
Amortization of debt issuance costs and debt discounts	1,514	1,442
Provision for uncollectible rental income	1,333	183
Gain on sale of real estate	—	(44,476)
Stock-based compensation expense	3,364	3,353
Lease termination income	—	814
Other noncash interest expense, net	(515)	(515)
Other, net	57	(179)
Changes in operating assets and liabilities		
Change in accounts receivable	1,140	1,160
Change in other assets	(1,259)	(1,570)
Change in accounts payable and accrued expenses	3,920	1,316
Change in security deposits payable	437	74
Change in other liabilities and deferred credits	757	297
Net cash provided by operating activities	87,484	86,040
INVESTING ACTIVITIES		
Acquisition of real estate	—	(67,879)
Capital expenditures	(44,909)	(37,259)
Proceeds from sale of real estate, net of selling costs	—	117,784
Leasing commissions	(4,767)	(3,027)
Net cash (used in) provided by investing activities	(49,676)	9,619
FINANCING ACTIVITIES		
Repayment of unsecured term loan	—	(225,000)
Repayment of unsecured notes payable	—	(100,000)
Debt issuance costs	(4,718)	—
Dividends paid to common stock and unitholders	(52,755)	(52,582)
Net cash used in financing activities	(57,473)	(377,582)
Net decrease in cash and cash equivalents	(19,665)	(281,923)
Cash and cash equivalents, beginning of period	129,362	425,659
Cash and cash equivalents, end of period	$ 109,697	$ 143,736

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

American Assets Trust, L.P.
Consolidated Balance Sheets
(In Thousands, Except Unit Data)

	June 30, 2026 (unaudited)		December 31, 2025	
ASSETS				
Real estate, at cost				
Operating real estate	$	3,718,569	$	3,694,203
Construction in progress		88,156		68,937
Held for development		487		487
		3,807,212		3,763,627
Accumulated depreciation		(1,195,972)		(1,144,259)
Net real estate		2,611,240		2,619,368
Cash and cash equivalents		109,697		129,362
Accounts receivable, net		5,502		7,407
Deferred rent receivables, net		84,527		84,642
Other assets, net		81,567		80,497
TOTAL ASSETS	$	2,892,533	$	2,921,276
LIABILITIES AND CAPITAL				
LIABILITIES:				
Secured notes payable, net	$	74,895	$	74,849
Unsecured notes payable, net		1,613,061		1,612,761
Accounts payable and accrued expenses		81,216		71,094
Security deposits payable		10,500		10,063
Other liabilities and deferred credits		58,779		61,304
Total liabilities		1,838,451		1,830,071
Commitments and contingencies (Note 11)				
CAPITAL:				
Limited partners' capital, 16,181,537 and 16,181,537 units issued and outstanding as of June 30, 2026 and December 31, 2025, respectively		(68,776)		(60,522)
General partner's capital, 61,404,213 and 61,390,936 units issued and outstanding as of June 30, 2026 and December 31, 2025, respectively		1,121,790		1,149,398
Accumulated other comprehensive income		1,068		2,329
Total capital		1,054,082		1,091,205
TOTAL LIABILITIES AND CAPITAL	$	2,892,533	$	2,921,276

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

American Assets Trust, L.P.
Consolidated Statements of Comprehensive Income
(Unaudited)
(In Thousands, Except Shares and Per Unit Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
REVENUE:				
Rental income	$ 103,115	$ 101,070	$ 207,537	$ 204,021
Other property income	6,368	6,863	12,538	12,519
Total revenue	109,483	107,933	220,075	216,540
EXPENSES:				
Rental expenses	31,769	29,678	63,489	59,978
Real estate taxes	9,791	10,645	21,737	21,650
General and administrative	8,912	8,850	17,695	18,162
Depreciation and amortization	32,712	32,782	65,023	63,276
Total operating expenses	83,184	81,955	167,944	163,066
Gain on sale of real estate	—	—	—	44,476
OPERATING INCOME	26,299	25,978	52,131	97,950
Interest expense, net	(19,931)	(19,784)	(39,638)	(38,564)
Other income, net	422	927	1,036	1,842
NET INCOME	6,790	7,121	13,529	61,228
Net income attributable to restricted shares	(235)	(206)	(471)	(409)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, L.P.	$ 6,555	$ 6,915	$ 13,058	$ 60,819
EARNINGS PER UNIT - BASIC				
Earnings per unit, basic	$ 0.09	$ 0.09	$ 0.17	$ 0.79
Weighted average units outstanding - basic	76,884,892	76,721,662	76,882,070	76,720,257
EARNINGS PER UNIT - DILUTED				
Earnings per unit, diluted	$ 0.09	$ 0.09	$ 0.17	$ 0.79
Weighted average units outstanding - diluted	76,884,892	76,721,662	76,882,070	76,720,257
DISTRIBUTIONS PER UNIT	$ 0.340	$ 0.340	$ 0.680	$ 0.680
COMPREHENSIVE INCOME				
Net income	$ 6,790	$ 7,121	$ 13,529	$ 61,228
Other comprehensive loss - unrealized loss on swap derivatives during the period	(470)	(768)	(746)	(1,960)
Reclassification of amortization of forward-starting swap included in interest expense	(257)	(258)	(515)	(516)
Comprehensive income	6,063	6,095	12,268	58,752
Comprehensive income attributable to Limited Partners	(1,227)	(1,241)	(2,483)	(12,303)
Comprehensive income attributable to General Partner	$ 4,836	$ 4,854	$ 9,785	$ 46,449

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

American Assets Trust, L.P.
Consolidated Statement of Partners' Capital
(Unaudited)
(In Thousands, Except Unit Data)

	Limited Partners' Capital [1]		General Partner's Capital [2]		Accumulated Other Comprehensive Income (Loss)	Total Capital
	Units	Amount	Units	Amount		
Balance at December 31, 2025	16,181,537	$ (60,522)	61,390,936	$ 1,149,398	$ 2,329	$ 1,091,205
Net income	—	1,369	—	5,370	—	6,739
Distributions	—	(5,502)	—	(20,873)	—	(26,375)
Stock-based compensation	—	—	—	1,682	—	1,682
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(276)	(276)
Reclassification of amortization of forward starting swaps included in interest expense	—	—	—	—	(258)	(258)
Balance at March 31, 2026	16,181,537	$ (64,655)	61,390,936	$ 1,135,577	$ 1,795	$ 1,072,717
Net income	—	1,380	—	5,410	—	6,790
Issuance of restricted units	—	—	15,372	—	—	—
Forfeiture of restricted units	—	—	(2,095)	—	—	—
Distributions	—	(5,501)	—	(20,879)	—	(26,380)
Stock-based compensation	—	—	—	1,682	—	1,682
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(470)	(470)
Reclassification of amortization of forward starting swaps included in interest expense	—	—	—	—	(257)	(257)
Balance at June 30, 2026	16,181,537	$ (68,776)	61,404,213	$ 1,121,790	$ 1,068	$ 1,054,082

	Limited Partners' Capital [1]		General Partner's Capital [2]		Accumulated Other Comprehensive Income (Loss)	Total Capital
	Units	Amount	Units	Amount		
Balance at December 31, 2024	16,181,537	$ (53,385)	61,138,238	$ 1,171,141	$ 6,565	$ 1,124,321
Net income	—	11,369	—	42,738	—	54,107
Forfeiture of restricted units	—	—	(3,508)	—	—	—
Distributions	—	(5,502)	—	(20,786)	—	(26,288)
Stock-based compensation	—	—	—	1,670	—	1,670
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(1,192)	(1,192)
Reclassification of amortization of forward starting swaps included in interest expense	—	—	—	—	(258)	(258)
Balance at March 31, 2025	16,181,537	$ (47,518)	61,134,730	$ 1,194,763	$ 5,115	$ 1,152,360
Net income	—	1,459	—	5,662	—	7,121
Issuance of restricted units	—	—	17,812	1	—	1
Forfeiture of restricted units	—	—	—	—	—	—
Distributions	—	(5,501)	—	(20,793)	—	(26,294)
Stock-based compensation	—	—	—	1,683	—	1,683
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	(768)	(768)
Reclassification of amortization of forward starting swaps included in interest expense	—	—	—	—	(258)	(258)
Balance at June 30, 2025	16,181,537	$ (51,560)	61,152,542	$ 1,181,316	$ 4,089	$ 1,133,845

(1) Consists of limited partnership interests held by third parties.
(2) Consists of general partnership interests held by American Assets Trust, Inc.

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

American Assets Trust, L.P.
Consolidated Statements of Cash Flows
(Unaudited, In Thousands)

	Six Months Ended June 30,	
	2026	2025
OPERATING ACTIVITIES		
Net income	$ 13,529	$ 61,228
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred rent revenue and amortization of lease intangibles	(1,816)	(363)
Depreciation and amortization	65,023	63,276
Amortization of debt issuance costs and debt discounts	1,514	1,442
Provision for uncollectible rental income	1,333	183
Gain on sale of real estate	—	(44,476)
Stock-based compensation expense	3,364	3,353
Lease termination income	—	814
Other noncash interest expense, net	(515)	(515)
Other, net	57	(179)
Changes in operating assets and liabilities		
Change in accounts receivable	1,140	1,160
Change in other assets	(1,259)	(1,570)
Change in accounts payable and accrued expenses	3,920	1,316
Change in security deposits payable	437	74
Change in other liabilities and deferred credits	757	297
Net cash provided by operating activities	87,484	86,040
INVESTING ACTIVITIES		
Acquisition of real estate	—	(67,879)
Capital expenditures	(44,909)	(37,259)
Proceeds from sale of real estate, net of selling costs	—	117,784
Leasing commissions	(4,767)	(3,027)
Net cash (used in) provided by investing activities	(49,676)	9,619
FINANCING ACTIVITIES		
Repayment of unsecured term loan	—	(225,000)
Repayment of unsecured notes payable	—	(100,000)
Debt issuance costs	(4,718)	—
Distributions	(52,755)	(52,582)
Net cash used in financing activities	(57,473)	(377,582)
Net decrease in cash and cash equivalents	(19,665)	(281,923)
Cash and cash equivalents, beginning of period	129,362	425,659
Cash and cash equivalents, end of period	$ 109,697	$ 143,736

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Organization

American Assets Trust, Inc. (which may be referred to in these financial statements as the “company,” “we,” “us,” or “our”) is a Maryland corporation formed on July 16, 2010 that did not have any operating activity until the consummation of our initial public offering on January 19, 2011. The company is the sole general partner of American Assets Trust, L.P., a Maryland limited partnership formed on July 16, 2010 (the “Operating Partnership”). The company’s operations are carried on through our Operating Partnership and its subsidiaries, including our taxable real estate investment trust (“REIT”) subsidiary (“TRS”). Since the formation of our Operating Partnership, the company has controlled our Operating Partnership as its general partner and has consolidated its assets, liabilities and results of operations.

We are a full service, vertically integrated, and self-administered REIT with approximately 232 employees providing substantial in-house expertise in asset management, property management, property development, leasing, tenant improvement construction, acquisitions, repositioning, redevelopment and financing.

As of June 30, 2026, we owned or had a controlling interest in 31 office, retail, multifamily and mixed-use operating properties, the operations of which we consolidate. Additionally, as of June 30, 2026, we owned land at two of our properties that we classify as held for development and/or construction in progress. A summary of the properties owned by us is as follows:

Office

La Jolla Commons	First & Main	Timber Springs
Torrey Point	Lloyd Portfolio	Coastal Collection at Torrey Reserve
Solana Crossing	City Center Bellevue	
The Landmark at One Market	14Acres	
One Beach Street	Timber Ridge	

Retail

Carmel Country Plaza	Gateway Marketplace	Hassalo on Eighth - Retail
Carmel Mountain Plaza	Geary Marketplace	
South Bay Marketplace	The Shops at Kalakaua	
Lomas Santa Fe Plaza	Waikele Center	
Solana Beach Towne Centre	Alamo Quarry Market	

Multifamily

Loma Palisades	Hassalo on Eighth - Multifamily
Imperial Beach Gardens	Genesee Park
Mariner's Point	
Santa Fe Park RV Resort	
Pacific Ridge Apartments	

Mixed-Use

Waikiki Beach Walk Retail and Embassy Suites™ Hotel

Held for Development and/or Construction in Progress

Solana Crossing – Land
Lloyd Portfolio – Construction in Progress

Basis of Presentation

Our consolidated financial statements include the accounts of the company, our Operating Partnership and our subsidiaries. The equity interests of other investors in our Operating Partnership are reflected as noncontrolling interests.

The company follows the Financial Accounting Standards Board (the "FASB") guidance for determining whether an entity is a variable interest entity ("VIE"), which requires the performance of a qualitative rather than a quantitative analysis to determine the primary beneficiary of a VIE. Under this guidance, an entity would be required to consolidate a VIE if it has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. American Assets Trust, Inc. has concluded that the Operating Partnership is a VIE, and because American Assets Trust, Inc. has both the power and the rights to control the Operating Partnership, American Assets Trust, Inc. is the primary beneficiary and is required to continue to consolidate the Operating Partnership. Substantially all of the assets and liabilities of the company are related to the Operating Partnership VIE.

All intercompany transactions and balances are eliminated in consolidation.

The accompanying consolidated financial statements of the company and the Operating Partnership have been prepared in accordance with the rules applicable to Form 10-Q and include all information and footnotes required for interim financial statement presentation, but do not include all disclosures required under accounting principles generally accepted in the United States ("GAAP") for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments, except as otherwise noted) considered necessary for a fair presentation have been included. These financial statements should be read in conjunction with the audited consolidated financial statements and notes therein included in the company's and Operating Partnership's annual report on Form 10-K for the year ended December 31, 2025.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using our best judgment, after considering past, current and expected events and economic conditions. Actual results could differ from these estimates.

Any reference to the number of properties, number of units, square footage, employee numbers or percentages of beneficial ownership of our shares are unaudited.

Consolidated Statements of Cash Flows—Supplemental Disclosures

The following table provides supplemental disclosures related to the Consolidated Statements of Cash Flows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Supplemental cash flow information		
Total interest costs incurred	$ 39,638	$ 39,994
Interest capitalized	$ —	$ 1,430
Interest expense, net	$ 39,638	$ 38,564
Cash paid for interest, net of amounts capitalized	$ 38,643	$ 40,652
Cash paid for income taxes	$ 534	$ 511
Supplemental schedule of noncash investing and financing activities		
Accounts payable and accrued liabilities for construction in progress	$ 25,706	$ 12,469
Accrued leasing commissions	$ 4,396	$ 4,057

Significant Accounting Policies

We describe our significant accounting policies in Note 1 to the consolidated financial statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no changes to our significant accounting policies during the six months ended June 30, 2026.

Segment Information

Segment information is prepared on the same basis that our management reviews information for operational decision-making purposes. We operate in four reportable segments: the acquisition, redevelopment, ownership and management of retail real estate, office real estate, multifamily real estate and mixed-use real estate. The products for our retail segment primarily include rental of retail space and other tenant services, including tenant reimbursements, parking and storage space rental. The products for our office segment primarily include rental of office space and other tenant services, including tenant reimbursements, parking and storage space rental. The products for our multifamily segment include rental of apartments and other tenant services. The products of our mixed-use segment include rental of retail space and other tenant services, including tenant reimbursements, parking and storage space rental and operation of a 369-room all-suite hotel.

Revenue Recognition and Accounts Receivable

Our leases with tenants are classified as operating leases. Substantially all such leases contain fixed rent escalations which occur at specified times during the term of the lease. Base rents are recognized on a straight-line basis from when the tenant controls the space through the term of the related lease, net of valuation adjustments, based on management's assessment of credit, collection and other business risks.

We make estimates of the collectability of our current accounts receivable and straight-line rents receivable which require significant judgment by management. The collectability of receivables is affected by numerous different factors including current economic conditions, the impact of tenant bankruptcies, the status of collectability of current cash rents receivable, tenants' recent and historical financial and operating results, changes in our tenants' credit ratings, communications between our operating personnel and tenants, the extent of security deposits and letters of credit held with respect to tenants, and the ability of tenants to perform under the terms of their lease agreement. The allowance for doubtful accounts at June 30, 2026 and December 31, 2025 was approximately $1.5 million and $1.3 million, respectively.

Hotel revenue recognized at Waikiki Beach Walk Embassy Suites™ Hotel is in accordance with Accounting Standards Codification (“ASC”) 606, “Revenue from Contracts with Customers,” and is included within rental income on the statement of comprehensive income.

When we enter into a transaction to sell a property or a portion of a property, we evaluate the recognition of the sale under ASC 610-20, “Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets,” to determine whether and when control transfers and how to measure the associated gain or loss. We determine the transaction price based on the consideration we expect to receive. Variable consideration is included in the transaction price to the extent it is probable that a significant reversal of a gain recognized will not occur. We analyze the risk of a significant gain reversal and if necessary limit the amount of variable consideration recognized in order to mitigate this risk. The estimation of variable consideration may require us to make assumptions and apply significant judgment.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures.* This pronouncement requires public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, and should be applied either prospectively or retrospectively, with early adoption permitted. The company is currently evaluating the impact of adopting ASU 2024-03.

NOTE 2. ACQUIRED IN-PLACE LEASES AND ABOVE/BELOW MARKET LEASES

The following summarizes our acquired lease intangibles and leasing costs, which are included in other assets and other liabilities and deferred credits, as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
In-place leases	$ 48,086	$ 48,489
Accumulated amortization	(39,600)	(38,280)
Above market leases	432	432
Accumulated amortization	(432)	(429)
Acquired lease intangible assets, net	$ 8,486	$ 10,212
Below market leases	$ 38,428	$ 38,446
Accumulated accretion	(28,385)	(27,523)
Acquired lease intangible liabilities, net	$ 10,043	$ 10,923

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

A fair value measurement is based on the assumptions that market participants would use in pricing an asset or liability. The hierarchy for inputs used in measuring fair value is as follows:

1. Level 1 Inputs—quoted prices in active markets for identical assets or liabilities
2. Level 2 Inputs—observable inputs other than quoted prices in active markets for identical assets and liabilities
3. Level 3 Inputs—unobservable inputs

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are reasonable estimates of fair value, using Level 1 inputs, because of the short-term nature of these instruments. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

We measure the fair value of our deferred compensation liability, which is included in other liabilities and deferred credits on the consolidated balance sheet, on a recurring basis using Level 2 inputs. We measure the fair value of this liability based on prices provided by independent market participants that are based on observable inputs using market-based valuation techniques.

The fair value of the interest rate swap agreements are based on the estimated amounts we would receive or pay to terminate the contract at the reporting date and are determined using interest rate pricing models and interest rate related observable inputs. The changes in the fair value of the derivatives that are designated as cash flow hedges are being recorded in accumulated other comprehensive income (loss) and will be subsequently reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

We incorporate credit valuation adjustments to appropriately reflect both our own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of non-performance risk, we considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of June 30, 2026 we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative position and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivative. As a result, we have determined that our derivative valuation in its entirety is classified in Level 2 of the fair value hierarchy.

A summary of our financial liabilities that are measured at fair value on a recurring basis, by level within the fair value hierarchy is as follows (in thousands):

	June 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Deferred compensation liability	$ —	$ 3,541	$ —	$ 3,541	$ —	$ 3,380	$ —	$ 3,380
Interest rate swap asset	$ —	$ 1,265	$ —	$ 1,265	$ —	$ 2,011	$ —	$ 2,011

The fair value of our secured notes payable and unsecured senior guaranteed notes are sensitive to fluctuations in interest rates. Discounted cash flow analysis using observable market interest rates (Level 2) is generally used to estimate the fair value of our secured notes payable, using rates ranging from 5.8% to 7.7%.

Considerable judgment is necessary to estimate the fair value of financial instruments. The estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized upon disposition of the financial instruments. The carrying value of our term loan set forth below is deemed to be at fair value since the outstanding debt is directly tied to the monthly Secured Overnight Financing Rate ("SOFR"). The fair values of our senior notes are generally estimated based on quoted market prices for these instruments. A summary of the carrying amount and fair value of our financial instruments, all of which are based on Level 2 inputs, is as follows (in thousands):

	June 30, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured notes payable, net	$ 74,895	$ 74,873	$ 74,849	$ 74,728
Unsecured term loan, net	$ 99,167	$ 100,000	$ 99,869	$ 100,000
Unsecured senior guaranteed notes, net	$ 499,563	$ 484,920	$ 499,437	$ 483,339
Senior notes, net	$ 1,014,331	$ 987,317	$ 1,013,455	$ 989,549

NOTE 4. DERIVATIVE AND HEDGING ACTIVITIES

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The following is a summary of the terms of our outstanding interest rate swaps as of June 30, 2026 (dollars in thousands):

Swap Counterparty	Notional Amount	Effective Date	Maturity Date	Fair Value
Bank of America, N.A.	$ 50,000	1/14/2022	1/5/2027	$ 632
Wells Fargo Bank, N.A.	$ 50,000	1/14/2022	1/5/2027	$ 633

The effective portion of changes in the fair value of the derivatives that are designated as cash flow hedges are being recorded in accumulated other comprehensive income and will be subsequently reclassified into earnings during the period in which the hedged forecasted transaction affects earnings for as long as hedged cash flows remain probable. During the next twelve months, we estimate the cash flow hedges in place will reduce interest expense by approximately $0.7 million.

The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivative, including the period to maturity, and counterparty credit risk and uses observable market-based inputs, including interest rate curves, and implied volatilities. The fair value of the interest rate swap is determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

NOTE 5. OTHER ASSETS, NET

Other assets consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Leasing commissions, net of accumulated amortization of $57,973 and $56,094, respectively	$ 36,778	$ 36,223
Interest rate swap asset	1,265	2,011
Acquired above market leases, net	—	3
Acquired in-place leases, net	8,486	10,209
Lease incentives, net of accumulated amortization of $1,389 and $1,239, respectively	2,355	2,110
Other intangible assets, net of accumulated amortization of $2,510 and $2,361, respectively	1,320	1,489
Debt issuance costs on line of credit, net of accumulated amortization of $2,970 and $2,591, respectively	3,799	250
Right-of-use lease asset, net	15,827	17,246
Prepaid expenses and other	11,737	10,956
Total other assets, net	$ 81,567	$ 80,497

NOTE 6. OTHER LIABILITIES AND DEFERRED CREDITS

Other liabilities and deferred credits consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Acquired below market leases, net	$ 10,043	$ 10,923
Prepaid rent and deferred revenue	21,052	20,670
Deferred compensation	3,541	3,380
Deferred tax liability	638	638
Straight-line rent liability	6,161	6,880
Lease liability	17,316	18,774
Other liabilities	28	39
Total other liabilities and deferred credits, net	$ 58,779	$ 61,304

Straight-line rent liability relates to leases which have rental payments that decrease over time or one-time upfront payments for which the rental revenue is deferred and recognized on a straight-line basis.

NOTE 7. DEBT

Debt of American Assets Trust, Inc.

American Assets Trust, Inc. does not hold any indebtedness. All debt is held directly or indirectly by the Operating Partnership; however, American Assets Trust, Inc. has guaranteed the Operating Partnership's obligations under the (i) 3.375% and 6.150% senior notes, (ii) senior guaranteed notes, and (iii) fourth amended and restated credit facility, each discussed below.

Debt of American Assets Trust, L.P.

Secured notes payable

The following table is a summary of our total secured notes payable outstanding as of June 30, 2026 and December 31, 2025 (in thousands):

	Principal Balance as of		Stated Interest Rate	
Description of Debt	**June 30, 2026**	**December 31, 2025**	**as of June 30, 2026**	**Stated Maturity Date**
City Center Bellevue (1)	$ 75,000	$ 75,000	5.08 %	October 1, 2027
	75,000	75,000		
Debt issuance costs, net of accumulated amortization of $768 and $723, respectively	(105)	(151)		
Total Secured Notes Payable Outstanding	**$ 74,895**	**$ 74,849**		

(1) Interest only.

The Operating Partnership has provided a carve-out guarantee on the mortgage at City Center Bellevue. Certain loans require the Operating Partnership to comply with various financial covenants. As of June 30, 2026, the Operating Partnership was in compliance with these financial covenants.

Unsecured notes payable

The following table is a summary of the Operating Partnership's total unsecured notes payable outstanding as of June 30, 2026 and December 31, 2025 (in thousands):

	Principal Balance as of		Stated Interest Rate	
Description of Debt	**June 30, 2026**	**December 31, 2025**	**as of June 30, 2026**	**Stated Maturity Date**
Term Loan A	$ 100,000	$ 100,000	Variable (1)	April 1, 2030 (2)
Senior Guaranteed Notes, Series D	250,000	250,000	4.29 % (3)	March 1, 2027
Senior Guaranteed Notes, Series E	100,000	100,000	4.24 % (4)	May 23, 2029
Senior Guaranteed Notes, Series G	150,000	150,000	3.91 % (5)	July 30, 2030
3.375% Senior Notes	500,000	500,000	3.38 %	February 1, 2031
6.150% Senior Notes	525,000	525,000	6.15 % (6)	October 1, 2034
	1,625,000	1,625,000		
Debt discount and issuance costs, net of accumulated amortization of $9,810 and $8,720, respectively	(11,939)	(12,239)		
Total Unsecured Notes Payable	**$ 1,613,061**	**$ 1,612,761**		

(1) The Operating Partnership entered into two interest rate swap agreements that are intended to fix the interest rate associated with Term Loan A at approximately 2.65% through January 5, 2027, subject to adjustments based on our consolidated leverage ratio.
(2) On April 1, 2026, we extended the maturity date of Term Loan A to April 1, 2030, subject to one, twelve-month extension option.
(3) The Operating Partnership entered into forward-starting interest rate swap contracts on March 29, 2016 and April 7, 2016, which were settled on January 18, 2017 at a gain of approximately $10.4 million. The forward-starting interest swap rate contracts were deemed to be highly effective cash flow hedges, accordingly, the effective interest rate is approximately 3.87% per annum.
(4) The Operating Partnership entered into a treasury lock contract on April 25, 2017, which was settled on May 11, 2017 at a gain of approximately $0.7 million. The treasury lock contract was deemed to be a highly effective cash flow hedge, accordingly, the effective interest rate is approximately 4.18% per annum.
(5) The Operating Partnership entered into a treasury lock contract on June 20, 2019, which was settled on July 17, 2019 at a gain of approximately $0.5 million. The treasury lock contract was deemed to be a highly effective cash flow hedge, accordingly, the effective interest rate is approximately 3.88% per annum.
(6) The Operating Partnership entered into treasury lock contracts on September 9, 2024 for $150 million and September 10, 2024 for an additional $150 million, which were both settled on September 10, 2024 at a combined loss of approximately $1.3 million. The treasury lock contracts were deemed to be highly effective cash flow hedges, accordingly, the effective interest rate is approximately 6.21% per annum.

Senior Notes

On January 26, 2021, the Operating Partnership issued $500 million of senior unsecured notes (the “3.375% Senior Notes”) that mature February 1, 2031 and bear interest at 3.375% per annum. The 3.375% Senior Notes were priced at 98.935% of the principal amount with a yield to maturity of 3.502%. The net proceeds of the 3.375% Senior Notes, after the issuance discount, underwriting fees, and other costs were approximately $489.7 million, which were primarily used (i) to prepay our $150 million Senior Guaranteed Notes, Series A, with a make-whole payment thereon of approximately $3.9 million, on January 26, 2021, (ii) to repay our $100 million then outstanding balance under our then-existing revolver loan on January 26, 2021, (iii) to fund the development of the La Jolla Commons III office building and (iv) for general corporate purposes.

On September 17, 2024, the Operating Partnership issued $525 million of senior unsecured notes (the “6.150% Senior Notes”) that mature October 1, 2034, and bear interest at 6.150% per annum. The 6.150% Senior Notes were priced at 99.671% of the principal amount with a yield to maturity of 6.194%. The net proceeds of the 6.150% Senior Notes, after the issuance discount, underwriting fees, and other costs, were approximately $518.2 million. To date, the net proceeds were used to repay (i) the $100 million then outstanding balance under our Revolver Loan on September 19, 2024, (ii) our Series B Notes in the amount of $100 million on December 2, 2024, and (iii) our Series C Notes in the amount of $100 million on February 3, 2025. The remaining net proceeds are intended to be used for working capital and general corporate purposes.

The 3.375% Senior Notes and the 6.150% Senior Notes include a number of customary financial covenants, including:

- A maximum aggregate debt ratio of 60%,
- A minimum debt service ratio of 1.5x,
- A maximum secured debt ratio of 40%,
- A minimum maintenance of total unencumbered assets of 150%.

As of June 30, 2026, the Operating Partnership was in compliance with all then in-place 3.375% Senior Notes and 6.150% Senior Notes covenants.

Senior Guaranteed Notes

On March 1, 2017, the Operating Partnership entered into a Note Purchase Agreement (the “Series D Note Purchase Agreement”) for the private placement of $250 million of 4.29% Senior Guaranteed Notes, Series D, due March 1, 2027 (the “Series D Notes”). The Series D Notes were issued on March 1, 2017 and pay interest quarterly on the last day of January, April, July and October until their respective maturities.

On May 23, 2017, the Operating Partnership entered into a Note Purchase Agreement (the “Series E Note Purchase Agreement”) for the private placement of $100 million of 4.24% Senior Guaranteed Notes, Series E, due May 23, 2029 (the “Series E Notes”). The Series E Notes were issued on May 23, 2017 and pay interest semi-annually on the 23rd of May and November until their respective maturities.

On July 30, 2019, the Operating Partnership entered into a Note Purchase Agreement (collectively with the Series D Note Purchase Agreement and Series E Note Purchase Agreement, the “Note Purchase Agreements”) for the private placement of $150 million of 3.91% Senior Guaranteed Notes, Series G, due July 30, 2030 (the “Series G Notes” and collectively with the Series D Notes and Series E Notes are referred to herein as, the “Notes”.) The Series G Notes were issued on July 30, 2019 and pay interest semi-annually on the 30th of July and January until their maturity.

The Operating Partnership may prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of any series of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid plus a make-whole amount.

The Note Purchase Agreements contain a number of customary financial covenants, including, without limitation, tangible net worth thresholds, secured and unsecured leverage ratios and fixed charge coverage ratios. As of June 30, 2026, the Operating Partnership was in compliance with all covenants under the Note Purchase Agreements.

Subject to the terms of the Note Purchase Agreements and the Notes, upon certain events of default, including, but not limited to, (i) a default in the payment of any principal, make-whole amount or interest under the Notes, and (ii) a default in the payment of certain other indebtedness by us or our subsidiaries, the principal, accrued and unpaid interest, and the make-whole amount on the outstanding Notes will become due and payable at the option of the purchasers.

The Operating Partnership's obligations under the Notes are fully and unconditionally guaranteed by the company and certain of the Operating Partnership's subsidiaries.

Credit Facility

On April 1, 2026, the Operating Partnership entered into the fourth amended and restated credit facility (the "Fourth Amended and Restated Credit Facility"), which amended and restated our then-existing credit facility. The Fourth Amended and Restated Credit Facility provides for aggregate, unsecured borrowings of up to $600 million, consisting of a revolving line of credit of $500 million (the "2026 Revolver Loan") and a term loan of $100 million (the "2026 Term Loan A"). The 2026 Revolver Loan initially matures on April 1, 2030, subject to two, six-month extension options. The 2026 Term Loan A initially matures on April 1, 2030, subject to one, twelve-month extension option. As of June 30, 2026, the entirety of the principal amount of the 2026 Term Loan A was outstanding, there were no amounts outstanding under the 2026 Revolver Loan, and the Operating Partnership had incurred approximately $3.8 million of net debt issuance costs which are recorded in other assets, net on the consolidated balance sheet. For the six months ended June 30, 2026, the weighted average interest rate on the 2026 Revolver Loan was 4.78%.

Borrowings under the Fourth Amended and Restated Credit Agreement bear interest at floating rates equal to, at the Operating Partnership's option, either (1) the applicable SOFR, plus a spread which ranges from (a) 1.05% to 1.50% (with respect to the 2026 Revolver Loan) and (b) 1.20% to 1.70% (with respect to the 2026 Term Loan A), in each case based on our consolidated leverage ratio, or (2) a base rate equal to the highest of (a) the prime rate, (b) the federal funds rate plus 50 bps, (c) the Term SOFR Screen Rate with a term of one month plus 100 bps and (d) 1.00%, plus a spread which ranges from (i) 0.05% to 0.50% (with respect to the 2026 Revolver Loan) and (ii) 0.20% to 0.70% (with respect to the 2026 Term Loan A), in each case based on our consolidated leverage ratio.

The Fourth Amended and Restated Credit Facility includes a number of customary financial covenants, including:

- A maximum leverage ratio (defined as total indebtedness net of certain cash and cash equivalents to total asset value) of 60%,
- A maximum secured leverage ratio (defined as total secured debt to secured total asset value) of 40%,
- A minimum fixed charge coverage ratio (defined as consolidated earnings before interest, taxes, depreciation and amortization to consolidated fixed charges) of 1.50x,
- A minimum unsecured interest coverage ratio of 1.75x,
- A maximum unsecured leverage ratio of 60%, and
- Recourse indebtedness at any time cannot exceed 15% of total asset value.

The Fourth Amended and Restated Credit Facility contains certain restrictions on distributions. If certain events of default exist or would result from a distribution, our ability to make cash distributions may be limited to amounts necessary to maintain our qualification as a REIT and avoid the payment of federal and state income and excise taxes. Following an acceleration of the obligations under the credit facility following an event of default or the occurrence of certain bankruptcy or insolvency events of default, we may be prohibited from making cash distributions.

As of June 30, 2026, the Operating Partnership was in compliance with all in-place Fourth Amended and Restated Credit Facility covenants.

NOTE 8. PARTNERS' CAPITAL OF AMERICAN ASSETS TRUST, L.P.

Noncontrolling interests in our Operating Partnership are interests in the Operating Partnership that are not owned by us. Noncontrolling interests consisted of 16,181,537 common units (the "noncontrolling common units"), and represented approximately 21.04% of the ownership interests in our Operating Partnership at June 30, 2026. Common units and shares of our common stock have essentially the same economic characteristics in that common units and shares of our common stock share equally in the total net income or loss distributions of our Operating Partnership. Investors who own common units have the right to cause our Operating Partnership to redeem any or all of their common units for cash equal to the then-current market value of one share of our common stock, or, at our election, shares of our common stock on a one-for-one basis.

During the six months ended June 30, 2026, no common units were converted into shares of our common stock.

Earnings Per Unit of the Operating Partnership

Basic earnings per unit ("EPU") of the Operating Partnership is computed by dividing income applicable to unitholders by the weighted average Operating Partnership units outstanding, as adjusted for the effect of participating securities. Operating Partnership units granted in equity-based payment transactions that have non-forfeitable dividend equivalent rights are considered participating securities prior to vesting. The impact of unvested Operating Partnership unit awards on EPU has been calculated using the two-class method whereby earnings are allocated to the unvested Operating Partnership unit awards based on distributions and the unvested Operating Partnership units' participation rights in undistributed earnings.

The calculation of diluted EPU for the three months ended June 30, 2026 and 2025 does not include the weighted average of 692,211 and 600,282 unvested outstanding Operating Partnership units, respectively, and for the six months ended June 30, 2026 and 2025 does not include the weighted average of 692,731 and 600,076 unvested outstanding Operating Partnership units, respectively, as these equity securities are either considered contingently issuable, or for which applicable performance conditions had not been achieved, or the effect of including these equity securities was anti-dilutive to income from continuing operations and net income attributable to the unitholders.

NOTE 9. EQUITY OF AMERICAN ASSETS TRUST, INC.

Stockholders' Equity

On December 3, 2021, we entered into an at-the-market ("ATM") equity program with five sales agents pursuant to which we may, from time to time, offer and sell shares of our common stock having an aggregate offering price of up to $250 million. The sales of shares of our common stock made through the ATM equity program, as amended, are made in "at-the-market" offerings as defined in Rule 415 of the Securities Act of 1933, as amended. For the six months ended June 30, 2026, no shares of common stock were sold through the ATM equity program.

We intend to use the net proceeds from the ATM equity program to fund our development or redevelopment activities, repay amounts outstanding from time to time under our revolving line of credit or other debt financing obligations, fund potential acquisition opportunities and/or for general corporate purposes. As of June 30, 2026, we had the capacity to issue up to $250 million in shares of our common stock under our current ATM equity program. Actual future sales will depend on a variety of factors including, but not limited to, market conditions, the trading price of our common stock and our capital needs. As of June 30, 2026, we have no obligation to sell the remaining shares available for sale under the ATM equity program.

Dividends

The following table lists the dividends declared and paid on our shares of common stock and noncontrolling common units during the six months ended June 30, 2026:

Period	Amount per Share/Unit	Period Covered	Dividend Paid Date
First Quarter 2026	$ 0.340	January 1, 2026 to March 31, 2026	March 19, 2026
Second Quarter 2026	$ 0.340	April 1, 2026 to June 30, 2026	June 18, 2026

Taxability of Dividends

Earnings and profits, which determine the taxability of distributions to stockholders and holders of common units, may differ from income reported for financial reporting purposes due to the differences for federal income tax purposes in the treatment of revenue recognition and compensation expense and in the basis of depreciable assets and estimated useful lives used to compute depreciation.

Stock-Based Compensation

We follow the FASB guidance related to stock-based compensation which establishes financial accounting and reporting standards for stock-based employee compensation plans, including all arrangements by which employees receive shares of stock or other equity instruments of the employer. The guidance also defines a fair value-based method of accounting for an employee stock award or similar equity instrument.

The following table summarizes the activity of restricted stock awards during the six months ended June 30, 2026:

	Units	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2026	693,257	$ 16.58
Granted	15,372	23.42
Vested	(17,812)	20.21
Forfeited	(2,095)	15.92
Nonvested at June 30, 2026	688,722	$ 16.64

We recognize noncash compensation expense ratably over the vesting period, and accordingly, we recognized $1.7 million and $1.7 million for the three months ended June 30, 2026 and 2025, respectively, and $3.4 million and $3.4 million for the six months ended June 30, 2026 and 2025, respectively, which is included in general and administrative expenses on the consolidated statements of comprehensive income. Unrecognized compensation expense was $6.5 million at June 30, 2026.

Earnings Per Share

We have calculated earnings per share ("EPS") under the two-class method. The two-class method is an earnings allocation methodology whereby EPS for each class of common stock and participating security is calculated according to dividends declared and participation rights in undistributed earnings. The weighted average unvested shares outstanding, which are considered participating securities, were 692,211 and 600,282 for the three months ended June 30, 2026 and 2025, respectively, and 692,731 and 600,076 for the six months ended June 30, 2026 and 2025, respectively. Therefore, we have allocated our earnings for basic and diluted EPS between common shares and unvested shares as these unvested shares have nonforfeitable dividend equivalent rights.

Diluted EPS is calculated by dividing the net income applicable to common stockholders for the period by the weighted average number of common and dilutive instruments outstanding during the period using the treasury stock method. For the three and six months ended June 30, 2026 and 2025, diluted shares exclude incentive restricted stock awards that are considered contingently issuable and were either anti-dilutive or for which applicable performance conditions had not been achieved. Additionally, the unvested restricted stock awards subject to time vesting are anti-dilutive for all periods presented, and accordingly, have been excluded from the weighted average common shares used to compute diluted EPS.

The computation of basic and diluted EPS is presented below (dollars in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
NUMERATOR				
Net income	$ 6,790	$ 7,121	$ 13,529	$ 61,228
Less: Net income attributable to restricted shares	(235)	(206)	(471)	(409)
Less: Income from operations attributable to unitholders in the Operating Partnership	(1,380)	(1,459)	(2,749)	(12,828)
Net income attributable to common stockholders—basic	$ 5,175	$ 5,456	$ 10,309	$ 47,991
Income from operations attributable to American Assets Trust, Inc. common stockholders—basic	$ 5,175	$ 5,456	$ 10,309	$ 47,991
Plus: Income from operations attributable to unitholders in the Operating Partnership	1,380	1,459	2,749	12,828
Net income attributable to common stockholders—diluted	$ 6,555	$ 6,915	$ 13,058	$ 60,819
DENOMINATOR				
Weighted average common shares outstanding—basic	60,703,355	60,540,125	60,700,533	60,538,720
Effect of dilutive securities—conversion of Operating Partnership units	16,181,537	16,181,537	16,181,537	16,181,537
Weighted average common shares outstanding—diluted	76,884,892	76,721,662	76,882,070	76,720,257
Earnings per common share, basic	$ 0.09	$ 0.09	$ 0.17	$ 0.79
Earnings per common share, diluted	$ 0.09	$ 0.09	$ 0.17	$ 0.79

NOTE 10. INCOME TAXES

We elected to be taxed as a REIT and operate in a manner that allows us to qualify as a REIT for federal income tax purposes commencing with our initial taxable year. As a REIT, we are generally not subject to corporate level income tax on the earnings distributed currently to our stockholders that we derive from our REIT qualifying activities. Taxable income from non-REIT activities managed through our TRS is subject to federal and state income taxes.

We lease our hotel property to a wholly owned TRS that is subject to federal and state income taxes. We account for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between GAAP carrying amounts and their respective tax bases. Additionally, we classify certain state taxes as income taxes for financial reporting purposes in accordance with ASC Topic 740, *Income Taxes*.

A deferred tax asset is included in our consolidated balance sheets of $1.0 million and $1.0 million, and a deferred tax liability is included in our consolidated balance sheets of $0.6 million and $0.6 million as of June 30, 2026 and December 31, 2025, respectively, in relation to real estate asset basis differences and prepaid expenses for our TRS.

Income tax expense is recorded in other income, net on our consolidated statements of comprehensive income. For the three and six months ended June 30, 2026, we recorded income tax expense of $0.1 million and $0.2 million, respectively. For the three and six months ended June 30, 2025, we recorded income tax expense of $0.1 million and $0.5 million, respectively.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Legal

We are sometimes involved in various disputes, lawsuits, warranty claims, environmental considerations, and other matters arising in the ordinary course of business. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters.

We are currently a party to various legal proceedings. We accrue a liability for litigation if an unfavorable outcome is probable and the amount of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, we accrue the best estimate within the range; however, if no amount within the range is a better estimate than any other amount, the minimum amount within the range is accrued. Legal fees related to litigation are expensed as incurred. We do not believe that the ultimate outcome of these matters, either individually or in the aggregate, could have a material adverse effect on our financial position or overall trends in results of operations; however, litigation is subject to inherent uncertainties. Also, under our leases, tenants are typically obligated to indemnify us from and against all liabilities, costs and expenses imposed upon or asserted against us as owner of the properties due to certain matters relating to the operation of the properties by the tenant.

Commitments

See Note 12, Leases for description of our leases, as a lessee.

We have management agreements with Outrigger Hotels & Resorts or an affiliate thereof (“Outrigger”) pursuant to which Outrigger manages each of the retail and hotel portions of the Waikiki Beach Walk property. Under the management agreement with Outrigger relating to the retail portion of Waikiki Beach Walk (the “retail management agreement”), we pay Outrigger a monthly management fee of 3.0% of net revenues from the retail portion of Waikiki Beach Walk. Pursuant to the terms of the retail management agreement, if the agreement is terminated in certain instances, including our election not to repair damage or destruction at the property, a condemnation or our failure to make required working capital infusions, we would be obligated to pay Outrigger a termination fee equal to the sum of the management fees paid for the two months immediately preceding the termination date. The retail management agreement may not be terminated by us or by Outrigger without cause. Under our management agreement with Outrigger relating to the hotel portion of Waikiki Beach Walk (the “hotel management agreement”), we pay Outrigger a monthly management fee of 6.0% of the hotel's gross operating profit, as well as 3.0% of the hotel's gross revenues; provided that the aggregate management fee payable to Outrigger for any year shall not exceed 3.5% of the hotel's gross revenues for such fiscal year. The hotel management agreement may not be terminated by us or by Outrigger without cause. Additionally, we have a management agreement with Outrigger pursuant to which Outrigger manages our Waikele Center and Shops at Kalakaua. In connection with such management agreement, we pay Outrigger a fixed management fee of $12,000 per month in the aggregate plus additional amounts for any lease renewal services provided by Outrigger at our request. This management agreement can be terminated by us at any time and for any reason on 30 days' notice without any cancellation or termination fees.

A wholly owned subsidiary of our Operating Partnership, WBW Hotel Lessee LLC, entered into a franchise license agreement with Embassy Suites Franchise LLC, the franchisor of the brand “Embassy Suites™,” to obtain the non-exclusive right to operate the hotel under the Embassy Suites™ brand for 20 years. The franchise license agreement provides that WBW Hotel Lessee LLC must comply with certain management, operational, record keeping, accounting, reporting and marketing standards and procedures. In connection with this agreement, we are also subject to the terms of a product improvement plan pursuant to which we expect to undertake certain actions to ensure that our hotel's infrastructure is maintained in compliance with the franchisor's brand standards. In addition, we must pay to Embassy Suites Franchise LLC a monthly franchise royalty fee equal to 5.0% of the hotel's gross room revenue, as well as a monthly program fee equal to 4.0% of the hotel's gross room revenue. If the franchise license is terminated due to our failure to make required improvements or to otherwise comply with its terms, we may be liable to the franchisor for a termination payment, which could be as high as $7.8 million based on operating performance through June 30, 2026.

Concentrations of Credit Risk

Our properties are located in Southern California, Northern California, Washington, Oregon, Texas and Hawaii. The ability of the tenants to honor the terms of their respective leases is dependent upon the economic, regulatory, social, and health factors affecting the markets in which the tenants operate. Sixteen of our consolidated properties are located in Southern California, which exposes us to greater economic risks than if we owned a more geographically diverse portfolio. Tenants in the office industry accounted for 46.8% of total revenues for the six months ended June 30, 2026. This makes us susceptible to demand for office rental space and subject to the risks associated with an investment in real estate with a concentration of tenants in the office industry. Furthermore, tenants in the retail industry accounted for 21.3% of total revenues for the six months ended June 30, 2026. This makes us susceptible to demand for retail rental space and subject to the risks associated with an investment in real estate with a concentration of tenants in the retail industry. For the six months ended June 30, 2026 and 2025, no tenant accounted for more than 10% of our total rental revenue.

NOTE 12. LEASES

Lessor Operating Leases

We determine if an arrangement is a lease at inception. Our lease agreements are generally for real estate, and the determination of whether such agreements contain leases generally does not require significant estimates or judgments. We lease real estate under operating leases.

Our leases with office, retail, mixed-use and residential tenants are classified as operating leases. Leases at our office and retail properties and the retail portion of our mixed-use property generally range from three years to ten years (certain leases with anchor tenants may be longer), and in addition to minimum rents, usually provide for cost recoveries for the tenant's share of certain operating costs. Our leases may also include variable lease payments in the form of percentage rents based on the tenant's level of sales achieved in excess of a breakpoint threshold. Leases on apartments generally range from seven months to fifteen months, with a majority having 12-month lease terms. Rooms at the hotel portion of our mixed-use property are rented on a nightly basis.

Leases at our office and retail properties and the retail portion of our mixed-use property may contain lease extension options, at our lessee's discretion. The extension options are generally for three years to ten years and contain primarily rent at fixed rates or the prevailing market rent. The extension options are generally exercisable six months to twelve months prior to the expiration of the lease and require the lessee to not be in default of the lease terms.

We attempt to maximize the amount we expect to derive from the underlying real estate property following the end of a lease, to the extent it is not extended. We maintain a proactive leasing and capital improvement program that, combined with the quality and locations of our properties, has made our properties attractive to tenants. However, the residual value of a real estate property is still subject to various market-specific, asset-specific, and tenant-specific risks and characteristics.

As of June 30, 2026, minimum future rentals from noncancelable operating leases, before any reserve for uncollectible amounts and assuming no early lease terminations, at our office and retail properties and the retail portion of our mixed-use property are as follows for the years ended December 31 (in thousands):

2026 (six months ending December 31, 2026)	$ 125,256
2027	258,107
2028	225,237
2029	168,235
2030	107,314
Thereafter	287,198
Total	$ 1,171,347

The above future minimum rentals exclude residential leases, which typically range from seven months to fifteen months, and exclude the hotel, as rooms are rented on a nightly basis.

Lessee Operating Leases

We determine if an arrangement is a lease at inception. Our lease agreements are generally for real estate, and the determination of whether such agreements contain leases generally does not require significant estimates or judgments. We lease real estate under operating leases.

At The Landmark at One Market, we lease, as lessee, a building adjacent to The Landmark at One Market under an operating lease effective through June 30, 2031 (the "Annex Lease"). In June 2025, we exercised the final five-year extension option to extend the Annex Lease through June 30, 2031, which was memorialized in a lease amendment executed in August 2025.

Our lease agreements do not contain any residual value guarantees or material restrictive covenants. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement in determining the present value of lease payments.

As of June 30, 2026, current annual payments under the operating leases are as follows for the years ended December 31 (in thousands):

2026 (six months ending December 31, 2026)	$	1,792
2027		3,637
2028		3,746
2029		3,859
2030		3,975
Thereafter		2,017
Total lease payments		19,026
Imputed interest		(1,710)
Present value of lease liability	$	17,316

Lease costs under the operating leases are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost	$ 907	$ 910	$ 1,845	$ 1,819
Sublease income	(874)	(858)	(1,916)	(1,718)
Total lease cost (income)	$ 33	$ 52	$ (71)	$ 101

Weighted-average remaining lease term - operating leases (in years)	5.0
Weighted-average discount rate - operating leases	3.68 %

Supplemental cash flow information related to our operating leases are as follow (in thousands):

	Six Months Ended June 30,	
	2026	2025
Operating cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities	$ 1,792	$ 1,740

Subleases

At The Landmark at One Market, we (as sublandlord) sublease the Annex Lease building under operating leases effective through June 30, 2031. The subleases contain extension options, subject to our ability to extend the Annex Lease, that can extend the subleases through December 31, 2039 at the fair rental value at the time the extension option is exercised.

NOTE 13. COMPONENTS OF RENTAL INCOME AND EXPENSE

The principal components of rental income are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Lease rental income				
Office	$ 48,538	$ 48,119	$ 98,728	$ 96,980
Retail	22,836	22,148	45,538	46,890
Multifamily	16,559	16,355	33,464	32,175
Mixed-use	3,652	3,206	7,019	6,562
Percentage rent	512	369	977	(16)
Hotel revenue	10,344	10,248	20,464	20,156
Other	674	625	1,347	1,274
Total rental income	$ 103,115	$ 101,070	$ 207,537	$ 204,021

Minimum rents include $0.2 million and $0.2 million for the three months ended June 30, 2026 and 2025, respectively, and $0.4 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively, to recognize lease rental income on a straight-line basis. In addition, net amortization of above and below market leases included in lease rental income was $0.5 million and $0.7 million for the three months ended June 30, 2026 and 2025, respectively, and $0.9 million and $1.2 million for the six months ended June 30, 2026 and 2025, respectively.

The principal components of rental expenses are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Rental operating	$ 14,446	$ 13,726	$ 29,341	$ 28,343
Hotel operating	8,123	7,486	15,972	14,834
Repairs and maintenance	6,069	5,624	11,875	10,893
Marketing	556	533	1,157	1,106
Rent	906	662	1,857	1,571
Hawaii excise tax	1,059	1,049	2,086	2,054
Management fees	610	598	1,201	1,177
Total rental expenses	$ 31,769	$ 29,678	$ 63,489	$ 59,978

NOTE 14. OTHER INCOME

The principal components of other income, net are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest and investment income	$ 540	$ 1,045	$ 1,255	$ 2,377
Income tax expense	(118)	(118)	(219)	(535)
Total other income	$ 422	$ 927	$ 1,036	$ 1,842

NOTE 15. RELATED PARTY TRANSACTIONS

At Torrey Point, the company leases space to American Assets, Inc. ("AAI"), an entity owned and controlled by Mr. Rady, our Executive Chairman, with an initial lease term of ten years at an average annual rental rate of $0.2 million. Rental revenue recognized on the lease of $0.1 million and $0.1 million for the six months ended June 30, 2026 and 2025, respectively, is included in rental income on the consolidated statements of comprehensive income.

The Waikiki Beach Walk entities have a 47.7% investment in WBW CHP LLC, an entity that was formed to, among other things, construct a chilled water plant to provide air conditioning to the property and other adjacent facilities. The operating expenses of WBW CHP LLC are recovered through reimbursements from its members, and reimbursements to WBW CHP LLC of $0.5 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively, are included in rental expenses on the consolidated statements of comprehensive income.

NOTE 16. SEGMENT REPORTING

For the three and six months ended June 30, 2026, the chief operating decision maker ("CODM") for the company was comprised of our President and Chief Executive Officer and our Chief Financial Officer.

Segment information is prepared on the same basis that our management reviews information for operational decision-making purposes. We review operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. However, we have aggregated our properties into reportable segments as the properties share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies.

We operate in four reportable business segments: the acquisition, redevelopment, ownership and management of retail real estate, office real estate, multifamily real estate and mixed-use real estate. The products for our retail segment primarily include rental of retail space and other tenant services, including tenant reimbursements, parking and storage space rental. The products for our office segment primarily include rental of office space and other tenant services, including tenant reimbursements, parking and storage space rental. The products for our multifamily segment include rental of apartments and other tenant services. The products of our mixed-use segment include rental of retail space and other tenant services, including tenant reimbursements, parking and storage space rental and operation of a 369-room all-suite hotel.

Regular reportable segment updates are provided directly to the CODM. These updates include the performance of our segments based on segment profit which is defined as property revenue less property expenses, and this serves as the profit or loss measure used by the CODM for performance assessment and resource allocation. We consider segment profit to be an appropriate supplemental measure to net income because it assists both investors and the CODM in understanding the core operations of our properties. Segment profit 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.

Segment profit is not a measure of operating income or cash flows from operating activities as measured by GAAP, and it is not indicative of cash available to fund cash needs and should not be considered an alternative to cash flows as a measure of liquidity. Not all companies calculate segment profit in the same manner. General and administrative expenses, interest expense, depreciation and amortization expense and other income and expense are not included in segment profit as our internal reporting addresses these items on a corporate level.

A significant segment expense is a category of expenses and amounts regularly provided to the CODM that is included in the calculation of each reported measure of segment profit or loss. Further, the CODM will use this measure to assess segment performance in deciding how to allocate resources. Significant expenses included in the reportable segment profit or loss measure are presented by rental expenses and real estate taxes for each reportable segment. Rental expenses includes facilities service expense, utilities expense, repairs and maintenance expense, insurance expense and other costs.

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The following table represents the significant segment expenses and operating activity within our reportable segments (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total Office				
Property revenue	$ 50,725	$ 50,818	$ 103,082	$ 101,699
Rental expenses	11,687	10,404	23,434	21,278
Real estate taxes	3,579	5,209	8,851	10,035
Property expense	15,266	15,613	32,285	31,313
Segment profit	35,459	35,205	70,797	70,386
Total Retail				
Property revenue	23,524	23,008	46,868	47,656
Rental expenses	3,382	3,356	6,996	7,542
Real estate taxes	2,992	2,568	6,379	5,797
Property expense	6,374	5,924	13,375	13,339
Segment profit	17,150	17,084	33,493	34,317
Total Multifamily				
Property revenue	17,721	17,428	35,917	34,259
Rental expenses	5,956	5,902	11,902	11,251
Real estate taxes	2,153	1,825	4,375	3,733
Property expense	8,109	7,727	16,277	14,984
Segment profit	9,612	9,701	19,640	19,275
Total Mixed-Use				
Property revenue	17,513	16,679	34,208	32,926
Rental expenses	10,744	10,016	21,157	19,907
Real estate taxes	1,067	1,043	2,132	2,085
Property expense	11,811	11,059	23,289	21,992
Segment profit	5,702	5,620	10,919	10,934
Total segments’ profit	$ 67,923	$ 67,610	$ 134,849	$ 134,912

The following table is a reconciliation of segment profit to net income attributable to stockholders (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total segments’ profit	$ 67,923	$ 67,610	$ 134,849	$ 134,912
General and administrative	(8,912)	(8,850)	(17,695)	(18,162)
Depreciation and amortization	(32,712)	(32,782)	(65,023)	(63,276)
Interest expense, net	(19,931)	(19,784)	(39,638)	(38,564)
Gain on sale of real estate	—	—	—	44,476
Other income, net	422	927	1,036	1,842
Net income	6,790	7,121	13,529	61,228
Net income attributable to restricted shares	(235)	(206)	(471)	(409)
Net income attributable to unitholders in the Operating Partnership	(1,380)	(1,459)	(2,749)	(12,828)
Net income attributable to American Assets Trust, Inc. stockholders	$ 5,175	$ 5,456	$ 10,309	$ 47,991

The following table shows net real estate and secured note payable balances for each of the reportable segments (in thousands):

	June 30, 2026	December 31, 2025
Net Real Estate		
Office	$ 1,593,520	$ 1,587,316
Retail	461,446	469,733
Multifamily	402,596	406,163
Mixed-Use	153,678	156,156
	$ 2,611,240	$ 2,619,368
Secured Notes Payable (1)		
Office	$ 75,000	$ 75,000
	$ 75,000	$ 75,000

(1) Excludes unamortized debt issuance costs of $0.1 million and $0.2 million for each of the periods ended June 30, 2026 and December 31, 2025, respectively.

Capital expenditures for each segment for the three and six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Capital Expenditures (1)				
Office	$ 22,637	$ 19,858	$ 42,438	$ 34,169
Retail	1,043	1,197	2,039	2,646
Multifamily	2,395	1,471	4,435	1,962
Mixed-Use	361	530	764	1,509
	$ 26,436	$ 23,056	$ 49,676	$ 40,286

(1) Capital expenditures represent cash paid for capital expenditures during the period and include leasing commissions paid.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

We make statements in this report that are 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. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates" 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. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

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;*
- *defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants;*
- *decreased rental rates or increased vacancy rates;*
- *our failure to generate sufficient cash flows to service our outstanding indebtedness;*
- *fluctuations in interest rates and increased operating costs;*
- *our failure to obtain necessary outside financing;*
- *our inability to develop or redevelop our properties due to market conditions;*
- *investment returns from our developed properties may be less than anticipated;*
- *general economic conditions, including the impact of tariffs and other trade restrictions;*
- *the potential impact of a prolonged government shutdown;*
- *financial market fluctuations;*
- *risks that affect the general office, retail, multifamily and mixed-use environment;*
- *the competitive environment in which we operate;*
- *system failures or security incidents through cyberattacks;*
- *the impact of epidemics, pandemics, or other outbreaks of illness, disease or virus and the actions taken by government authorities and others related thereto, including the ability of our company, our properties and our tenants to operate;*
- *difficulties in identifying properties to acquire and completing acquisitions;*
- *our failure to successfully operate acquired properties and operations;*
- *risks related to joint venture arrangements;*
- *potential litigation;*
- *difficulties in completing dispositions;*
- *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 American Assets Trust, Inc. to continue to qualify as a real estate investment trust, or 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.*

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, performance or transactions, see the section entitled "Item 1A. Risk Factors" contained herein and in our annual report on Form 10-K for the year ended December 31, 2025.

Overview

References to "we," "our," "us" and "our company" refer to American Assets Trust, Inc., a Maryland corporation, together with our consolidated subsidiaries, including American Assets Trust, L.P., a Maryland limited partnership, of which we are the sole general partner and which we refer to in this report as our Operating Partnership.

We are a full service, vertically integrated and self-administered REIT that owns, operates, acquires and develops high quality retail, office, multifamily and mixed-use properties in attractive, high-barrier-to-entry markets in Southern California, Northern California, Washington, Oregon, Texas and Hawaii. As of June 30, 2026, our portfolio was comprised of twelve office properties; eleven retail shopping centers; a mixed-use property consisting of a 369-room all-suite hotel and a retail shopping center; and seven multifamily properties. Additionally, as of June 30, 2026, we owned land at two of our properties that we classified as held for development and/or construction in progress. Our core markets include San Diego, California; the San Francisco Bay Area, California; Bellevue, Washington; Portland, Oregon and Oahu, Hawaii. We are a Maryland corporation formed on July 16, 2010 to acquire the entities owning various controlling and noncontrolling interests in real estate assets owned and/or managed by Ernest S. Rady or his affiliates, including the Ernest Rady Trust U/D/T March 13, 1983, or the Rady Trust, and did not have any operating activity until the consummation of our initial public offering on January 19, 2011. Our Company, as the sole general partner of our Operating Partnership, has control of our Operating Partnership and owned 78.96% of our Operating Partnership as of June 30, 2026. Accordingly, we consolidate the assets, liabilities and results of operations of our Operating Partnership.

Critical Accounting Policies

We identified certain critical accounting policies that affect certain of our more significant estimates and assumptions used in preparing our consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2025. We have not made any material changes to these policies during the periods covered by this report.

Same-store

We have provided certain information on a total portfolio, same-store and redevelopment same-store basis. 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. Same-store and redevelopment same-store are considered by management to be important measures because they assist in eliminating disparities due to the development, acquisition or disposition of properties during the particular period presented, and thus provide 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.

While there is judgment surrounding changes in designations, we typically reclassify significant development, redevelopment or expansion properties into same-store properties once they are stabilized. Properties are deemed stabilized typically at the earlier of (i) reaching 90% occupancy or (ii) four quarters following a property's inclusion in operating real estate. We typically remove properties from same-store properties when the development, redevelopment or expansion has or is expected to have a significant impact on the property's annualized base rent, occupancy and operating income within the calendar year. Our evaluation of significant impact related to development, redevelopment or expansion activity is based on quantitative and qualitative measures including, but not limited to, the following: the total budgeted cost of planned construction activity compared to the property's annualized base rent, occupancy and operating income within the calendar year; percentage of development, redevelopment or expansion square footage to total property square footage; and the ability to maintain historic occupancy and rental rates. In consideration of these measures, we generally remove properties from same-store properties when we see a decline in a property's annualized base rent, occupancy and operating income within the calendar year as a direct result of ongoing redevelopment, development or expansion activity. Acquired properties are classified into same-store properties once we have owned such properties for the entirety of comparable period(s) and the properties are not under significant development or expansion.

Below is a summary of our same-store and redevelopment same-store composition for the three and six months ended June 30, 2026 and 2025. One Beach Street is classified as a same-store property when compared to the designation for the three and six months ended June 30, 2025, as this property was placed into service on August 1, 2024. Genesee Park is classified as a same-store property when compared to the designation for the three months ended June 30, 2025 and a non-same-store property when compared to the designation for the six months ended June 30, 2025 as it was acquired on February 28, 2025. La Jolla Commons III is classified as a same-store property when compared to the designation for the three months ended June 30, 2025 and a non-same-store property when compared to the designation for the six months ended June 30, 2025, as it was placed into service on April 1, 2025. La Jolla Commons III is a part of the La Jolla Commons office project, and not a stand-alone property.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2026	**2025**	**2026**	**2025**
Same-Store	31	29	30	29
Non-Same-Store	—	2	1	2
Total Properties	31	31	31	31
Total Development Properties	2	2	2	2

Outlook

We seek growth in earnings, funds from operations and cash flows primarily through a combination of the following: growth in our same-store portfolio, growth in our portfolio from property development and redevelopments and expansion of our portfolio through property acquisitions. Our properties are located in some of the nation's most dynamic, high-barrier-to-entry markets primarily in Southern California, Northern California, Washington, Oregon and Hawaii, which allow us to take advantage of redevelopment opportunities that enhance our operating performance through renovation, expansion, reconfiguration and/or retenanting. We evaluate our properties on an ongoing basis to identify these types of opportunities.

We intend to opportunistically pursue projects in our development pipeline, including future phases of Lloyd Portfolio, other redevelopments at Waikele Center, as well as multifamily development opportunities within our existing portfolio, namely at Lomas Santa Fe Plaza, Solana Beach Towne Centre, Carmel Mountain Plaza and Genesee Park. The commencement of these developments is based on, among other things, market conditions and our evaluation of whether such opportunities would generate appropriate risk-adjusted financial returns. Our redevelopment and development opportunities are subject to various factors, including market conditions and may not ultimately come to fruition.

We continue to review acquisition opportunities in our primary markets that would complement our portfolio and provide long-term growth opportunities. Some of our acquisitions do not initially contribute significantly to earnings growth; however, we believe they provide long-term re-leasing growth, redevelopment opportunities and other strategic opportunities. Any growth from acquisitions is contingent upon our ability to find properties that meet our qualitative standards at prices that meet our financial hurdles. Changes in interest rates may affect our success in achieving earnings growth through acquisitions by affecting both the price that must be paid to acquire a property, as well as our ability to economically finance a property acquisition. Generally, our acquisitions are initially financed by available cash, mortgage loans and/or borrowings under our revolving line of credit, which may be repaid later with funds raised through the issuance of new equity or new long-term debt.

Leasing

Our same-store growth is primarily driven by increases in rental rates on new leases and lease renewals and changes in portfolio occupancy. Over the long-term, we believe that the infill nature and strong demographics of our properties provide us with a strategic advantage, allowing us to maintain relatively high occupancy and increase rental rates. Furthermore, we believe the locations of our properties and diversified portfolio will mitigate some of the potentially negative impact of the current economic environment.

During the three months ended June 30, 2026, we signed 14 office leases for a total of 109,715 square feet of office space including 75,416 square feet of comparable space leases (leases for which there was a prior tenant), at an average rental rate increase on a cash and GAAP basis of 9.1% and 10.2%, respectively. New office leases for comparable spaces were signed for 29,529 square feet at an average rental rate increase on a cash and GAAP basis of 14.3% and 12.8%, respectively. Renewals for comparable office spaces were signed for 45,887 square feet at an average rental rate increase on a cash and GAAP basis of 5.9% and 8.6%, respectively. Tenant improvements and incentives were $24.35 per square foot of office space for comparable new leases for the three months ended June 30, 2026, mainly due to new tenants at City Center Bellevue and Coastal Collection at Torrey Reserve.

During the three months ended June 30, 2026, we signed 20 retail leases for a total of 138,993 square feet of retail space including 133,828 square feet of comparable space leases (leases for which there was a prior tenant), at an average rental rate increase on a cash and GAAP basis of 3.0% and 20.2%, respectively. There were no comparable new leases, tenant improvements, or incentives on retail space during the three months ended June 30, 2026.

The rental increases associated with comparable spaces generally include all leases signed in arms-length transactions reflecting market leverage between landlords and tenants during the period. The comparison between average rent for expiring leases and new leases is determined by including minimum rent paid on the expiring lease and minimum rent to be paid on the new lease. In some instances, management exercises judgment as to how to most effectively reflect the comparability of spaces reported in this calculation. The change in rental income on comparable space leases is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, capital investment made in the space and the specific lease structure. Tenant improvements and incentives include the total dollars committed for the improvement of a space as it relates to a specific lease, but may also include base-building costs (i.e. expansion, escalators or new entrances) 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.

The leases signed in 2026 generally become effective over the following year, though some may not become effective until 2027 and beyond. Further, there is risk that some new tenants will not ultimately take possession of their space and that tenants for both new and renewal leases may not pay all of their contractual rent due to operating, financing or other matters.

Capitalized Costs

Certain external and internal costs directly related to the development and redevelopment of real estate, including pre-construction costs, real estate taxes, insurance, interest, construction costs and salaries and related costs of personnel directly involved, are capitalized. We capitalize costs under development until construction is substantially complete and the property is held available for occupancy. The determination of when a development project is substantially complete and when capitalization must cease involves a degree of judgment. We consider a construction project as substantially complete and held available for occupancy upon the completion of landlord-owned tenant improvements or when the lessee takes possession of the unimproved space for construction of its own improvements, but not later than one year from cessation of major construction activity. We cease capitalization on the portion substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with any remaining portion under construction.

We capitalized external and internal costs related to new development, redevelopment, expansion and repositioning activities combined of $15.5 million and $8.6 million for the three months ended June 30, 2026 and 2025, respectively, and $23.2 million and $10.6 million for the six months ended June 30, 2026 and 2025, respectively.

We capitalized external and internal costs related to other property improvements combined of $14.3 million and $12.8 million for the three months ended June 30, 2026 and 2025, respectively, and $28.7 million and $25.2 million for the six months ended June 30, 2026 and 2025, respectively.

Interest costs on developments and major redevelopments are capitalized as part of developments and redevelopments not yet placed into service. Capitalization of interest commences when development activities and expenditures begin and end upon completion, which is when the asset is ready for its intended use as noted above. We make judgments as to the time period over which to capitalize such costs and these assumptions have a direct impact on net income because capitalized costs are not subtracted in calculating net income. If the time period for capitalizing interest is extended, however, more interest is capitalized, thereby decreasing interest expense and increasing net income during that period. Because the development of La Jolla Commons III is now complete and the building, inclusive of the land, was placed into service as of April 1, 2025, there were no capitalized interest costs related to development activities after the three months ended March 31, 2025. We capitalized interest costs related to development activities of $1.4 million for the six months ended June 30, 2025.

Results of Operations

For our discussion of results of operations, we have provided information on a total portfolio and same-store basis.

Comparison of the three months ended June 30, 2026 to the three months ended June 30, 2025

The following summarizes our consolidated results of operations for the three months ended June 30, 2026 compared to our consolidated results of operations for the three months ended June 30, 2025. As of June 30, 2026 and June 30, 2025 our operating portfolio was comprised of 31 office, retail, multifamily and mixed-use properties with an aggregate of approximately 6.8 million rentable square feet of office and retail space, including the retail portion of our mixed-use property, 2,302 residential units (including 120 RV spaces) and a 369-room hotel. Additionally, as of June 30, 2026 and June 30, 2025, we owned land at two of our properties that we classified as held for development and/or construction in progress.

The following table sets forth selected data from our unaudited consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended June 30,			
	2026	2025	Change	%
Revenues				
Rental income	$ 103,115	$ 101,070	$ 2,045	2 %
Other property income	6,368	6,863	(495)	(7)
Total property revenues	109,483	107,933	1,550	1
Expenses				
Rental expenses	31,769	29,678	2,091	7
Real estate taxes	9,791	10,645	(854)	(8)
Total property expenses	41,560	40,323	1,237	3
Total property operating income	67,923	67,610	313	—
General and administrative	(8,912)	(8,850)	(62)	1
Depreciation and amortization	(32,712)	(32,782)	70	—
Interest expense, net	(19,931)	(19,784)	(147)	1
Other income, net	422	927	(505)	(54)
Net income	6,790	7,121	(331)	(5)
Net income attributable to restricted shares	(235)	(206)	(29)	14
Net income attributable to unitholders in the Operating Partnership	(1,380)	(1,459)	79	(5)
Net income attributable to American Assets Trust, Inc. stockholders	$ 5,175	$ 5,456	$ (281)	(5)%

Revenue

Total property revenues. Total property revenue consists of rental revenue and other property income. Total property revenue increased $1.6 million, or 1%, to $109.5 million for the three months ended June 30, 2026 compared to $107.9 million for the three months ended June 30, 2025. The percentage leased was as follows for each segment as of June 30, 2026 and 2025:

	Percentage Leased[1] June 30,	
	2026	2025
Office	84.4 %	82.0 %
Retail	97.9 %	97.7 %
Multifamily	87.7 %	88.1 %
Mixed-Use [2]	92.2 %	95.0 %

(1) The percentage leased for our retail and office segments and the retail portion of our mixed-use segment includes the square footage under lease, including leases which may not have commenced as of June 30, 2026 or 2025, as applicable. Percentage leased for our multifamily properties includes total units leased and occupied as of the applicable date.
(2) Includes the retail portion of the mixed-use property only.

The increase in total property revenue was attributable primarily to the factors discussed below.

Rental revenues. Rental revenue includes minimum base rent, cost reimbursements, percentage rents and other rents. Rental revenue increased $2.0 million, or 2%, to $103.1 million for the three months ended June 30, 2026 compared to $101.1 million for the three months ended June 30, 2025. Rental revenue by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio[1]			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 48,989	$ 48,448	$ 541	1	$ 48,989	$ 48,447	$ 542	1
Retail	23,255	22,569	686	3	23,255	22,603	652	3
Multifamily	16,667	16,443	224	1	16,667	16,443	224	1
Mixed-Use	14,204	13,610	594	4	14,204	13,610	594	4
	$ 103,115	$ 101,070	$ 2,045	2 %	$ 103,115	$ 101,103	$ 2,012	2 %

(1) For this table and tables following, the same-store portfolio excludes land held for development (office).

Office rental revenue increased $0.5 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to new tenant leases at La Jolla Commons III, City Center Bellevue, Timber Ridge and One Beach Street. These increases were offset by lower occupancy at 14Acres and a one-time reserve for certain receivables related to an office tenant at Coastal Collection at Torrey Reserve. The company continues to pursue recovery of the outstanding amounts.

Retail rental revenue increased $0.7 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to a $0.4 million increase related to new tenant leases at Alamo Quarry Market, Lomas Santa Fe Plaza, Carmel Country Plaza and Waikele Center. Additionally, there was an increase in cost recoveries of $0.3 million.

Multifamily rental revenue increased $0.2 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an overall increase in average monthly base rent and a slight decrease in overall occupancy. Average monthly base rent and occupancy was $2,796 and 89.3%, for the three months ended June 30, 2026, respectively, compared to $2,725 and 89.5%, for the three months ended June 30, 2025, respectively.

Total mixed-use rental revenue increased $0.6 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase of $0.5 million in rental revenue at our retail portion of our mixed-use property resulting from the collection of amounts previously reserved as bad debt. Additionally there was an increase at the hotel portion of our mixed-use property due to an increase in average occupancy and revenue per available room to 90.5% and $308 for the three months ended June 30, 2026, respectively, compared to 86.0% and $305 for the three months ended June 30, 2025, respectively.

Other property income. Other property income decreased $0.5 million, or 7%, to $6.4 million for the three months ended June 30, 2026 compared to $6.9 million for the three months ended June 30, 2025. Other property income by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 1,736	$ 2,370	$ (634)	(27)	$ 1,724	$ 2,358	$ (634)	(27)
Retail	269	439	(170)	(39)	269	439	(170)	(39)
Multifamily	1,054	985	69	7	1,054	985	69	7
Mixed-Use	3,309	3,069	240	8	3,309	3,069	240	8
	$ 6,368	$ 6,863	$ (495)	(7)%	$ 6,356	$ 6,851	$ (495)	(7)%

Office other property income decreased $0.6 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to lease termination fees received at Timber Ridge during 2025.

Retail other property income decreased $0.2 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to lease termination fees received at Alamo Quarry Market during 2025.

Multifamily other property income increased $0.1 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in parking income at Hassalo on Eighth - Multifamily.

Mixed-use other property income increased $0.2 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in room-related other income driven by higher occupancy at the hotel portion of our mixed-use property and parking income at the retail portion of our mixed-use property.

Property Expenses

Total Property Expenses. Total property expenses consist of rental expenses and real estate taxes. Total property expenses increased $1.2 million, or 3%, to $41.6 million for the three months ended June 30, 2026 compared to $40.3 million for the three months ended June 30, 2025.

Rental Expenses. Rental expenses increased $2.1 million, or 7%, to $31.8 million for the three months ended June 30, 2026 compared to $29.7 million for the three months ended June 30, 2025. Rental expense by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 11,687	$ 10,404	$ 1,283	12	$ 11,621	$ 10,333	$ 1,288	12
Retail	3,382	3,356	26	1	3,382	3,361	21	1
Multifamily	5,956	5,902	54	1	5,956	5,902	54	1
Mixed-Use	10,744	10,016	728	7	10,744	10,016	728	7
	$ 31,769	$ 29,678	$ 2,091	7 %	$ 31,703	$ 29,612	$ 2,091	7 %

Office rental expense increased $1.3 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in facilities services expense, utilities expense and repairs and maintenance expense.

Multifamily rental expense increased $0.1 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in repairs and maintenance expense and security expense at Pacific Ridge Apartments, Genesee Park and Hassalo on Eighth - Multifamily. These increases were partially offset by a decrease in contract labor service expense at Pacific Ridge Apartments and Genesee Park.

Mixed-use rental expense increased $0.7 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in room-related expenses and excise tax at the hotel portion of our mixed-use property and an increase in personnel expense at the retail portion of our mixed-use property.

Real Estate Taxes. Real estate taxes decreased $0.9 million, or 8%, to $9.8 million for the three months ended June 30, 2026 compared to $10.6 million for the three months ended June 30, 2025. Real estate tax expense by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 3,579	$ 5,209	$ (1,630)	(31)	$ 3,608	$ 5,162	$ (1,554)	(30)
Retail	2,992	2,568	424	17	2,992	2,568	424	17
Multifamily	2,153	1,825	328	18	2,153	1,825	328	18
Mixed-Use	1,067	1,043	24	2	1,067	1,043	24	2
	$ 9,791	$ 10,645	$ (854)	(8)%	$ 9,820	$ 10,598	$ (778)	(7)%

Office real estate taxes decreased $1.6 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to real estate tax refunds received at La Jolla Commons and Lloyd Portfolio, partially offset by an increase in tax consultant fees.

Retail real estate taxes increased $0.4 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to an increase in property tax assessments during 2026 and real estate tax refunds received during 2025 at Alamo Quarry Market.

Multifamily real estate taxes increased $0.3 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to supplemental real estate taxes at Genesee Park and an increase at Pacific Ridge Apartments due to a real estate tax refund received during 2025.

Property Operating Income

Property operating income increased $0.3 million to $67.9 million for the three months ended June 30, 2026, compared to $67.6 million for the three months ended June 30, 2025. Property operating income by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 35,459	$ 35,205	$ 254	1	$ 35,484	$ 35,310	$ 174	—
Retail	17,150	17,084	66	—	17,150	17,113	37	—
Multifamily	9,612	9,701	(89)	(1)	9,612	9,701	(89)	(1)
Mixed-Use	5,702	5,620	82	1	5,702	5,620	82	1
	$ 67,923	$ 67,610	$ 313	— %	$ 67,948	$ 67,744	$ 204	— %

Office operating income increased $0.3 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to new tenant leases at La Jolla Commons III, City Center Bellevue, Timber Ridge and One Beach Street, partially offset by lower occupancy at 14Acres and a one-time reserve for certain receivables related to an office tenant at Coastal Collection at Torrey Reserve. The company continues to pursue recovery of the outstanding amounts. The increase was also due to real estate tax refunds received at La Jolla Commons and Lloyd Portfolio. These increases were offset by a decrease in other property income due to lease termination fees received at Timber Ridge during 2025, and an increase in rental expenses primarily from higher facilities services, utilities and repairs and maintenance expense.

Retail operating income increased $0.1 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to new tenant leases at Alamo Quarry Market, Lomas Santa Fe Plaza, Carmel Country Plaza and Waikele Center, and higher cost recoveries. These increases were offset by a decrease in other property income due to lease termination fees received at Alamo Quarry Market during 2025 and higher real estate taxes at Alamo Quarry Market due to increased property tax assessments during 2026 and real estate tax refunds received during 2025.

Multifamily operating income decreased $0.1 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to higher rental expenses at Pacific Ridge Apartments, Genesee Park and Hassalo on Eighth - Multifamily, higher real estate taxes at Genesee Park and a real estate tax refund received at Pacific Ridge Apartments during 2025. These increases in expenses were partially offset by an increase in rental revenue due to higher average monthly base rent and a slight decrease in occupancy of $2,796 and 89.3%, respectively, for the three months ended June 30, 2026 compared to $2,725 and 89.5%, respectively, for the three months ended June 30, 2025.

Total mixed-use operating income increased $0.1 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to higher rental revenue at the retail portion of our mixed-use property from the collection of amounts previously reserved as bad debt, and higher revenue at the hotel portion driven by increased occupancy. Hotel average occupancy and revenue per available room were 90.5% and $308, respectively, for the three months ended June 30, 2026 compared to 86.0% and $305, respectively, for the three months ended June 30, 2025. These increases were offset by higher rental expenses from increased room-related expenses and excise tax at the hotel portion and higher personnel expense at the retail portion.

Other

General and Administrative. General and administrative expenses increased $0.1 million, or 1%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. This increase was primarily due to higher corporate legal expenses and consulting fees.

Depreciation and Amortization. Depreciation and amortization expense decreased $0.1 million for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. This decrease was primarily due to $0.9 million related to leases-in-place at Genesee Park, which fully amortized within a year of acquisition. This decrease was offset by an increase in new tenant improvements and building improvements assets placed into service.

Interest Expense, net. Interest expense increased $0.1 million, or 1%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. This increase was primarily due to the amortization of the new loan fees associated with the Fourth Amended and Restated Credit Facility entered into on April 1, 2026.

Other Income, net. Other income, net decreased $0.5 million, or 54%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. This decrease was primarily due to lower interest and investment income attributed to a decrease in yield on our average cash balance during the period.

Comparison of the Six Months Ended June 30, 2026 to the Six Months Ended June 30, 2025

The following summarizes our consolidated results of operations for the six months ended June 30, 2026 compared to our consolidated results of operations for the six months ended June 30, 2025.

The following table sets forth selected data from our unaudited consolidated statements of income for the six months ended June 30, 2026 and 2025 (dollars in thousands):

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change	%
Revenues				
Rental income	$ 207,537	$ 204,021	$ 3,516	2 %
Other property income	12,538	12,519	19	—
Total property revenues	220,075	216,540	3,535	2
Expenses				
Rental expenses	63,489	59,978	3,511	6
Real estate taxes	21,737	21,650	87	—
Total property expenses	85,226	81,628	3,598	4
Total property operating income	134,849	134,912	(63)	—
General and administrative	(17,695)	(18,162)	467	(3)
Depreciation and amortization	(65,023)	(63,276)	(1,747)	3
Interest expense, net	(39,638)	(38,564)	(1,074)	3
Gain on sale of real estate	—	44,476	(44,476)	100
Other income, net	1,036	1,842	(806)	(44)
Net income	13,529	61,228	(47,699)	(78)
Net income attributable to restricted shares	(471)	(409)	(62)	15
Net income attributable to unitholders in the Operating Partnership	(2,749)	(12,828)	10,079	(79)
Net income attributable to American Assets Trust, Inc. stockholders	$ 10,309	$ 47,991	$ (37,682)	(79)%

Revenue

Total property revenues. Total property revenue consists of rental revenue and other property income. Total property revenue increased $3.5 million, or 2%, to $220.1 million for the six months ended June 30, 2026 compared to $216.5 million for the six months ended June 30, 2025. The percentage leased was as follows for each segment as of June 30, 2026 and 2025:

	Percentage Leased[(1)] June 30, 2026	Percentage Leased[(1)] June 30, 2025
Office	84.4 %	82.0 %
Retail	97.9 %	97.7 %
Multifamily	87.7 %	88.1 %
Mixed-Use [(2)]	92.2 %	95.0 %

(1) The percentage leased for our retail and office segments and the retail portion of our mixed-use segment includes the square footage under lease, including leases which may not have commenced as of June 30, 2026 or 2025, as applicable. Percentage leased for our multifamily properties includes total units leased and occupied as of the applicable date.

(2) Includes the retail portion of the mixed-use property only.

The increase in total property revenue was attributable primarily to the factors discussed below.

Rental revenues. Rental revenue includes minimum base rent, cost reimbursements, percentage rents and other rents. Rental revenue increased $3.5 million, or 2%, to $207.5 million for the six months ended June 30, 2026 compared to $204.0 million for the six months ended June 30, 2025. Rental revenue by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio[1]			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 99,636	$ 97,636	$ 2,000	2	$ 96,218	$ 97,402	$ (1,184)	(1)
Retail	46,331	46,994	(663)	(1)	46,344	45,379	965	2
Multifamily	33,693	32,364	1,329	4	31,131	30,894	237	1
Mixed-Use	27,877	27,027	850	3	27,877	27,027	850	3
	$ 207,537	$ 204,021	$ 3,516	2 %	$ 201,570	$ 200,702	$ 868	— %

(1) For this table and the tables following, the same-store portfolio excludes: (i) Del Monte Center (retail), which was sold on February 25, 2025; (ii) Genesee Park (multifamily), which was acquired on February 28, 2025, (iii) La Jolla Commons III (office), which was placed into service on April 1, 2025 and (iv) land held for development (office).

Office rental revenue increased $2.0 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to new tenant leases commencing at La Jolla Commons III. Same-store rental revenue decreased $1.2 million primarily due to a tenant relocating from La Jolla Commons I to La Jolla Commons III and the reassessment of the respective straight-line rent. Additionally, the decrease was due to lower occupancy and annualized base rents at Coastal Collection at Torrey Reserve, 14Acres and First & Main and a one-time reserve for certain receivables related to an office tenant at Coastal Collection at Torrey Reserve. The company continues to pursue recovery of the outstanding amounts. These decreases were partially offset by new leases at City Center Bellevue, Timber Ridge and One Beach Street.

Retail rental revenue decreased $0.7 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to the sale of Del Monte Center on February 25, 2025. Same-store retail rental revenue increased $1.0 million primarily due to new tenant leases and scheduled rent increases at Alamo Quarry Market, Lomas Santa Fe Plaza and Carmel Country Plaza. Additionally, there was an increase in cost recoveries of $0.2 million.

Multifamily revenue increased $1.3 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to the acquisition of Genesee Park. Same-store multifamily revenue increased $0.2 million due to an increase in average monthly base rent and occupancy, which was $2,833 and 89.8% for the six months ended June 30, 2026 compared to $2,784 and 89.7% for the six months ended June 30, 2025.

Mixed-use rental revenue increased $0.9 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase of $0.5 million in rental revenue at our retail portion of our mixed-use property due to collections of previously reserved bad debt. Additionally there was an increase at the hotel portion of our mixed-use property due to an increase in average occupancy and revenue per available room to 91.2% and $306 for the six months ended June 30, 2026, respectively, compared to 85.3% and $302 for the six months ended June 30, 2025, respectively.

Other property income. Other property income remained flat at $12.5 million for the six months ended June 30, 2026 and the six months ended June 30, 2025. Other property income by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 3,446	$ 4,063	$ (617)	(15)	$ 3,391	$ 4,029	$ (638)	(16)
Retail	537	662	(125)	(19)	506	670	(164)	(24)
Multifamily	2,224	1,895	329	17	2,203	1,883	320	17
Mixed-Use	6,331	5,899	432	7	6,331	5,899	432	7
	$ 12,538	$ 12,519	$ 19	— %	$ 12,431	$ 12,481	$ (50)	— %

Office other property income decreased $0.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to lease termination fees received at Timber Ridge and lease settlement income received at City Center Bellevue during 2025, which were partially offset by an increase in parking garage income at La Jolla Commons and Lloyd Portfolio.

Retail other property income decreased $0.1 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to lease termination fees received at Alamo Quarry Market during 2025.

Multifamily other property income increased $0.3 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase in parking income and other operating income at Hassalo on Eighth - Multifamily.

Total mixed-use other property income increased $0.4 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase in room-related other income driven by higher occupancy at the hotel portion of our mixed-use property and higher parking income at the retail portion of our mixed-use property.

Property Expenses

Total Property Expenses. Total property expenses consist of rental expenses and real estate taxes. Total property expenses increased by $3.6 million to $85.2 million for the six months ended June 30, 2026, compared to $81.6 million for the six months ended June 30, 2025. This increase in total property expenses was attributable primarily to the factors discussed below.

Rental Expenses. Rental expenses increased $3.5 million, or 6%, to $63.5 million for the six months ended June 30, 2026, compared to $60.0 million for the six months ended June 30, 2025. Rental expense by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 23,434	$ 21,278	$ 2,156	10	$ 22,130	$ 20,244	$ 1,886	9
Retail	6,996	7,542	(546)	(7)	6,995	6,726	269	4
Multifamily	11,902	11,251	651	6	10,858	10,490	368	4
Mixed-Use	21,157	19,907	1,250	6	21,157	19,907	1,250	6
	$ 63,489	$ 59,978	$ 3,511	6 %	$ 61,140	$ 57,367	$ 3,773	7 %

Office rental expenses increased $2.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to a $1.9 million increase in same-store office rental expenses due to higher utilities, facilities services, and repairs and maintenance expenses, as well as increased expenses at La Jolla Commons Tower III related to new operations and amenities.

Retail rental expenses decreased $0.5 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to the sale of Del Monte Center in the first quarter of 2025. Same-store retail rental expenses increased $0.3 million due to an increase in repairs and maintenance expense, facilities service expense and marketing expense.

Multifamily rental expenses increased $0.7 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase in repairs and maintenance expense and security expense at Pacific Ridge Apartments, Genesee Park and Hassalo on Eighth - Multifamily. These increases were partially offset by a decrease in contract labor expenses at Pacific Ridge Apartments and Genesee Park.

Total mixed-use rental expenses increased $1.3 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase in room-related expenses and excise tax at the hotel portion of our mixed-use property and an increase in personnel expense at the retail portion of our mixed-use property.

Real Estate Taxes. Real estate tax expense stayed flat at $21.7 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. Real estate tax expense by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 8,851	$ 10,035	$ (1,184)	(12)	$ 7,954	$ 9,446	$ (1,492)	(16)
Retail	6,379	5,797	582	10	6,359	5,879	480	8
Multifamily	4,375	3,733	642	17	3,884	3,623	261	7
Mixed-Use	2,132	2,085	47	2	2,132	2,085	47	2
	$ 21,737	$ 21,650	$ 87	— %	$ 20,329	$ 21,033	$ (704)	(3)%

Office real estate taxes decreased $1.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to real estate tax refunds received at La Jolla Commons and Lloyd Portfolio, partially offset by an increase in tax consultant fees and an increase in real estate taxes at La Jolla Commons III due to the fact that we ceased capitalization of real estate taxes when the building was placed into service on April 1, 2025.

Retail real estate taxes increased $0.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to an increase in property tax assessments at Alamo Quarry Market, Lomas Santa Fe Plaza and Southbay Marketplace. Additionally, there was an increase at Alamo Quarry Market due to real estate tax refunds received during 2025.

Multifamily real estate taxes increased $0.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to the acquisition of Genesee Park and an increase in property tax assessments and real estate tax refunds received during 2025 at Pacific Ridge Apartments.

Property Operating Income

Property operating income decreased $0.1 million to $134.8 million for the six months ended June 30, 2026, compared to $134.9 million for the six months ended June 30, 2025. Property operating income by segment was as follows (dollars in thousands):

	Total Portfolio				Same-Store Portfolio			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	Change	%	2026	2025	Change	%
Office	$ 70,797	$ 70,386	$ 411	1	$ 69,525	$ 71,741	$ (2,216)	(3)
Retail	33,493	34,317	(824)	(2)	33,496	33,444	52	—
Multifamily	19,640	19,275	365	2	18,592	18,664	(72)	—
Mixed-Use	10,919	10,934	(15)	—	10,919	10,934	(15)	—
	$ 134,849	$ 134,912	$ (63)	— %	$ 132,532	$ 134,783	$ (2,251)	(2)%

Office operating income increased $0.4 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to new tenant leases at La Jolla Commons III, City Center Bellevue, Timber Ridge and One Beach Street, and real estate tax refunds received at La Jolla Commons and Lloyd Portfolio. These increases were partially offset by higher rental expenses from new operations and amenities at La Jolla Commons III, and higher utilities expense, facilities services expense and repairs and maintenance expense. Additionally, the increases were also offset by lower occupancy and annualized base rents at Coastal Collection at Torrey Reserve, 14Acres and First & Main, and a one-time reserve for certain receivables related to an office tenant at Coastal Collection at Torrey Reserve. The Company continues to pursue recovery of the outstanding amounts.

Retail operating income decreased $0.8 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to the sale of Del Monte Center on February 25, 2025 and higher real estate taxes from increased property tax assessments at Alamo Quarry Market, Lomas Santa Fe Plaza and Southbay Marketplace, as well as real estate tax refunds received at Alamo Quarry Market during 2025. These decreases were partially offset by higher same-store rental revenue from new tenant leases and scheduled rent increases at Alamo Quarry Market, Lomas Santa Fe Plaza and Carmel Country Plaza and higher cost recoveries.

Multifamily operating income increased $0.4 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to higher revenue from the acquisition of Genesee Park and higher same-store revenue from an increase in average monthly base rent and occupancy. Average monthly base rent and occupancy were $2,833 and 89.8%, respectively, for the six months ended June 30, 2026 compared to $2,784 and 89.7%, respectively, for the six months ended June 30, 2025. These increases were offset by an increase in rental expenses due to higher repairs and maintenance expense and security expense and an increase in real estate taxes due to increased property tax assessments and real estate tax refunds received during 2025 at Pacific Ridge Apartments.

Other

General and Administrative. General and administrative expenses decreased $0.5 million, or 3%, to $17.7 million for the six months ended June 30, 2026, compared to $18.2 million for the six months ended June 30, 2025. This decrease was primarily due to lower employee-related costs, including, without limitation, with respect to base pay and benefits for certain salaried and hourly workers.

Depreciation and Amortization. Depreciation and amortization expense increased $1.7 million, or 3%, to $65.0 million for the six months ended June 30, 2026, compared to $63.3 million for the six months ended June 30, 2025. This increase was primarily due to $0.8 million related to La Jolla Commons III assets which were placed into service on April 1, 2025. This increase was also related to new tenant improvements and building improvement assets placed into service.

Interest Expense, net. Interest expense increased $1.1 million, or 3%, to $39.6 million for the six months ended June 30, 2026 compared to $38.6 million for the six months ended June 30, 2025. This increase was primarily due to the amortization of the new loan fees associated with the Fourth Amended and Restated Credit Facility entered into on April 1, 2026 and a decrease in capitalized interest related to La Jolla Commons III being placed into service on April 1, 2025. This increase was partially offset by a decrease in interest expense related to the maturity and repayment of our Series C Notes on February 3, 2025.

Gain on sale of real estate. Gain on sale of real estate of $44.5 million during the period relates to our sale of Del Monte Center on February 25, 2025.

Other Income, net. Other income, net decreased $0.8 million, or 44%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. This decrease was primarily due to lower interest and investment income attributed to a decrease in yield on our average cash balance during the period, partially offset by lower income tax expense.

Liquidity and Capital Resources of American Assets Trust, Inc.

In this "Liquidity and Capital Resources of American Assets Trust, Inc." section, the term the "company" refers only to American Assets Trust, Inc. on an unconsolidated basis, and excludes the Operating Partnership and all other subsidiaries.

The company's business is operated primarily through the Operating Partnership, of which the company is the parent company and sole general partner, and which it consolidates for financial reporting purposes. Because the company operates on a consolidated basis with the Operating Partnership, the section entitled "Liquidity and Capital Resources of American Assets Trust, L.P." should be read in conjunction with this section to understand the liquidity and capital resources of the company on a consolidated basis and how the company is operated as a whole.

The company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company which are fully reimbursed by the Operating Partnership. The company itself does not have any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. Therefore, the consolidated assets and liabilities and the consolidated revenues and expenses of the company and the Operating Partnership are the same on their respective financial statements. However, all debt is held directly or indirectly by the Operating Partnership. The company's principal funding requirement is the payment of dividends on its common stock. The company's principal source of funding for its dividend payments is distributions it receives from the Operating Partnership.

As of June 30, 2026, the company owned an approximate 78.96% partnership interest in the Operating Partnership. The remaining approximately 21.04% are owned by non-affiliated investors and certain of the company's directors and executive officers. As the sole general partner of the Operating Partnership, American Assets Trust, Inc. has the full, exclusive and complete authority and control over the Operating Partnership’s day-to-day management and business, can cause it to enter into certain major transactions, including acquisitions, dispositions and refinancings, and can cause changes in its line of business, capital structure and distribution policies. The company causes the Operating Partnership to distribute such portion of its available cash as the company may in its discretion determine, in the manner provided in the Operating Partnership’s partnership agreement.

The liquidity of the company is dependent on the Operating Partnership’s ability to make sufficient distributions to the company. The primary cash requirement of the company is its payment of dividends to its stockholders. The company also guarantees some of the Operating Partnership’s debt, as discussed further in Note 7 of the Notes to Consolidated Financial Statements included elsewhere herein. If the Operating Partnership fails to fulfill certain of its debt requirements, which trigger the company’s guarantee obligations, then the company will be required to fulfill its cash payment commitments under such guarantees. However, the company’s only significant asset is its investment in the Operating Partnership.

We believe the Operating Partnership’s sources of working capital, specifically its cash flow from operations, and borrowings available under its unsecured line of credit, are adequate for it to make its distribution payments to the company and, in turn, for the company to make its dividend payments to its stockholders. As of June 30, 2026, the company has determined that it has adequate working capital to meet its dividend funding obligations for the next 12 months. However, we cannot assure you that the Operating Partnership’s sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to the company. The unavailability of capital could adversely affect the Operating Partnership’s ability to pay its distributions to the company, which would in turn, adversely affect the company’s ability to pay cash dividends to its stockholders.

Our short-term liquidity requirements consist primarily of funds to pay for future dividends expected to be paid to the company’s stockholders, operating expenses and other expenditures directly associated with our properties, interest expense and scheduled principal payments on outstanding indebtedness, general and administrative expenses, funding construction projects, capital expenditures, tenant improvements and leasing commissions.

The company may from time to time seek to repurchase or redeem the Operating Partnership’s outstanding debt, the company’s shares of common stock or other securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases or redemptions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

For the company to maintain its qualification as a REIT, it must pay dividends to its stockholders aggregating annually at least 90% of its REIT taxable income, excluding net capital gains. While historically the company has satisfied this distribution requirement by making cash distributions to American Assets Trust, Inc.'s stockholders or American Assets Trust, L.P.'s unitholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, the company’s own stock. As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its ongoing operations to the same extent that other companies whose parent companies are not REITs can. The company may need to continue to raise capital in the equity markets to fund the operating partnership’s working capital needs, acquisitions and developments. Although there is no intent at this time, if market conditions deteriorate, the company may also delay the timing of future development and redevelopment projects as well as limit future acquisitions, reduce the Operating Partnership’s operating expenditures, or re-evaluate its dividend policy.

The company is a well-known seasoned issuer. As circumstances warrant, the company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. When the company receives proceeds from preferred or common equity issuances, it is required by the Operating Partnership’s partnership agreement to contribute the proceeds from its equity issuances to the Operating Partnership in exchange for partnership units of the Operating Partnership. The Operating Partnership may use the proceeds to repay debt, to develop new or existing properties, to acquire properties or for general corporate purposes.

In December 2023, the company, together with the Operating Partnership, filed a universal shelf registration statement on Form S-3ASR with the SEC, which became effective upon filing and which replaced the prior Form S-3ASR that was filed with the SEC in January 2021. The universal shelf registration statement may permit the company from time to time to offer and sell equity securities of the company. However, there can be no assurance that the company will be able to complete any such offerings of securities. Factors influencing the availability of additional financing include investor perception of our prospects and the general condition of the financial markets, among others.

On December 3, 2021, the company entered into a new ATM equity program with five sales agents in which we may, from time to time, offer and sell shares of our common stock having an aggregate offering price of up to $250 million. The sales of shares of our common stock made through the ATM equity program, as amended, are made in “at-the-market” offerings as defined in Rule 415 of the Securities Act of 1933, as amended. We intend to use the net proceeds to fund development or redevelopment activities, repay amounts outstanding from time to time under our revolving line of credit or other debt financing obligations, fund potential acquisition opportunities and/or for general corporate purposes. Actual future sales will depend on a variety of factors including, but not limited to, market conditions, the trading price of our common stock and our capital needs. For the six months ended June 30, 2026, no shares of common stock were sold through the ATM equity program. We have no obligation to sell the remaining shares available for sale under the ATM equity program.

Liquidity and Capital Resources of American Assets Trust, L.P.

In this “Liquidity and Capital Resources of American Assets Trust, L.P.” section, the terms “we,” “our” and “us” refer to the Operating Partnership together with its consolidated subsidiaries, or the Operating Partnership and American Assets Trust, Inc. together with their consolidated subsidiaries, as the context requires. American Assets Trust, Inc. is our sole general partner and consolidates our results of operations for financial reporting purposes. Because we operate on a consolidated basis with American Assets Trust, Inc., the section entitled “Liquidity and Capital Resources of American Assets Trust, Inc.” should be read in conjunction with this section to understand our liquidity and capital resources on a consolidated basis.

Due to the nature of our business, we typically generate significant amounts of cash from operations. The cash generated from operations is used for the payment of operating expenses, capital expenditures, debt service and dividends to American Assets Trust, Inc.'s stockholders and our unitholders. As a REIT, American Assets Trust, Inc. must generally make annual distributions to its stockholders of at least 90% of its net taxable income. As of June 30, 2026, we held $109.7 million in cash and cash equivalents.

Our short-term liquidity requirements consist primarily of operating expenses and other expenditures associated with our properties, regular debt service requirements, dividend payments to American Assets Trust, Inc.'s stockholders required to maintain its REIT status, distributions to our unitholders, capital expenditures and, potentially, acquisitions. We expect to meet our short-term liquidity requirements through net cash provided by operations, reserves established from existing cash and, if necessary, borrowings available under our credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for the repayment of debt at maturity, property acquisitions, tenant improvements and capital improvements. We expect to meet our long-term liquidity requirements to pay scheduled debt maturities and to fund property acquisitions and capital improvements with net cash from operations, long-term secured and unsecured indebtedness and, if necessary, the issuance of equity and debt securities. We also may fund property acquisitions and capital improvements using our amended and restated credit facility pending permanent financing. We believe that we have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity. However, we cannot be assured that this will be the case. Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about our company.

Our overall capital requirements for the remainder of 2026 and for the first half of 2027 will depend upon acquisition opportunities and the level of improvements and redevelopments on existing properties. Our capital investments will be funded on a short-term basis with, among other sources of capital, cash on hand, cash flow from operations and/or our revolving line of credit. On a long-term basis, our capital investments may be funded with additional long-term debt, including, without limitation, mortgage debt and unsecured notes. Our ability to incur additional debt will be dependent on a number of factors, including, without limitation, our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. Our capital investments may also be funded by issuing additional equity including, without limitation, shares issued by American Assets Trust, Inc. under its ATM equity program or through an underwritten public offering. Although there is no intent at this time, if market conditions deteriorate or fail to improve, we may also delay the timing of future development and redevelopment projects as well as limit future acquisitions, reduce our operating expenditures, or re-evaluate our dividend policy.

In December 2023, the Operating Partnership, together with American Assets Trust, Inc., filed a universal shelf registration statement on Form S-3ASR with the SEC, which became effective upon filing and which replaced the prior Form S-3ASR that was filed with the SEC in January 2021. The universal shelf registration statement may permit the company from time to time to offer and sell equity securities of the company. However, there can be no assurance that the company will be able to complete any such offerings of securities. Factors influencing the availability of additional financing include investor perception of our prospects and the general condition of the financial markets, among others.

Off-Balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements.

Cash Flows

Comparison of the six months ended June 30, 2026 to the six months ended June 30, 2025

Cash and cash equivalents were $109.7 million and $143.7 million at June 30, 2026 and 2025, respectively.

Net cash provided by operating activities increased $1.4 million to $87.5 million for the six months ended June 30, 2026 compared to $86.0 million for the six months ended June 30, 2025. The increase in cash from operations was primarily due to an increase in rental revenue and changes in operating assets and liabilities.

Net cash used in investing activities increased $59.3 million to $49.7 million for the six months ended June 30, 2026 compared to cash provided by investing activities of $9.6 million for the six months ended June 30, 2025. The increase in cash used in investing activities was primarily due to an increase in capital expenditures related to new tenant improvement projects, leasing commissions and building renovation and repositioning capital projects. The cash provided by investing activities during 2025 was primarily due to the proceeds from the sale of Del Monte Center, offset by the use of cash for the acquisition of Genesee Park.

Net cash used in financing activities decreased $320.1 million to $57.5 million for the six months ended June 30, 2026 compared to $377.6 million for the six months ended June 30, 2025. The decrease in cash used in financing activities was primarily due to the repayment of the $225 million aggregate outstanding balance on our Term Loan B and Term Loan C on January 2, 2025 and the repayment of the $100 million outstanding balance on our Series C Notes, on February 3, 2025. This was partially offset by an increase in debt issuance costs related to the Fourth Amended and Restated Credit Facility entered into on April 1, 2026.

Net Operating Income

Net Operating Income ("NOI"), is a non-GAAP financial measure of performance. 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 non-property 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 the NOIs of other REITs.

NOI is used by investors and our management to evaluate and compare the performance of our properties and to determine trends in earnings and to compute the fair value of our properties as it is not affected by (1) the cost of funds of the property owner, (2) 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 (3) general and administrative expenses and other gains and losses that are specific to the property owner. The cost of funds is eliminated from net income because it is specific to the particular financing capabilities and constraints of the owner. The cost of funds is also eliminated because it is dependent on historical interest rates and other costs of capital as well as past decisions made by us regarding the appropriate mix of capital, which may have changed or may change in the future. Depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets are eliminated because they may not accurately represent the actual change in value in our retail, office, multifamily or mixed-use properties that result from use of the properties or changes in market conditions. While certain aspects of real property do decline in value over time in a manner that is intended to be captured by depreciation and amortization, the value of the properties as a whole have historically increased or decreased as a result of changes in overall economic conditions instead of from actual use of the property or the passage of time. Gains and losses from the sale of real property vary from property to property and are affected by market conditions at the time of sale, which will usually change from period to period. These gains and losses can create distortions when comparing one period to another or when comparing our operating results to the operating results of other real estate companies that have not made similarly timed purchases or sales. We believe that eliminating these costs from net income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating our properties as well as trends in occupancy rates, rental rates and operating costs.

However, the usefulness of NOI is limited because it excludes general and administrative costs, interest expense, interest income and other expense, depreciation and amortization expense and gains or losses from the sale of properties, and other gains and losses as stipulated by GAAP, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, all of which are significant economic costs. NOI may fail to capture significant trends in these components of net income, which further limits its usefulness.

NOI is a measure of the operating performance of our properties but does not measure our performance as a whole. NOI is therefore not a substitute for net income as computed in accordance with GAAP. This measure should be analyzed in conjunction with net income computed in accordance with GAAP and discussions elsewhere in “Management's Discussion and Analysis of Financial Condition and Results of Operations” regarding the components of net income that are eliminated in the calculation of NOI. Other companies may use different methods for calculating NOI or similarly entitled measures and, accordingly, our NOI may not be comparable to similarly entitled measures reported by other companies that do not define the measure exactly as we do.

The following is a reconciliation of our NOI to net income for the three and six months ended June 30, 2026 and 2025 computed in accordance with GAAP (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net operating income	$ 67,923	$ 67,610	$ 134,849	$ 134,912
General and administrative	(8,912)	(8,850)	(17,695)	(18,162)
Depreciation and amortization	(32,712)	(32,782)	(65,023)	(63,276)
Interest expense, net	(19,931)	(19,784)	(39,638)	(38,564)
Gain on sale of real estate	—	—	—	44,476
Other income, net	422	927	1,036	1,842
Net income	$ 6,790	$ 7,121	$ 13,529	$ 61,228

Funds from Operations

We calculate funds from operations (“FFO”), in accordance with the standards established by the National Association of Real Estate Investment Trusts (“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 our 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. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our 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 our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our 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.

The following table sets forth a reconciliation of our net income for the three and six months ended June 30, 2026 to FFO, the nearest GAAP equivalent (in thousands, except per share and share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Funds from Operations (FFO)				
Net income	$ 6,790	$ 7,121	$ 13,529	$ 61,228
Plus: Depreciation and amortization of real estate assets	32,712	32,782	65,023	63,276
Less: Gain on sale of real estate	—	—	—	(44,476)
Funds from operations	39,502	39,903	78,552	80,028
Less: Nonforfeitable dividends on restricted stock awards	(216)	(180)	(432)	(360)
FFO attributable to common stock and units	$ 39,286	$ 39,723	$ 78,120	$ 79,668
FFO per diluted share/unit	$ 0.51	$ 0.52	$ 1.02	$ 1.04
Weighted average number of common shares and units, diluted [(1)]	76,888,301	76,711,831	76,882,369	76,716,676

(1) The weighted average common shares used to compute FFO per diluted share include unvested restricted stock awards that are subject to time vesting, which were excluded from the computation of diluted EPS, as the vesting of the restricted stock awards is dilutive in the computation of FFO per diluted share but is anti-dilutive for the computation of diluted EPS for the period. Diluted shares exclude incentive restricted stock as these awards are considered contingently issuable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We manage our market risk by attempting to match anticipated inflow of cash from our operating, investing and financing activities with anticipated outflow of cash to fund debt payments, dividends to our stockholders and Operating Partnership unitholders, investments, capital expenditures and other cash requirements.

Interest Rate Risk

Outstanding Debt

The following discusses the effect of hypothetical changes in market rates of interest on the fair value of our total outstanding debt. Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our debt. Discounted cash flow analysis is generally used to estimate the fair value of our mortgages payable. Considerable judgment is necessary to estimate the fair value of financial instruments. This analysis does not purport to take into account all of the factors that may affect our debt, such as the effect that a changing interest rate environment could have on the overall level of economic activity or the action that our management might take to reduce our exposure to the change. This analysis assumes no change in our financial structure.

Fixed Interest Rate Debt

Our outstanding notes payable obligations (maturing at various times through October 2034) have fixed interest rates which limit the risk of fluctuating interest rates. However, interest rate fluctuations may affect the fair value of our fixed rate debt instruments. At June 30, 2026, we had $1.6 billion of fixed rate debt outstanding with an estimated fair value of $1.5 billion. If interest rates at June 30, 2026 had been 1.0% higher, the fair value of those debt instruments on that date would have decreased by approximately $38.8 million. If interest rates at June 30, 2026 had been 1.0% lower, the fair value of those debt instruments on that date would have increased by approximately $83.9 million. The carrying values of our revolving line of credit and term loan approximate fair value since the interest rates are variable and reset frequently based on SOFR.

Variable Interest Rate Debt

At June 30, 2026, we had variable debt of $100.0 million related to Term Loan A outstanding which is effectively fixed by interest rate swap agreements through January 5, 2027, subject to adjustments based on our consolidated leverage ratio. After January 5, 2027, interest is accrued at a variable rate based on the applicable SOFR plus a spread which ranges from 1.20%-1.70% based on our consolidated leverage ratio. Based upon this amount of variable rate debt, if market interest rates increased or decreased by 1.0%, our annual interest expense would increase or decrease, respectively, by approximately $0.5 million. We have historically entered into forward starting interest rate swaps in order to economically hedge against the risk of rising interest rates that would affect our interest expense related to our future anticipated debt issuances as part of its overall borrowing program. See the discussion under Note 4 of the Notes to Consolidated Financial Statements included elsewhere herein for certain quantitative details related to the interest rate swaps and for a discussion on how we value derivative financial instruments.

ITEM 4. CONTROLS AND PROCEDURES

Controls and Procedures (American Assets Trust, Inc.)

American Assets Trust, Inc. maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in American Assets Trust, Inc.'s reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the rules and regulations of the SEC and that such information is accumulated and communicated to management, including American Assets Trust, Inc.'s Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

American Assets Trust, Inc. has carried out an evaluation, under the supervision and with the participation of management, including American Assets Trust, Inc.'s Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of its disclosure controls and procedures as of June 30, 2026, the end of the period covered by this report. Based on the foregoing, its Chief Executive Officer and Chief Financial Officer have concluded, as of June 30, 2026, that American Assets Trust, Inc.'s disclosure controls and procedures were effective in ensuring that information required to be disclosed by it in reports filed or submitted under the Exchange Act (1) is processed, recorded, summarized and reported within the time periods specified in the SEC’s rules and forms and (2) is accumulated and communicated to its management, including American Assets Trust, Inc.'s Chief Executive Officer and its Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

No changes to American Assets Trust, Inc.'s internal control over financial reporting were identified in connection with the evaluation referenced above that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, American Assets Trust, Inc.'s internal control over financial reporting.

Controls and Procedures (American Assets Trust, L.P.)

The Operating Partnership maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the rules and regulations of the SEC and that such information is accumulated and communicated to management, including the Operating Partnership's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Operating Partnership has carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of its disclosure controls and procedures as of June 30, 2026, the end of the period covered by this report. Based on the foregoing, its Chief Executive Officer and Chief Financial Officer have concluded, as of June 30, 2026, that the Operating Partnership's disclosure controls and procedures were effective in ensuring that information required to be disclosed by it in reports filed or submitted under the Exchange Act (1) is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and (2) is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

No changes to the Operating Partnership's internal control over financial reporting were identified in connection with the evaluation referenced above that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently a party, as plaintiff or defendant, to any legal proceedings that we believe to be material or which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operation if determined adversely to us. We may be subject to on-going litigation, relating to our portfolio and the properties comprising our portfolio, and we expect to otherwise be party from time to time to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in Item 1A. “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2026, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

Exhibit No.	Description
1.1 (1)	Voting Support Agreement, dated as of May 11, 2026, by and among the Company, the Rady Trust, the Evelyn Shirley Rady Trust U/D/T March 10, 1983, and American Assets, Inc.
10.1 (2)	Fourth Amended and Restated Credit Agreement dated April 1, 2026, by and among the Company, the Operating Partnership, Bank of America, N.A., as Administrative Agent, and other entities named therein.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of American Assets Trust, Inc.
31.2*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of American Assets Trust, L.P.
31.3*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of American Assets Trust, Inc.
31.4*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of American Assets Trust, L.P.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer of American Assets Trust, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Executive Officer and Chief Financial Officer of American Assets Trust, L.P. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

(1) Incorporated herein by reference to American Assets Trust, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 11, 2026.

(2) Incorporated herein by reference to American Assets Trust, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on April 1, 2026.

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 thereunto authorized.

American Assets Trust, Inc.	American Assets Trust, L.P. By: American Assets Trust, Inc. Its: General Partner
/s/ ADAM WYLL	/s/ ADAM WYLL
Adam Wyll President and Chief Executive Officer (Principal Executive Officer)	Adam Wyll President and Chief Executive Officer (Principal Executive Officer)
/s/ ROBERT F. BARTON	/s/ ROBERT F. BARTON
Robert F. Barton Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	Robert F. Barton Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)
Date: July 31, 2026	Date: July 31, 2026

Exhibit 31.1

**CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Adam Wyll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Assets Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ ADAM WYLL
Adam Wyll
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Adam Wyll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Assets Trust, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ ADAM WYLL
Adam Wyll
President and Chief Executive Officer

Exhibit 31.3

**CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert F. Barton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Assets Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ ROBERT F. BARTON
Robert F. Barton
EVP and Chief Financial Officer

Exhibit 31.4

CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert F. Barton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Assets Trust, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ ROBERT F. BARTON
Robert F. Barton
EVP and Chief Financial Officer

Exhibit 32.1

CERTIFICATION

The undersigned, Adam Wyll and Robert F. Barton, the Chief Executive Officer and Chief Financial Officer, respectively, of American Assets Trust, Inc. (the “Company”), pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each hereby certifies that, to the best of his knowledge:

(i) the Quarterly Report for the period ended June 30, 2026 of the Company (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ADAM WYLL

Adam Wyll
President and Chief Executive Officer

/s/ ROBERT F. BARTON

Robert F. Barton
EVP and Chief Financial Officer

Date: July 31, 2026

Exhibit 32.2

CERTIFICATION

The undersigned, Adam Wyll and Robert F. Barton, the Chief Executive Officer and Chief Financial Officer, respectively, of American Assets Trust, L.P. (the “Operating Partnership”), pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each hereby certifies that, to the best of his knowledge:

(i) the Quarterly Report for the period ended June 30, 2026 of the Operating Partnership (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ ADAM WYLL

Adam Wyll
President and Chief Executive Officer

/s/ ROBERT F. BARTON

Robert F. Barton
EVP and Chief Financial Officer

Date: July 31, 2026