Non-GAAP Financial Measures

Below are GAAP to non-GAAP reconciliations of certain financial measures, as required under Regulation G of the Securities Exchange Act of 1934. Non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to similarly titled measures.

Net Operating Income (NOI) We define NOI as operating revenues (rental income, tenant recoveries, and other revenues) less operating expenses (real estate taxes, repairs and maintenance, marketing, and other property expenses). NOI excludes straight-line rents and amortization of tenant incentives, net; interest expense, net; ground rent amortization; demolition costs; other income (loss); depreciation and amortization; development-related marketing costs; gain on sale or disposal of real estate and other assets, net; loss on extinguishment of debt; provision for impairment; and equity in earnings from unconsolidated ventures. This amount is presented as Operating Assets NOI. Total Operating Assets NOI represents NOI as defined above with the addition of our share of NOI from unconsolidated ventures.

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets segment because it provides a performance measure that reflects the revenues and expenses directly associated with owning and operating real estate properties. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that property-specific factors such as rental and occupancy rates, tenant mix, and operating costs have on our operating results, gross margins, and investment returns.

Reconciliations of segment EBT to NOI for Operating Assets on a continuing operations basis are presented below:

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,				
thousands	2026	2025	2026	2025	2025	2024	2023	2022	2021
Operating Assets Segment									
Total revenues	**$ 119,960**	$ 116,446	**$ 239,162**	$ 230,448	$ 465,568	$444,300	$410,254	$401,304	$415,104
Total operating expenses	**(50,520)**	(49,467)	**(101,445)**	(98,284)	(204,273)	(194,591)	(179,865)	(170,114)	(187,820)
Segment operating income (loss)	**69,440**	66,979	**137,717**	132,164	261,295	249,709	230,389	231,190	227,284
Depreciation and amortization	**(52,028)**	(42,305)	**(97,606)**	(85,428)	(172,835)	(169,040)	(161,138)	(145,208)	(153,893)
Interest income (expense), net	**(37,873)**	(34,173)	**(71,380)**	(68,391)	(136,637)	(138,207)	(125,197)	(87,664)	(73,017)
Other income (loss), net	**(527)**	634	**(508)**	438	2,266	822	2,092	(1,383)	(10,306)
Equity in earnings (losses) from unconsolidated ventures	**794**	(325)	**6,671**	4,318	4,829	5,819	2,968	22,262	(67,042)
Gain (loss) on sale or disposal of real estate and other assets, net	**51,800**	(1)	**51,800**	9,978	14,354	22,907	23,926	29,588	39,168
Gain (loss) on extinguishment of debt	**(413)**	(307)	**(413)**	(307)	(698)	(465)	(97)	(2,230)	(1,926)
Operating Assets segment EBT	**31,193**	(9,498)	**26,281**	(7,228)	(27,426)	(28,455)	(27,057)	46,555	(39,732)
Add back:									
Depreciation and amortization	**52,028**	42,305	**97,606**	85,428	172,835	169,040	161,138	145,208	153,893
Interest (income) expense, net	**37,873**	34,173	**71,380**	68,391	136,637	138,207	125,197	87,664	73,017
Equity in (earnings) losses from unconsolidated ventures	**(794)**	325	**(6,671)**	(4,318)	(4,829)	(5,819)	(2,968)	(22,262)	67,042
(Gain) loss on sale or disposal of real estate and other assets, net	**(51,800)**	1	**(51,800)**	(9,978)	(14,354)	(22,907)	(23,926)	(29,588)	(39,168)
(Gain) loss on extinguishment of debt	**413**	307	**413**	307	698	465	97	2,230	1,926
Impact of straight-line rent	**(1,015)**	(373)	**(3,637)**	(1,533)	(1,964)	(4,770)	(2,256)	(11,241)	(14,715)
Other	**600**	(384)	**585**	(195)	388	(306)	337	1,528	10,275
Operating Assets NOI	**68,498**	66,856	**134,157**	130,874	261,985	245,455	230,562	220,094	212,538
Company's share of NOI from equity investments	**2,045**	2,004	**4,217**	3,947	8,698	8,310	7,745	9,061	4,081
Distributions from Summerlin Hospital investment	**—**	—	**5,318**	5,605	5,605	3,242	3,033	4,638	3,755
Company's share of NOI from unconsolidated ventures	**2,045**	2,004	**9,535**	9,552	14,303	11,552	10,778	13,699	7,836
Total Operating Assets NOI	**$ 70,543**	$ 68,860	**$ 143,692**	$ 140,426	$ 276,288	$257,007	$241,340	$233,793	$220,374