



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); amortization; depreciation; development-related marketing costs; gain on sale or disposal of real estate and other assets, net; provision for impairment; and equity in earnings from unconsolidated ventures. This amount is presented as Operating Assets NOI and Seaport 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 and Seaport segments 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 and Seaport are presented in the tables below:

<i>thousands</i>	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,				
	2023	2022	2023	2022	2022	2021	2020	2019	2018
Operating Assets Segment									
Total revenues	\$121,427	\$118,562	\$222,352	\$218,249	\$431,834	\$442,698	\$372,057	\$400,131	\$348,242
Total operating expenses	(54,452)	(51,349)	(102,051)	(97,964)	(194,496)	(209,020)	(185,480)	(187,322)	(164,445)
Segment operating income (loss)	66,975	67,213	120,301	120,285	237,338	233,678	186,577	212,809	183,797
Depreciation and amortization	(40,878)	(38,999)	(80,510)	(77,429)	(154,626)	(163,031)	(162,324)	(115,499)	(103,293)
Interest income (expense), net	(30,285)	(21,318)	(59,196)	(41,436)	(89,959)	(75,391)	(91,411)	(81,029)	(71,551)
Other income (loss), net	(40)	(309)	2,242	(478)	(1,140)	(10,746)	540	1,142	(7,107)
Equity in earnings (losses) from unconsolidated ventures	2,042	2,591	3,947	17,766	22,263	(67,042)	(7,366)	3,672	1,994
Gain (loss) on sale or disposal of real estate and other assets, net	(16)	4,018	4,714	4,018	29,588	39,168	38,232	—	(4)
Selling profit from sales-type leases	—	—	—	—	—	—	—	13,537	—
Gain (loss) on extinguishment of debt	—	(363)	—	(645)	(2,230)	(1,926)	(1,521)	—	—
Provision for impairment	—	—	—	—	—	—	(48,738)	—	—
Operating Assets segment EBT	(2,202)	12,833	(8,502)	22,081	41,234	(45,290)	(86,011)	34,632	3,836
Add back:									
Depreciation and amortization	40,878	38,999	80,510	77,429	154,626	163,031	162,324	115,499	103,293
Interest (income) expense, net	30,285	21,318	59,196	41,436	89,959	75,391	91,411	81,029	71,551
Equity in (earnings) losses from unconsolidated ventures	(2,042)	(2,591)	(3,947)	(17,766)	(22,263)	67,042	7,366	(3,672)	(1,994)
(Gain) loss on sale or disposal of real estate and other assets, net	16	(4,018)	(4,714)	(4,018)	(29,588)	(39,168)	(38,232)	—	4
(Gain) loss on extinguishment of debt	—	363	—	645	2,230	1,926	1,521	—	—
Selling profit from sales-type leases	—	—	—	—	—	—	—	(13,537)	—
Provision for impairment	—	—	—	—	—	—	48,738	—	—
Impact of straight-line rent	(1,081)	(3,101)	(2,194)	(5,539)	(11,241)	(14,715)	(7,630)	(9,007)	(12,427)
Other	269	158	84	207	827	10,449	99	671	7,312
Operating Assets NOI	66,123	63,961	120,433	114,475	225,784	218,666	179,586	205,615	171,575
Company's share of NOI from equity investments	1,960	2,386	3,787	4,502	9,061	4,081	7,750	7,318	4,661
Distributions from Summerlin Hospital investment	—	—	3,033	4,638	4,638	3,755	3,724	3,625	3,435
Company's share of NOI from unconsolidated ventures	1,960	2,386	6,820	9,140	13,699	7,836	11,474	10,943	8,096
Total Operating Assets NOI	\$ 68,083	\$ 66,347	\$ 127,253	\$ 123,615	\$ 239,483	\$ 226,502	\$ 191,060	\$ 216,558	\$ 179,671

<i>thousands</i>	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,				
	2023	2022	2023	2022	2022	2021	2020	2019	2018
Seaport Segment									
Total revenues	\$ 22,804	\$ 28,176	\$ 34,701	\$ 37,552	\$ 88,468	\$ 55,008	\$ 23,814	\$ 55,645	\$ 32,632
Total operating expenses	(26,665)	(29,066)	(45,581)	(47,925)	(104,393)	(77,198)	(46,112)	(77,872)	(49,716)
Segment operating income (loss)	(3,861)	(890)	(10,880)	(10,373)	(15,925)	(22,190)	(22,298)	(22,227)	(17,084)
Depreciation and amortization	(10,469)	(7,720)	(20,996)	(15,543)	(36,338)	(30,867)	(41,602)	(26,381)	(12,466)
Interest income (expense), net	1,311	1,319	2,497	1,272	3,902	357	(12,512)	(12,865)	6,291
Other income (loss), net	(1,601)	(43)	(1,600)	307	245	(3,730)	(2,616)	(22)	102
Equity in earnings (losses) from unconsolidated ventures	(10,896)	(5,239)	(21,716)	(8,950)	(36,273)	(1,988)	(9,292)	(2,592)	(705)
Gain (loss) on sale or disposal of real estate and other assets, net	—	—	—	—	—	—	—	(6)	—
Gain (loss) on extinguishment of debt	—	—	—	—	—	—	(11,648)	4,851	—
Seaport segment EBT	(25,516)	(12,573)	(52,695)	(33,287)	(84,389)	(58,418)	(99,968)	(59,242)	(23,862)
Add back:									
Depreciation and amortization	10,469	7,720	20,996	15,543	36,338	30,867	41,602	26,381	12,466
Interest (income) expense, net	(1,311)	(1,319)	(2,497)	(1,272)	(3,902)	(357)	12,512	12,865	(6,291)
Equity in (earnings) losses from unconsolidated ventures	10,896	5,239	21,716	8,950	36,273	1,988	9,292	2,592	705
(Gain) loss on sale or disposal of real estate and other assets, net	—	—	—	—	—	—	—	6	—
(Gain) loss on extinguishment of debt	—	—	—	—	—	—	11,648	(4,851)	—
Impact of straight-line rent	546	(184)	1,132	1,704	456	1,632	2,801	1,634	(433)
Other (income) loss, net	2,470	433	3,317	1,936	5,456	6,725	5,639	5,595	11,937
Seaport NOI	(2,446)	(684)	(8,031)	(6,426)	(9,768)	(17,563)	(16,474)	(15,020)	(5,478)
Company's share of NOI from unconsolidated ventures (a)	(9,262)	(4,979)	(18,853)	(8,817)	(35,581)	(592)	(911)	(710)	(713)
Total Seaport NOI	\$ (11,708)	\$ (5,663)	\$ (26,884)	\$ (15,243)	\$ (45,349)	\$ (18,155)	\$ (17,385)	\$ (15,730)	\$ (6,191)

(a) The Company's share of NOI related to the Tin Building by Jean-Georges is calculated using our current partnership funding provisions.