



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.

Earnings Before Tax (EBT) As a result of our four segments—Operating Assets, Master Planned Communities (MPC), Seaport, and Strategic Developments—being managed separately, we use different operating measures to assess operating results and allocate resources among these four segments. The one common operating measure used to assess operating results for our business segments is earnings before tax. EBT, as it relates to each business segment, includes the revenues and expenses of each segment, as shown below. EBT excludes corporate expenses and other items that are not allocable to the segments. We present EBT because we use this measure, among others, internally to assess the core operating performance of our assets. However, segment EBT should not be considered as an alternative to GAAP net income.

<i>thousands</i>	Operating Assets Segment	MPC Segment	Seaport Segment	Strategic Developments Segment	Total
Year ended December 31, 2022					
Total revenues	\$ 431,834	\$ 408,365	\$ 88,468	\$ 679,763	\$1,608,430
Total operating expenses	(194,496)	(173,905)	(104,393)	(504,036)	(976,830)
Segment operating income (loss)	237,338	234,460	(15,925)	175,727	631,600
Depreciation and amortization	(154,626)	(394)	(36,338)	(5,319)	(196,677)
Interest income (expense), net	(89,959)	50,305	3,902	17,073	(18,679)
Other income (loss), net	(1,140)	23	245	1,799	927
Equity in earnings (losses) from unconsolidated ventures	22,263	(1,407)	(36,273)	868	(14,549)
Gain (loss) on sale or disposal of real estate and other assets, net	29,588	—	—	90	29,678
Gain (loss) on extinguishment of debt	(2,230)	—	—	—	(2,230)
Segment EBT	\$ 41,234	\$ 282,987	\$ (84,389)	\$ 190,238	\$ 430,070
Corporate income, expenses and other items					(245,434)
Net income (loss)					184,636
Net (income) loss attributable to noncontrolling interests					(103)
Net income (loss) attributable to common stockholders					\$ 184,533
Year Ended December 31, 2021					
Total revenues	\$ 442,698	\$ 409,746	\$ 55,008	\$ 520,109	\$1,427,561
Total operating expenses	(209,020)	(193,851)	(77,198)	(436,698)	(916,767)
Segment operating income (loss)	233,678	215,895	(22,190)	83,411	510,794
Depreciation and amortization	(163,031)	(366)	(30,867)	(6,512)	(200,776)
Interest income (expense), net	(75,391)	42,683	357	3,701	(28,650)
Other income (loss), net	(10,746)	—	(3,730)	2,536	(11,940)
Equity in earnings (losses) from unconsolidated ventures	(67,042)	59,399	(1,988)	(221)	(9,852)
Gain (loss) on sale or disposal of real estate and other assets, net	39,168	—	—	13,911	53,079
Gain (loss) on extinguishment of debt	(1,926)	(1,004)	—	—	(2,930)
Provision for impairment	—	—	—	(13,068)	(13,068)
Segment EBT	\$ (45,290)	\$ 316,607	\$ (58,418)	\$ 83,758	\$ 296,657
Corporate income, expenses and other items					(247,733)
Net income (loss)					48,924
Net (income) loss attributable to noncontrolling interests					7,176
Net income (loss) attributable to common stockholders					\$ 56,100

<i>thousands</i>	Operating Assets Segment	MPC Segment	Seaport Segment	Strategic Developments Segment	Total
Year Ended December 31, 2020					
Total revenues	\$ 372,057	\$ 283,953	\$ 23,814	\$ 19,407	\$ 699,231
Total operating expenses	(185,480)	(128,597)	(46,112)	(135,160)	(495,349)
Segment operating income (loss)	186,577	155,356	(22,298)	(115,753)	203,882
Depreciation and amortization	(162,324)	(365)	(41,602)	(6,545)	(210,836)
Interest income (expense), net	(91,411)	36,587	(12,512)	6,312	(61,024)
Other income (loss), net	540	—	(2,616)	2,165	89
Equity in earnings (losses) from unconsolidated ventures	(7,366)	17,845	(9,292)	269,912	271,099
Gain (loss) on sale or disposal of real estate and other assets, net	38,232	—	—	21,710	59,942
Gain (loss) on extinguishment of debt	(1,521)	—	(11,648)	—	(13,169)
Provision for impairment	(48,738)	—	—	—	(48,738)
Segment EBT	\$ (86,011)	\$ 209,423	\$ (99,968)	\$ 177,801	\$ 201,245
Corporate income, expenses and other items					(204,418)
Net income (loss)					(3,173)
Net (income) loss attributable to noncontrolling interests					(22,981)
Net income (loss) attributable to common stockholders					\$ (26,154)
Year Ended December 31, 2019					
Total revenues	\$ 400,131	\$ 386,781	\$ 55,645	\$ 457,948	\$1,300,505
Total operating expenses	(187,322)	(183,472)	(77,872)	(391,848)	(840,514)
Segment operating income (loss)	212,809	203,309	(22,227)	66,100	459,991
Depreciation and amortization	(115,499)	(424)	(26,381)	(5,473)	(147,777)
Interest income (expense), net	(81,029)	32,019	(12,865)	11,321	(50,554)
Other income (loss), net	1,142	601	(22)	831	2,552
Equity in earnings (losses) from unconsolidated ventures	3,672	28,336	(2,592)	1,213	30,629
Gain (loss) on sale or disposal of real estate and other	—	—	(6)	27,119	27,113
Selling profit from sales-type leases	13,537	—	—	—	13,537
Gain (loss) on extinguishment of debt	—	—	4,851	—	4,851
Segment EBT	\$ 34,632	\$ 263,841	\$ (59,242)	\$ 101,111	\$ 340,342
Corporate income, expenses and other items					(266,047)
Net income (loss)					74,295
Net (income) loss attributable to noncontrolling interests					(339)
Net income (loss) attributable to common stockholders					\$ 73,956
Year Ended December 31, 2018					
Total revenues	\$ 348,242	\$ 309,451	\$ 32,632	\$ 374,212	\$1,064,537
Total operating expenses	(164,445)	(163,517)	(49,716)	(290,806)	(668,484)
Segment operating income (loss)	183,797	145,934	(17,084)	83,406	396,053
Depreciation and amortization	(103,293)	(243)	(12,466)	(3,307)	(119,309)
Interest income (expense), net	(71,551)	26,919	6,291	12,476	(25,865)
Other income (loss), net	(7,107)	18	102	3,015	(3,972)
Equity in earnings (losses) from unconsolidated ventures	1,994	36,284	(705)	2,364	39,937
Gain (loss) on sale or disposal of real estate and other	(4)	—	—	—	(4)
Segment EBT	\$ 3,836	\$ 208,912	\$ (23,862)	\$ 97,954	\$ 286,840
Corporate income, expenses and other items					(229,114)
Net income (loss)					57,726
Net (income) loss attributable to noncontrolling interests					(714)
Net income (loss) attributable to common stockholders					\$ 57,012

<i>thousands</i>	Operating Assets Segment	MPC Segment	Seaport Segment	Strategic Developments Segment	Total
Year Ended December 31, 2017					
Total revenues	\$ 317,296	\$ 299,543	\$ 10,259	\$ 473,022	\$1,100,120
Total operating expenses	(158,421)	(159,895)	(13,136)	(360,220)	(691,672)
Segment operating income (loss)	158,875	139,648	(2,877)	112,802	408,448
Depreciation and amortization	(117,835)	(323)	(6,270)	(1,210)	(125,638)
Interest income (expense), net	(61,583)	24,292	13,229	12,237	(11,825)
Other income (loss), net	(279)	3,500	(37)	109	3,293
Equity in earnings (losses) from unconsolidated ventures	3,735	23,234	(643)	(373)	25,953
Gain (loss) on sale or disposal of real estate and other	3,868	—	—	51,242	55,110
Gain on acquisition of joint venture partner's interest	23,332	—	—	—	23,332
Segment EBT	\$ 10,113	\$ 190,351	\$ 3,402	\$ 174,807	\$ 378,673
Corporate income, expenses and other items					(212,050)
Net income (loss)					166,623
Net (income) loss attributable to noncontrolling interests					1,781
Net income (loss) attributable to common stockholders					\$ 168,404

Net Operating Income (NOI) We believe that net operating income or NOI is a useful supplemental measure of the performance of our Operating Assets segments because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs as variances between years in NOI typically result from changes in rental rates, occupancy, tenant mix and operating expenses. 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, 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, 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 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 lease structure, lease rates and tenant base have on our operating results, gross margins and investment returns.

Although we believe that EBT and NOI provide useful information to the investors about the performance of our segments, due to the exclusions noted above, EBT and NOI should only be used as additional measures of the financial performance of such assets and not as an alternative to GAAP net income (loss). No reconciliation of annualized or projected stabilized NOI is included in this presentation because we are unable to quantify certain forecasted amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

<i>thousands</i>	Year Ended December 31,				
	2022	2021	2020	2019	2018
Operating Assets segment EBT (a)	\$ 41,234	\$ (45,290)	\$ (86,011)	\$ 34,632	\$ 3,836
Add back:					
Depreciation and amortization	154,626	163,031	162,324	115,499	103,293
Interest (income) expense, net	89,959	75,391	91,411	81,029	71,551
Equity in (earnings) losses from unconsolidated ventures	(22,263)	67,042	7,366	(3,672)	(1,994)
(Gain) loss on sale or disposal of real estate and other assets, net	(29,588)	(39,168)	(38,232)	—	4
(Gain) loss on extinguishment of debt	2,230	1,926	1,521	—	—
Selling profit from sales-type leases	—	—	—	(13,537)	—
Provision for impairment	—	—	48,738	—	—
Impact of straight-line rent	(11,241)	(14,715)	(7,630)	(9,007)	(12,427)
Other	827	10,449	99	671	7,312
Operating Assets NOI	225,784	218,666	179,586	205,615	171,575
Company's share of NOI from unconsolidated ventures	9,061	4,081	7,750	7,318	4,661
Distributions from Summerlin Hospital Investment	4,638	3,755	3,724	3,625	3,435
Total Operating Assets NOI	\$ 239,483	\$ 226,502	\$ 191,060	\$ 216,558	\$ 179,671
Seaport segment EBT (a)	\$ (84,389)	\$ (58,418)	\$ (99,968)	\$ (59,242)	\$ (23,862)
Add back:					
Depreciation and amortization	36,338	30,867	41,602	26,381	12,466
Interest (income) expense, net	(3,902)	(357)	12,512	12,865	(6,291)
Equity in (earnings) losses from unconsolidated ventures	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	456	1,632	2,801	1,634	(433)
Other (income) loss, net	5,456	6,725	5,639	5,595	11,937
Seaport NOI	(9,768)	(17,563)	(16,474)	(15,020)	(5,478)
Company's share of NOI from unconsolidated ventures (b)	(35,581)	(592)	(911)	(710)	(713)
Total Seaport NOI	\$ (45,349)	\$ (18,155)	\$ (17,385)	\$ (15,730)	\$ (6,191)

(a) Segment EBT excludes corporate expenses and other items that are not allocable to the segments.

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