



## Simon® Reports Third Quarter 2022 Results and Increases Full Year 2022 Guidance and Raises Quarterly Dividend

November 1, 2022

INDIANAPOLIS, Nov. 1, 2022 /PRNewswire/ -- Simon®, a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter ended September 30, 2022.



"This was an excellent quarter for our Company with strong financial and operational performance," said David Simon, Chairman, Chief Executive Officer and President. "Based upon our results to date and our expectations for the remainder of 2022, we are once again increasing full-year 2022 guidance and raising our quarterly dividend."

### Results for the Quarter

- Net income attributable to common stockholders was \$539.0 million, or \$1.65 per diluted share, as compared to \$679.9 million, or \$2.07 per diluted share in 2021.
  - Net income for the third quarter of 2022 includes a non-cash unrealized loss of \$14.6 million, or \$0.04 per diluted share, from a mark-to-market in fair value of equity instruments.
  - Net income in the prior year period included both a gain of \$0.29 per diluted share primarily related to retail real estate disposition activity and other activity which resulted in a net gain of \$0.21 per diluted share.
- Comparable FFO was \$1.113 billion, or \$2.97 per diluted share as compared to \$1.098 billion, or \$2.92 per diluted share in the prior year period. Please see the accompanying reconciliation of consolidated net income to FFO and Comparable FFO.
- Domestic property Net Operating Income ("NOI") increased 2.3% and portfolio NOI increased 3.2%, in each case, compared to the prior year period.

### Results for the Nine Months

- Net income attributable to common stockholders was \$1.462 billion, or \$4.46 per diluted share, as compared to \$1.743 billion, or \$5.30 per diluted share in 2021.
  - Net income for the first nine months of 2022 includes a non-cash unrealized loss of \$63.4 million, or \$0.17 per diluted share, from a mark-to-market in fair value of equity instruments.
  - Net income in the prior year period included both gains of \$0.54 per diluted share primarily related to retail real estate disposition activity and other activity which resulted in a net gain of \$0.53 per diluted share.
- Comparable FFO was \$3.270 billion, or \$8.71 per diluted share as compared to \$3.133 billion, or \$8.32 per diluted share in the prior year period, growth of 4.7%.
- Domestic property NOI increased 4.4% and portfolio NOI increased 5.5%, in each case, compared to the prior year period.

### U.S. Malls and Premium Outlets Operating Statistics

- Occupancy was 94.5% at September 30, 2022, compared to 92.8% at September 30, 2021, an increase of 1.7%.
- Base minimum rent per square foot was \$54.80 at September 30, 2022, compared to \$53.91 at September 30, 2021, an increase of 1.7%.

### Development Activity

On October 20, 2022, [Fukaya-Hanazono Premium Outlets®](#) (Fukaya City, Tokyo, Japan) opened with 296,300 square feet of high-quality, name brand stores. Fukaya-Hanazono Premium Outlets is the tenth Premium Outlet® Center in Japan.

During the third quarter, construction started on a significant expansion at [Busan Premium Outlets](#) (Busan, South Korea). Construction continues on [Paris-Giverny Designer Outlet](#), a new international development project in Normandy, France projected to open in the first quarter of 2023.

Construction also continues on other redevelopment projects, including The Falls (Miami, FL), Northgate Station (Seattle, WA), Phipps Plaza (Atlanta, GA), Roosevelt Field (Garden City, NY), Stanford Shopping Center (Palo Alto, CA) and Towne East Square (Wichita, KS).

### Capital Markets and Balance Sheet Liquidity

The Company was active in the credit markets through the first nine months of the year.

The Company completed 16 non-recourse mortgage loans totaling approximately \$1.8 billion (U.S. dollar equivalent), of which Simon's share was \$1.1 billion. The weighted average interest rate on these loans was 4.78%.

As of September 30, 2022, Simon had approximately \$8.6 billion of liquidity consisting of \$1.2 billion of cash on hand, including its share of joint venture cash, and \$7.4 billion of available capacity under its revolving credit facilities.

### Dividends

Simon's Board of Directors declared a quarterly common stock dividend of \$1.80 on November 1, 2022, for the fourth quarter of 2022. This is an increase of \$0.15, or 9.1% year-over-year and an increase of \$0.05, or 2.9%, from the previous quarter. The dividend will be payable on December 30, 2022 to shareholders of record on December 9, 2022.

Simon's Board of Directors declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of \$1.046875 per share, payable on December 30, 2022 to shareholders of record on December 16, 2022.

### Common Stock Repurchase Program

During the quarter ended September 30, 2022, the Company repurchased 405,926 shares of its common stock under its \$2.0 billion share repurchase plan.

### 2022 Guidance

The Company currently estimates net income to be within a range of \$6.16 to \$6.21 per diluted share and Comparable FFO to be within a range of \$11.83 to \$11.88 per diluted share for the

year ending December 31, 2022. The Comparable FFO range represents an increase of \$0.12 and \$0.26 per diluted share at the mid-point when compared to the ranges provided on August 1, 2022 and February 7, 2022, respectively.

The following table provides the GAAP to non-GAAP reconciliation for the expected range of estimated net income attributable to common stockholders per diluted share to estimated FFO per diluted share and Comparable FFO per diluted share:

For the year ending December 31, 2022

	Low End	High End
Estimated net income attributable to common stockholders per diluted share	\$6.16	\$6.21
Depreciation and amortization including Simon's share of unconsolidated entities	<u>5.50</u>	<u>5.50</u>
Estimated FFO per diluted share	\$11.66	\$11.71
First nine months of 2022 actual unrealized losses in fair value of publicly traded equity instruments of non-retail real estate	<u>0.17</u>	<u>0.17</u>
Estimated Comparable FFO per diluted share	<u>\$11.83</u>	<u>\$11.88</u>

**Conference Call**

Simon will hold a conference call to discuss the quarterly financial results today from 8:30 a.m. to 9:30 a.m. Eastern Time, Tuesday, November 1, 2022. A live webcast of the conference call will be accessible in listen-only mode at [investors.simon.com](http://investors.simon.com). An audio replay of the conference call will be available until November 8, 2022. To access the audio replay, dial 1-844-512-2921 (international 1-412-317-6671) passcode 13733063.

**Supplemental Materials and Website**

Supplemental information on our third quarter 2022 performance is available at [investors.simon.com](http://investors.simon.com). This information has also been furnished to the SEC in a current report on Form 8-K.

We routinely post important information online on our investor relations website, [investors.simon.com](http://investors.simon.com). We use this website, press releases, SEC filings, quarterly conference calls, presentations and webcasts to disclose material, non-public information in accordance with Regulation FD. We encourage members of the investment community to monitor these distribution channels for material disclosures. Any information accessed through our website is not incorporated by reference into, and is not a part of, this document.

**Non-GAAP Financial Measures**

This press release includes FFO, FFO per share, Comparable FFO, Comparable FFO per share and portfolio Net Operating Income growth which are financial performance measures not defined by generally accepted accounting principles in the United States ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in Simon's supplemental information for the quarter. FFO and Net Operating Income growth are financial performance measures widely used in the REIT industry. Our definitions of these non-GAAP measures may not be the same as similar measures reported by other REITs.

**Forward-Looking Statements**

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained, and it is possible that the Company's actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: changes in economic and market conditions that may adversely affect the general retail environment; the inability to renew leases and relet vacant space at existing properties on favorable terms; an increase in vacant space at our properties; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; the intensely competitive market environment in the retail industry, including e-commerce; the inability to lease newly developed properties on favorable terms; our international activities subjecting us to risks that are different from or greater than those associated with our domestic operations, including changes in foreign exchange rates; changes in market rates of interest; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations, including covenants in the governing agreements that impose restrictions on us that may affect our ability to operate freely; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; the continuing transition of LIBOR to SOFR; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties, including guarantees of certain joint venture indebtedness; environmental liabilities; the conflict in Ukraine; natural disasters; the availability of comprehensive insurance coverage; the potential for terrorist activities; security breaches that could compromise our information technology or infrastructure; uncertainties regarding the impact of pandemics, epidemics or public health crises, and the associated governmental restrictions on our business, financial condition, results of operations, cash flow and liquidity; and the loss of key management personnel. The Company discusses these and other risks and uncertainties under the heading "Risk Factors" in its annual and quarterly periodic reports filed with the SEC. The Company may update that discussion in subsequent other periodic reports, but except as required by law, the Company undertakes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

**About Simon**

Simon® is a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales.

**Simon Property Group, Inc.**  
*Unaudited Consolidated Statements of Operations*  
*(Dollars in thousands, except per share amounts)*

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>REVENUE:</b>				
Lease income	\$ 1,215,470	\$ 1,207,923	\$ 3,618,035	\$ 3,511,806
Management fees and other revenues	<u>28,654</u>	<u>27,024</u>	<u>85,051</u>	<u>78,381</u>
Other income	<u>71,662</u>	<u>61,607</u>	<u>188,464</u>	<u>200,465</u>
<b>Total revenue</b>	<u>1,315,786</u>	<u>1,296,554</u>	<u>3,891,550</u>	<u>3,790,652</u>
<b>EXPENSES:</b>				
Property operating	120,858	108,556	336,929	291,248
Depreciation and amortization	301,754	311,381	910,190	942,851
Real estate taxes	109,932	117,094	333,611	347,800
Repairs and maintenance	21,639	21,735	63,993	62,126
Advertising and promotion	27,102	38,635	72,429	87,685
Home and regional office costs	43,711	48,667	143,424	132,365
General and administrative	7,784	6,909	24,977	20,739
Other	<u>30,810</u>	<u>31,253</u>	<u>106,649</u>	<u>84,180</u>
<b>Total operating expenses</b>	<u>663,590</u>	<u>684,230</u>	<u>1,992,202</u>	<u>1,968,994</u>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>652,196</b>	<b>612,324</b>	<b>1,899,348</b>	<b>1,821,658</b>
Interest expense	(187,878)	(199,772)	(560,353)	(602,207)
Loss on extinguishment of debt	-	(28,593)	-	(31,552)
Gain on exchange of equity interests	-	159,828	-	159,828

Income and other tax expense	(8,256)	(67,262)	(31,168)	(108,367)
Income from unconsolidated entities	163,086	198,524	434,343	562,138
Unrealized losses in fair value of equity instruments	(14,563)	(4,944)	(63,412)	(8,121)
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	17,262	108,543	879	201,600
<b>CONSOLIDATED NET INCOME</b>	<b>621,847</b>	<b>778,648</b>	<b>1,679,637</b>	<b>1,994,977</b>
Net income attributable to noncontrolling interests	81,975	97,878	214,722	249,421
Preferred dividends	834	834	2,503	2,503
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 539,038</b>	<b>\$ 679,936</b>	<b>\$ 1,462,412</b>	<b>\$ 1,743,053</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE:</b>				
Net income attributable to common stockholders	<u>\$ 1.65</u>	<u>\$ 2.07</u>	<u>\$ 4.46</u>	<u>\$ 5.30</u>

**Simon Property Group, Inc.**  
*Unaudited Consolidated Balance Sheets*  
(Dollars in thousands, except share amounts)

	September 30, 2022	December 31, 2021
<b>ASSETS:</b>		
Investment properties, at cost	\$ 37,982,665	\$ 37,932,366
Less - accumulated depreciation	<u>16,245,409</u>	<u>15,621,127</u>
	21,737,256	22,311,239
Cash and cash equivalents	601,520	533,936
Tenant receivables and accrued revenue, net	794,599	919,654
Investment in TRG, at equity	3,150,169	3,305,102
Investment in Klépierre, at equity	1,378,050	1,661,943
Investment in other unconsolidated entities, at equity	3,116,422	3,075,375
Right-of-use assets, net	497,490	504,119
Investments held in trust - special purpose acquisition company	345,000	345,000
Deferred costs and other assets	<u>1,174,857</u>	<u>1,121,011</u>
<b>Total assets</b>	<u>\$ 32,795,363</u>	<u>\$ 33,777,379</u>
<b>LIABILITIES:</b>		
Mortgages and unsecured indebtedness	\$ 24,640,370	\$ 25,321,022
Accounts payable, accrued expenses, intangibles, and deferred revenues	1,421,443	1,433,216
Cash distributions and losses in unconsolidated entities, at equity	1,698,917	1,573,105
Dividend payable	2,733	1,468
Lease liabilities	500,197	506,931
Other liabilities	<u>495,142</u>	<u>540,912</u>
<b>Total liabilities</b>	<u>28,758,802</u>	<u>29,376,654</u>
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests	559,482	547,740
<b>EQUITY:</b>		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, \$0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	41,517	41,763
Common stock, \$0.0001 par value, 511,990,000 shares authorized, 342,905,419 and 342,907,608 issued and outstanding, respectively	34	34
Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	-	-
Capital in excess of par value	11,231,483	11,212,990
Accumulated deficit	(6,046,981)	(5,823,708)
Accumulated other comprehensive loss	(160,549)	(185,186)
Common stock held in treasury, at cost, 15,959,628 and 14,295,983 shares, respectively	<u>(2,043,979)</u>	<u>(1,884,441)</u>
Total stockholders' equity	3,021,525	3,361,452
Noncontrolling interests	<u>455,554</u>	<u>491,533</u>
<b>Total equity</b>	<u>3,477,079</u>	<u>3,852,985</u>
<b>Total liabilities and equity</b>	<u>\$ 32,795,363</u>	<u>\$ 33,777,379</u>

**Simon Property Group, Inc.**  
*Unaudited Joint Venture Combined Statements of Operations*  
(Dollars in thousands)

<b>For the Three Months Ended September 30, 2022</b>	<b>2021</b>	<b>For the Nine Months Ended September 30, 2022</b>	<b>2021</b>
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REVENUE:

Lease income	\$ 710,084	\$ 719,723	\$ 2,142,068	\$ 2,053,826
Other income	72,355	67,630	258,446	204,923
Total revenue	<u>782,439</u>	<u>787,353</u>	<u>2,400,514</u>	<u>2,258,749</u>
<b>OPERATING EXPENSES:</b>				
Property operating	153,002	151,008	445,214	420,174
Depreciation and amortization	169,453	170,568	504,926	512,165
Real estate taxes	59,008	66,221	187,697	203,242
Repairs and maintenance	17,632	18,274	58,322	53,625
Advertising and promotion	17,153	18,238	52,718	52,479
Other	48,866	43,400	146,595	113,042
Total operating expenses	<u>465,114</u>	<u>467,709</u>	<u>1,395,472</u>	<u>1,354,727</u>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>317,325</b>	<b>319,644</b>	<b>1,005,042</b>	<b>904,022</b>
Interest expense	(147,539)	(154,501)	(438,559)	(453,145)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	4,522	-	4,522	33,371
<b>NET INCOME</b>	<u><b>\$ 174,308</b></u>	<u><b>\$ 165,143</b></u>	<u><b>\$ 571,005</b></u>	<u><b>\$ 484,248</b></u>
<b>Third-Party Investors' Share of Net Income</b>	<u><b>\$ 83,222</b></u>	<u><b>\$ 82,639</b></u>	<u><b>\$ 280,919</b></u>	<u><b>\$ 243,525</b></u>
<b>Our Share of Net Income</b>	<b>91,086</b>	<b>82,504</b>	<b>290,086</b>	<b>240,723</b>
<b>Amortization of Excess Investment (A)</b>	<b>(14,928)</b>	<b>(15,199)</b>	<b>(45,153)</b>	<b>(49,794)</b>
<b>Our Share of Gain on Sale or Disposal of Assets and Interests in Other Income in the Consolidated Financial Statements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,941)</b>
<b>Our Share of Gain on Sale or Disposal of Assets and Interests in Unconsolidated Entities, net</b>	<b>(2,532)</b>	<b>-</b>	<b>(2,532)</b>	<b>-</b>
<b>Income from Unconsolidated Entities (B)</b>	<u><b>\$ 73,626</b></u>	<u><b>\$ 67,305</b></u>	<u><b>\$ 242,401</b></u>	<u><b>\$ 175,988</b></u>

Note: The above financial presentation does not include any information related to our investments in Klépierre S.A. ("Klépierre"), The Taubman Realty Group ("TRG") and other platform investments. For additional information, see footnote B.

**Simon Property Group, Inc.**  
Unaudited Joint Venture Combined Balance Sheets  
(Dollars in thousands)

	September 30, 2022	December 31, 2021
<b>Assets:</b>		
Investment properties, at cost	\$ 18,889,882	\$ 19,724,242
Less - accumulated depreciation	<u>8,315,951</u>	<u>8,330,891</u>
	<b>10,573,931</b>	<b>11,393,351</b>
Cash and cash equivalents	1,375,947	1,481,287
Tenant receivables and accrued revenue, net	493,643	591,369
Right-of-use assets, net	132,665	154,561
Deferred costs and other assets	<u>451,414</u>	<u>394,691</u>
Total assets	<u><b>\$ 13,027,600</b></u>	<u><b>\$ 14,015,259</b></u>
<b>Liabilities and Partners' Deficit:</b>		
Mortgages	\$ 14,455,676	\$ 15,223,710
Accounts payable, accrued expenses, intangibles, and deferred revenue	870,351	995,392
Lease liabilities	121,668	158,372
Other liabilities	<u>363,615</u>	<u>383,018</u>
Total liabilities	<b>15,811,310</b>	<b>16,760,492</b>
Preferred units	67,450	67,450
Partners' deficit	<u>(2,851,160)</u>	<u>(2,812,683)</u>
Total liabilities and partners' deficit	<u><b>\$ 13,027,600</b></u>	<u><b>\$ 14,015,259</b></u>
<b>Our Share of:</b>		
Partners' deficit	\$ (1,238,149)	\$ (1,207,396)
Add: Excess Investment	<u>1,228,164</u>	<u>1,283,645</u>
Our net (deficit) investment in unconsolidated entities, at equity	<u><b>\$ (9,985)</b></u>	<u><b>\$ 76,249</b></u>

Note: The above financial presentation does not include any information related to our investments in Klépierre, TRG and other platform investments. For additional information, see footnote B.

**Simon Property Group, Inc.**  
Unaudited Reconciliation of Non-GAAP Financial Measures (C)  
(Amounts in thousands, except per share amounts)

**Reconciliation of Consolidated Net Income to FFO and Comparable FFO**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Consolidated Net Income (D)</b>	\$ 621,847	\$ 778,648	\$ 1,679,637	\$ 1,994,977
<b>Adjustments to Arrive at FFO:</b>				

Depreciation and amortization from consolidated properties	299,202	309,199	903,137	936,346
Our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments	204,428	202,519	645,130	609,271
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(17,262)	(108,543)	(879)	(201,600)
Unrealized losses excluded from FFO (E)	-	-	-	3,177
Net (income) loss attributable to noncontrolling interest holders in properties	(3,616)	405	(2,498)	2,875
Noncontrolling interests portion of depreciation and amortization, gain on consolidation of properties, and loss (gain) on disposal of properties	(4,396)	(5,005)	(13,640)	(14,354)
Preferred distributions and dividends	(1,313)	(1,313)	(3,939)	(3,939)
<b>FFO of the Operating Partnership</b>	<b>\$ 1,098,890</b>	<b>\$ 1,175,910</b>	<b>\$ 3,206,948</b>	<b>\$ 3,326,753</b>
Unrealized losses included in FFO (E)	14,563	4,944	63,412	4,944
Non-cash gain related to the reversal of a deferred tax liability within an international investment	-	-	-	(118,428)
Gain on sale or exchange of equity interests, net of tax	-	(111,880)	-	(111,880)
Debt related charges	-	28,593	-	31,552
<b>Comparable FFO of the Operating Partnership</b>	<b>\$ 1,113,453</b>	<b>\$ 1,097,567</b>	<b>\$ 3,270,360</b>	<b>\$ 3,132,941</b>

**Diluted net income per share to diluted FFO per share reconciliation:**

<b>Diluted net income per share</b>	\$ 1.65	\$ 2.07	\$ 4.46	\$ 5.30
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments, net of noncontrolling interests portion of depreciation and amortization	1.33	1.35	4.08	4.08
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(0.05)	(0.29)	-	(0.54)
Unrealized losses excluded from FFO (E)	-	-	-	0.01
<b>Diluted FFO per share</b>	<b>\$ 2.93</b>	<b>\$ 3.13</b>	<b>\$ 8.54</b>	<b>\$ 8.85</b>
Unrealized losses included in FFO (E)	0.04	0.01	0.17	0.01
Non-cash gain related to the reversal of a deferred tax liability within an international investment	-	-	-	(0.32)
Gain on sale or exchange of equity interests, net of tax	-	(0.30)	-	(0.30)
Debt related charges	-	0.08	-	0.08
<b>Comparable FFO per share</b>	<b>\$ 2.97</b>	<b>\$ 2.92</b>	<b>\$ 8.71</b>	<b>\$ 8.32</b>

Details for per share calculations:

FFO of the Operating Partnership	\$ 1,098,890	\$ 1,175,910	\$ 3,206,948	\$ 3,326,753
Diluted FFO allocable to unitholders	(138,760)	(147,864)	(404,008)	(418,548)
Diluted FFO allocable to common stockholders	\$ 960,130	\$ 1,028,046	\$ 2,802,940	\$ 2,908,205
Basic and Diluted weighted average shares outstanding	327,286	328,619	328,107	328,576
Weighted average limited partnership units outstanding	47,304	47,263	47,293	47,289
Basic and Diluted weighted average shares and units outstanding	374,590	375,882	375,400	375,865
Basic and Diluted FFO per Share	\$ 2.93	\$ 3.13	\$ 8.54	\$ 8.85
Percent Change	-6.4 %		-3.5 %	
Comparable FFO per share	\$ 2.97	\$ 2.92	\$ 8.71	\$ 8.32
Percent Change	1.7 %		4.7 %	

**Simon Property Group, Inc.**

Footnotes to Unaudited Financial Information

**Notes:**

- (A) Excess investment represents the unamortized difference of our investment over equity in the underlying net assets of the related partnerships and joint ventures shown therein. The Company generally amortizes excess investment over the life of the related assets.
- (B) The Unaudited Joint Venture Combined Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investments in Klépierre, TRG and other platform investments. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre, TRG and other platform investments. For further information on Klépierre, reference should be made to financial information in Klépierre's public filings and additional discussion and analysis in our Form 10-K.
- (C) This report contains measures of financial or operating performance that are not specifically defined by GAAP, including FFO, FFO per share, Comparable FFO and Comparable FFO per share. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper - 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of retail real estate. Gains and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. However, you should understand that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and is not an alternative to cash flows as a measure of liquidity.

- (D) Includes our share of:

- Gain on land sales of \$9.6 million and \$4.8 million for the three months ended September 30, 2022 and 2021, respectively, and \$15.6 million and \$6.4 million for the nine months ended September 30, 2022, and 2021, respectively.

- Straight-line adjustments decreased income by (\$6.8) million and (\$5.7) million for the three months ended September 30, 2022 and 2021, respectively, and (\$22.9) million and (\$20.7) million for the nine months ended September 30, 2022 and 2021 respectively.
  - Amortization of fair market value of leases decreased income by \$0.0 million and (\$0.2) million for the three months ended September 30, 2022 and 2021, respectively, and (\$0.3) million and (\$0.6) million for the nine months ended September 30, 2022 and 2021, respectively.
- (E) Unrealized (gains) losses excluded from FFO relate to mark-to-market fair value adjustments of publicly traded equity instruments of retail real estate.
- Unrealized (gains) losses included in FFO relate to mark-to-market fair value adjustments of publicly traded equity instruments of non-retail real estate.

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SOURCE Simon

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