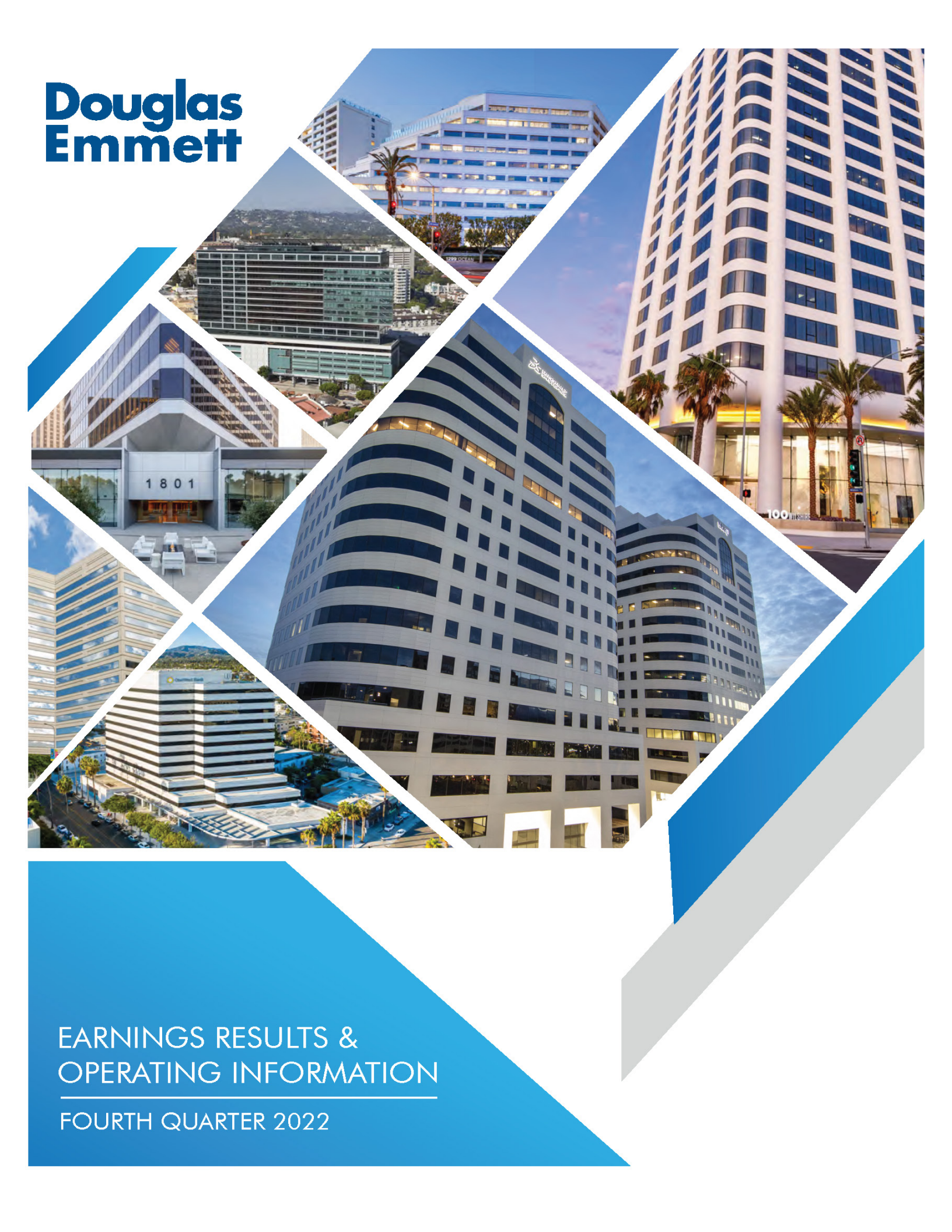




Douglas Emmett

EARNINGS RESULTS & OPERATING INFORMATION

FOURTH QUARTER 2022

Executive Summary

We own and operate 18.1 million square feet of Class A office properties and 5,013 apartment units (excluding our residential development pipeline) in the premier coastal submarkets of Los Angeles and Honolulu.

Quarterly Results: For the quarter ended December 31, 2022 compared to the quarter ended December 31, 2021:

- Our revenues increased by 6.4% to \$254.1 million.
- Our net income attributable to common stockholders increased by 25.7% to \$24.3 million, or \$0.14 per diluted share.
- Our FFO increased by 7.2% to \$105.5 million, or \$0.51 per fully diluted share.
- Our AFFO decreased by 11.1% to \$81.2 million, driven by more tenant improvement expenditures as a result of our robust leasing in Q2 and Q3.
- Our same property Cash NOI increased by 1.4% to \$154.7 million, primarily as a result of higher rental revenue and parking, partly offset by inflationary impacts on expenses and lower office occupancy.

Annual Results: For the year ended December 31, 2022 compared to the year ended December 31, 2021:

- Our revenues increased by 8.2% to \$993.7 million.
- Our net income attributable to common stockholders increased by 48.8% to \$97.1 million, or \$0.55 per diluted share.
- Our FFO increased by 9.4% to \$419.7 million, or \$2.03 per fully diluted share.
- Our AFFO increased by 6.0% to \$355.2 million.
- Our same property Cash NOI increased by 4.2% to \$608.2 million.

Leasing: During the fourth quarter, we signed 218 office leases covering approximately 772,000 square feet, including 244,000 square feet of new leases. This brings our total leasing for the year to 3,719,000 square feet, including 1,290,000 square feet of new leases. Comparing the office leases we signed during the fourth quarter to the expiring leases for the same space, straight-line rents increased by 1.8% and cash rents decreased by 9.9%. Our multifamily portfolio remains essentially fully leased at 99.4%, with average rent roll-up on new leases this quarter over 5% across our portfolio.

Dividends: On January 18, 2023, we paid a quarterly cash dividend of \$0.19 per common share, or \$0.76 on an annualized basis.

Guidance: Our guidance assumes that occupancy growth may not start in 2023, with average office occupancy remaining between 82% and 84%. Our guidance also assumes that interest expense in 2023 will increase to between \$192 and \$196 million. We expect 2023 Net Income Per Common Share - Diluted to be between \$0.39 - \$0.45, and FFO per fully diluted share to be between \$1.87 - \$1.93, with the FFO decline from 2022 reflecting higher NOI offset by approximately \$0.16 per share of additional interest expense in 2023. Our guidance does not include the impact of future property acquisitions or dispositions, stock sales or repurchases, financings, property damage insurance recoveries, impairment charges or other possible capital markets activities. See page [22](#).

NOTE: See the non-GAAP reconciliations for FFO & AFFO on page [8](#) and same property NOI on page [10](#).

See the "Definitions" section for definitions of certain terms used in this Earnings Package.

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Forward Looking Statements (FLS)

This Fourth Quarter 2022 Earnings Results and Operating Information, which we refer to as our Earnings Package (EP), supplements the information provided in our reports filed with the Securities and Exchange Commission (SEC). It contains FLS within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and we claim the protection of the safe harbor contained in the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to the expectations regarding the performance of our business, financial results, liquidity and capital resources and other non-historical statements. In some cases, these FLS can be identified by the use of words such as “expect,” “potential,” “continue,” “may,” “will,” “should,” “could,” “seek,” “project,” “intend,” “plan,” “estimate,” “anticipate,” or the negative version of these words or other similar words. FLS presented in this EP, and those that we may make orally or in writing from time to time, are based on our beliefs and assumptions. Our actual results will be affected by known and unknown risks, trends, uncertainties and factors, some of which are beyond our control or ability to predict, including, but not limited to: adverse developments related to the Coronavirus (COVID-19) global pandemic; adverse economic and real estate developments in Southern California and Honolulu; a general downturn in the economy; decreased rental and occupancy rates or increased tenant incentives; defaults on, and early terminations and non-renewal of, leases by tenants; inflation; higher interest rates and operating costs; failure to generate sufficient cash flows to service our debt; difficulties in acquiring properties; failure to successfully operate properties; failure to maintain our REIT status; adverse changes in rent control laws and regulations; environmental uncertainties; risks related to natural disasters; fire and other property damage, lack of or insufficient insurance; inability to successfully expand into new markets or submarkets; risks associated with property development; conflicts of interest with our officers; changes in real estate and zoning laws and increases in real property tax rates; possible future terrorist attacks; and other risks and uncertainties detailed in our Annual Report on Form 10-K for 2021, and other documents filed with the SEC. Although we believe that our assumptions underlying our FLS are reasonable, they are not guarantees of future performance and some will inevitably prove to be incorrect. As a result, our actual future results can be expected to differ from our expectations, and those differences could be material. Accordingly, please use caution in relying on any FLS in this EP to anticipate future results or trends. This EP and all subsequent written and oral FLS attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our FLS.

Corporate Data

as of December 31, 2022

Office Portfolio		
	Consolidated	Total
Properties	69	71
Rentable square feet (in thousands)	17,681	18,067
Leased rate	87.1 %	87.0 %
Occupancy rate	83.7 %	83.7 %

Multifamily Portfolio	
	Total
Properties	14
Units	5,013
Leased rate ⁽¹⁾	99.4 %

Market Capitalization (in thousands, except price per share)	
Fully Diluted Shares outstanding as of December 31, 2022	208,680
Common stock closing price per share (NYSE:DEI)	\$ 15.68
Equity Capitalization	\$ 3,272,099

Net Debt (in thousands)		
	Consolidated	Our Share
Debt principal ⁽²⁾	\$ 5,220,902	\$ 4,245,720
Less: cash and cash equivalents ⁽³⁾	(268,837)	(135,660)
Net Debt	<u>\$ 4,952,065</u>	<u>\$ 4,110,060</u>

Leverage Ratio (in thousands, except percentage)	
Pro Forma Enterprise Value	\$ 7,382,159
Our Share of Net Debt to Pro Forma Enterprise Value	56 %

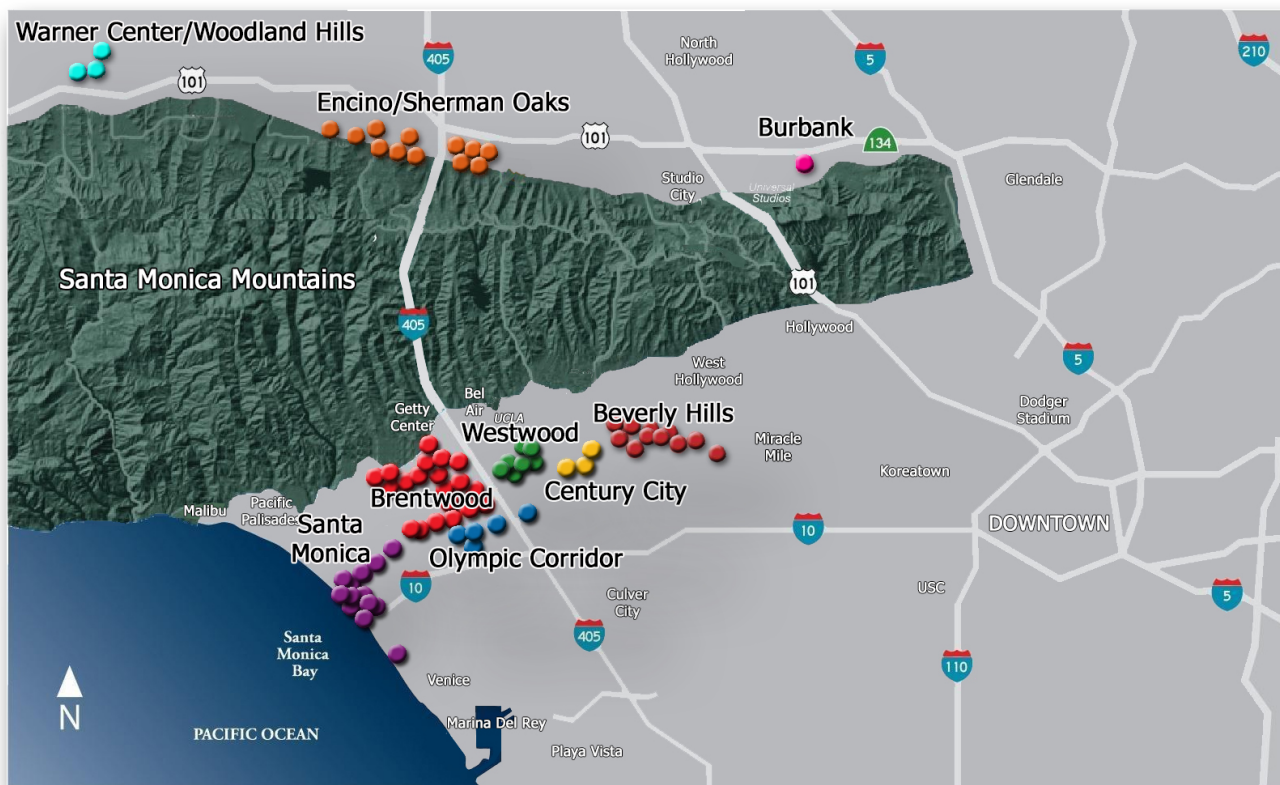
AFFO Payout Ratio ⁽⁴⁾	
Three months ended December 31, 2022	49.1 %

- (1) Both the numerator and denominator used in calculating the percentage of units leased do not include 94 units at one property temporarily unoccupied as a result of a fire and 376 units at one newly constructed property undergoing lease up.
- (2) See page 12 for a reconciliation of consolidated debt principal and our share of debt principal to consolidated debt on the balance sheet.
- (3) Our share of cash and cash equivalents is calculated starting with our consolidated cash and cash equivalents of \$268.8 million, then deducting the other owners' share of our JVs' cash and cash equivalents of \$137.5 million and then adding our share of our unconsolidated Fund's cash and cash equivalents of \$4.4 million.
- (4) Payout ratio based on \$0.19 cent dividend payable to shareholders of record as of December 30, 2022.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Property Map

as of December 31, 2022



Los Angeles Submarkets



Honolulu Submarket

Board of Directors and Executive Officers

as of December 31, 2022

BOARD OF DIRECTORS

Dan A. Emmett	Our Executive Chairman of the Board
Jordan L. Kaplan	Our Chief Executive Officer and President
Kenneth M. Panzer	Our Chief Operating Officer
Leslie E. Bider	Retired Executive and Investor
Dorene C. Dominguez	Chairwoman and CEO of Vanir Group of Companies
Dr. David T. Feinberg	President and Chief Executive Officer, Cerner Corporation
Ray C. Leonard	President, Sugar Ray Leonard Foundation
Virginia A. McFerran	Technology and Data Science Advisor
Thomas E. O'Hern	Chief Executive Officer, Macerich
William E. Simon, Jr.	Partner Emeritus, Simon Quick Advisors
Shirley Wang	Founder and CEO, Plastpro Inc.

EXECUTIVE OFFICERS

Dan A. Emmett	Chairman of the Board
Jordan L. Kaplan	Chief Executive Officer and President
Kenneth M. Panzer	Chief Operating Officer
Peter D. Seymour	Chief Financial Officer
Kevin A. Crummy	Chief Investment Officer

CORPORATE OFFICE

1299 Ocean Avenue, Suite 1000, Santa Monica, California 90401
Phone: (310) 255-7700

For more information, please visit our website at www.douglasemmett.com or contact:

Stuart McElhinney, Vice President, Investor Relations
(310) 255-7751
smcelhinney@douglasemmett.com

Consolidated Balance Sheets

(Unaudited; In thousands)

	December 31, 2022	December 31, 2021
Assets		
Investment in real estate, gross	\$ 12,292,973	\$ 11,819,077
Less: accumulated depreciation and amortization	(3,299,365)	(3,028,645)
Investment in real estate, net	8,993,608	8,790,432
Ground lease right-of-use asset	7,455	7,464
Cash and cash equivalents	268,837	335,905
Tenant receivables	6,879	13,127
Deferred rent receivables	114,980	115,148
Acquired lease intangible assets, net	3,536	4,168
Interest rate contract assets	270,234	15,473
Investment in unconsolidated Fund	47,976	46,594
Other assets	33,941	25,721
Total assets	\$ 9,747,446	\$ 9,354,032
Liabilities		
Secured notes payable and revolving credit facility, net	\$ 5,191,893	\$ 5,012,076
Ground lease liability	10,848	10,860
Interest payable, accounts payable and deferred revenue	140,925	145,460
Security deposits	61,429	55,285
Acquired lease intangible liabilities, net	31,364	24,710
Interest rate contract liabilities	1,790	69,930
Dividends payable	33,414	49,158
Total liabilities	5,471,663	5,367,479
Equity		
Douglas Emmett, Inc. stockholders' equity:		
Common stock	1,758	1,755
Additional paid-in capital	3,493,307	3,488,886
Accumulated other comprehensive income (loss)	187,063	(38,774)
Accumulated deficit	(1,119,714)	(1,035,798)
Total Douglas Emmett, Inc. stockholders' equity	2,562,414	2,416,069
Noncontrolling interests	1,713,369	1,570,484
Total equity	4,275,783	3,986,553
Total liabilities and equity	\$ 9,747,446	\$ 9,354,032

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Consolidated Operating Results

(Unaudited; In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenues				
Office rental				
Rental revenues and tenant recoveries ⁽¹⁾	\$ 181,596	\$ 181,555	\$ 724,131	\$ 704,946
Parking and other income	26,233	22,890	100,442	81,924
Total office revenues	207,829	204,445	824,573	786,870
Multifamily rental				
Rental revenues	42,079	31,162	152,314	116,095
Parking and other income	4,229	3,245	16,765	15,432
Total multifamily revenues	46,308	34,407	169,079	131,527
Total revenues	254,137	238,852	993,652	918,397
Operating Expenses				
Office expenses	72,516	69,631	284,522	265,376
Multifamily expenses	13,570	9,797	49,299	38,025
General and administrative expenses	11,232	11,990	45,405	42,554
Depreciation and amortization	93,210	91,488	372,798	371,289
Total operating expenses	190,528	182,906	752,024	717,244
Other income	2,097	287	4,587	2,465
Other expenses	(153)	(173)	(714)	(937)
Income from unconsolidated Fund	303	233	1,224	946
Interest expense	(40,625)	(37,478)	(150,185)	(147,496)
Net income	25,231	18,815	96,540	56,131
Net (income) loss attributable to noncontrolling interests	(929)	513	605	9,136
Net income attributable to common stockholders	\$ 24,302	\$ 19,328	\$ 97,145	\$ 65,267
Net income per common share - basic and diluted	\$ 0.14	\$ 0.11	\$ 0.55	\$ 0.37
Dividends declared per common share	\$ 0.19	\$ 0.28	\$ 1.03	\$ 1.12
Weighted average shares of common stock outstanding - basic and diluted	175,799	175,496	175,756	175,478

(1) Rental revenues and tenant recoveries include tenant recoveries for the following periods:

- \$14.0 million and \$16.8 million for the three months ended December 31, 2022 and 2021, respectively, and
- \$58.2 million and \$56.5 million for the years ended December 31, 2022 and 2021, respectively.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Funds From Operations & Adjusted Funds From Operations⁽¹⁾

(Unaudited; in thousands, except per share data)

The table below presents a reconciliation of Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) to Net income attributable to common stockholders:

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Funds From Operations (FFO)				
Net income attributable to common stockholders	\$ 24,302	\$ 19,328	\$ 97,145	\$ 65,267
Depreciation and amortization of real estate assets	93,210	91,488	372,798	371,289
Net income (loss) attributable to noncontrolling interests	929	(513)	(605)	(9,136)
Adjustments attributable to unconsolidated Fund ⁽²⁾	736	701	2,848	2,796
Adjustments attributable to consolidated JVs ⁽²⁾	(13,640)	(12,514)	(52,503)	(46,760)
FFO	\$ 105,537	\$ 98,490	\$ 419,683	\$ 383,456
Adjusted Funds From Operations (AFFO)				
FFO	\$ 105,537	\$ 98,490	\$ 419,683	\$ 383,456
Straight-line rent	1,049	1,268	169	1,051
Net accretion of acquired above- and below-market leases	(3,205)	(1,873)	(11,255)	(9,541)
Loan costs, loan premium amortization and swap amortization	1,921	2,515	6,846	9,525
Recurring capital expenditures, tenant improvements and capitalized leasing expenses ⁽³⁾	(33,133)	(18,873)	(92,862)	(77,023)
Non-cash compensation expense	4,553	7,591	21,025	21,696
Adjustments attributable to unconsolidated Fund ⁽²⁾	(303)	(247)	(1,090)	(745)
Adjustments attributable to consolidated JVs ⁽²⁾	4,740	2,404	12,732	6,651
AFFO	\$ 81,159	\$ 91,275	\$ 355,248	\$ 335,070
Weighted average shares of common stock outstanding - diluted	175,799	175,496	175,756	175,478
Weighted average units in our operating partnership outstanding	31,383	30,793	31,375	30,657
Weighted average fully diluted shares outstanding	207,182	206,289	207,131	206,135
Net income per common share - basic and diluted	\$ 0.14	\$ 0.11	\$ 0.55	\$ 0.37
FFO per share - fully diluted	\$ 0.51	\$ 0.48	\$ 2.03	\$ 1.86
Dividends paid per share ⁽⁴⁾	\$ 0.28	\$ 0.28	\$ 1.12	\$ 1.12

- (1) Presents the FFO and AFFO attributable to our common stockholders and noncontrolling interests in our Operating Partnership, including our share of our consolidated JVs and our unconsolidated Fund.
- (2) Adjusts for the portion of each other listed adjustment item on our share of the results of our unconsolidated Fund and for each other listed adjustment item that is attributed to the noncontrolling interests in our consolidated JVs.
- (3) Under the GAAP lease accounting rules, we expense non-incremental leasing expenses (leasing expenses not directly related to the signing of a lease) and capitalize incremental leasing expenses. Since non-incremental leasing expenses are included in the calculation of net income attributable to common stockholders and FFO, the capitalized leasing expenses adjustment to AFFO only includes incremental leasing expenses.
- (4) Reflects dividends paid within the respective periods.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Same Property Statistics & Net Operating Income (NOI)⁽¹⁾

(Unaudited; in thousands, except statistics)

	As of December 31,	
	2022	2021
Office Statistics		
Number of properties	67	67
Rentable square feet (in thousands)	17,561	17,561
Ending % leased	87.0 %	87.5 %
Ending % occupied	83.7 %	84.9 %
Quarterly average % occupied	83.7 %	84.9 %
Multifamily Statistics		
Number of properties	10	10
Number of units	3,449	3,449
Ending % leased	99.4 %	99.3 %

	Three Months Ended December 31,		% Favorable (Unfavorable)
	2022	2021	
Net Operating Income (NOI)			
Office revenues	\$ 205,458	\$ 201,582	1.9 %
Office expenses	(71,465)	(67,971)	(5.1)%
Office NOI	133,993	133,611	0.3 %
Multifamily revenues	29,472	27,896	5.6 %
Multifamily expenses	(8,349)	(8,203)	(1.8)%
Multifamily NOI	21,123	19,693	7.3 %
Total NOI	\$ 155,116	\$ 153,304	1.2 %
Cash Net Operating Income (NOI)			
Office cash revenues	\$ 205,084	\$ 200,875	2.1 %
Office cash expenses	(71,465)	(67,971)	(5.1)%
Office cash NOI	133,619	132,904	0.5 %
Multifamily cash revenues	29,476	27,893	5.7 %
Multifamily cash expenses	(8,349)	(8,203)	(1.8)%
Multifamily cash NOI	21,127	19,690	7.3 %
Total Cash NOI	\$ 154,746	\$ 152,594	1.4 %

(1) The amounts presented include 100% (not our pro-rata share). See page 10 for a reconciliation of these non-GAAP measures to net income attributable to common stockholders.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Reconciliation of Same Property NOI to Net Income

(Unaudited and in thousands)

	Three Months Ended December 31,	
	2022	2021
Same property office cash revenues	\$ 205,084	\$ 200,875
Non-cash adjustments per definition of NOI	374	707
Same property office revenues	205,458	201,582
Same property office expenses	(71,465)	(67,971)
Office NOI	133,993	133,611
Same property multifamily cash revenues	29,476	27,893
Non-cash adjustments per definition of NOI	(4)	3
Same property multifamily revenues	29,472	27,896
Same property multifamily expenses	(8,349)	(8,203)
Multifamily NOI	21,123	19,693
Same Property NOI	155,116	153,304
Non-comparable office revenues	2,371	2,863
Non-comparable office expenses	(1,051)	(1,660)
Non-comparable multifamily revenues	16,836	6,511
Non-comparable multifamily expenses	(5,221)	(1,594)
NOI	168,051	159,424
General and administrative expenses	(11,232)	(11,990)
Depreciation and amortization	(93,210)	(91,488)
Other income	2,097	287
Other expenses	(153)	(173)
Income from unconsolidated Fund	303	233
Interest expense	(40,625)	(37,478)
Net income	25,231	18,815
Net (income) loss attributable to noncontrolling interests	(929)	513
Net income attributable to common stockholders	\$ 24,302	\$ 19,328

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Financial Data for JVs & Fund

(Unaudited, in thousands)

	Three Months Ended December 31, 2022		
	Wholly-Owned Properties	Consolidated JVs ⁽¹⁾	Unconsolidated Fund ⁽²⁾
Revenues	\$ 190,586	\$ 63,551	\$ 4,668
Office and multifamily operating expenses	\$ 62,873	\$ 23,213	\$ 1,601
Straight-line rent	\$ (1,588)	\$ 539	\$ (2)
Above/below-market lease revenue	\$ 292	\$ 2,913	\$ —
Cash NOI attributable to outside interests ⁽³⁾	\$ —	\$ 18,773	\$ 1,792
Our share of cash NOI ⁽⁴⁾	\$ 129,009	\$ 18,113	\$ 1,277

	Year Ended December 31, 2022		
	Wholly-Owned Properties	Consolidated JVs ⁽¹⁾	Unconsolidated Fund ⁽²⁾
Revenues	\$ 745,747	\$ 247,905	\$ 18,561
Office and multifamily operating expenses	\$ 243,919	\$ 89,902	\$ 6,318
Straight-line rent	\$ (3,465)	\$ 3,296	\$ 193
Above/below-market lease revenue	\$ 1,364	\$ 9,891	\$ —
Cash NOI attributable to outside interests ⁽³⁾	\$ —	\$ 73,613	\$ 7,015
Our share of cash NOI ⁽⁴⁾	\$ 503,929	\$ 71,203	\$ 5,035

(1) Represents stand-alone financial data (with property management fees excluded from operating expenses as a consolidating entry) for four consolidated JVs that we manage. One of the JVs was created in the second quarter of 2022 to purchase a residential property on April 26, 2022. The results of the acquired property are included from the acquisition date. We own a weighted average interest of approximately 46% (based on square footage) in the four JVs, which owned a combined sixteen Class A office properties totaling 4.2 million square feet and two residential properties with 470 apartments in our submarkets. We are entitled to (i) distributions based on invested capital, (ii) fees for property management and other services, (iii) reimbursement of certain acquisition-related expenses and certain other costs and (iv) additional distributions based on Cash NOI.

(2) Represents stand-alone financial data (with property management fees excluded from operating expenses as a consolidating entry) for one unconsolidated Fund that we manage. We own an interest of approximately 34% in the Fund, which owns two Class A office properties totaling 0.4 million square feet in our submarkets. We are entitled to (i) priority distributions, (ii) distributions based on invested capital, (iii) a carried interest if the investors' distributions exceed a hurdle rate, (iv) fees for property management and other services and (v) reimbursement of certain costs.

(3) Represents the share of Cash NOI allocable under the applicable agreements to interests other than our Fully Diluted Shares.

(4) Represents the share of Cash NOI allocable to our Fully Diluted Shares.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Loans

(As of December 31 2022, unaudited)

Maturity Date ⁽¹⁾		Principal Balance (In Thousands)	Our Share ⁽²⁾ (In Thousands)	Effective Rate ⁽³⁾	Swap Maturity Date
Consolidated Wholly-Owned Subsidiaries					
3/3/2025 (4)	\$	335,000	\$ 335,000	3.84%	3/1/2023
4/1/2025 (4)		102,400	102,400	2.76%	3/1/2023
8/15/2026		415,000	415,000	3.07%	8/1/2025
9/19/2026		400,000	400,000	2.44%	9/1/2024
9/26/2026		200,000	200,000	2.36%	10/1/2024
11/1/2026		400,000	400,000	2.31%	10/1/2024
6/1/2027		550,000	550,000	LIBOR + 1.37%	N/A
5/18/2028		300,000	300,000	2.21%	6/1/2026
1/1/2029		300,000	300,000	2.66%	1/1/2027
6/1/2029		255,000	255,000	3.26%	6/1/2027
6/1/2029		125,000	125,000	3.25%	6/1/2027
6/1/2038 (5)		28,502	28,502	4.55%	N/A
8/21/2023 (6)		—	—	LIBOR + 1.15%	N/A
Subtotal		3,410,902	3,410,902		
Consolidated JVs					
12/19/2024 (4)		400,000	80,000	3.47%	1/1/2023
5/15/2027		450,000	400,500	2.26%	4/1/2025
8/19/2028		625,000	187,500	2.12%	6/1/2025
4/26/2029		175,000	96,250	3.90%	5/1/2026
6/1/2029		160,000	32,000	3.25%	7/1/2027
Total Consolidated Loans (7)	\$	5,220,902	\$ 4,207,152		
Unconsolidated Fund					
9/14/2028	\$	115,000	\$ 38,568	2.19%	10/1/2026
Total Loans			\$ 4,245,720		

Except as noted below, our loans and revolving credit facility: (i) are non-recourse, (ii) are secured by separate collateral pools consisting of one or more properties, (iii) require interest-only monthly payments with the outstanding principal due at maturity, and (iv) contain certain financial covenants which could require us to deposit excess cash flow with the lender under certain circumstances unless we (at our option) either provide a guarantee or additional collateral or pay down the loan within certain parameters set forth in the loan documents. Certain loans with maturity date extension options require us to meet minimum financial thresholds in order to exercise those extension options.

- (1) Maturity dates include the effect of extension options.
- (2) "Our Share" is calculated by multiplying the principal balance by our share of the borrowing entity's equity, and is used to calculate the non-GAAP measure "Our Share of Net Debt" - see Corporate Data on page 3.
- (3) Effective rate as of December 31, 2022. Includes the effect of interest rate swaps and excludes the effect of prepaid loan costs.
- (4) Related swaps expire in 2023. The loans (in order of the table) have the following LIBOR credit spreads: 1.30%, 1.25% and 1.30%.
- (5) Requires monthly payments of principal and interest. Principal amortization is based upon a 30-year amortization schedule.
- (6) \$400.0 million revolving credit facility. The unused commitment fees range from 0.10% to 0.15%.
- (7) Our consolidated debt on the balance sheet (see page 6) of \$5.19 billion is calculated by adding \$3.5 million of unamortized loan premium and deducting \$32.6 million of unamortized deferred loan costs from our total consolidated loans of \$5.22 billion.

Statistics for consolidated loans with interest fixed under the terms of the loan or a swap	
Principal balance (in billions)	\$4.67
Weighted average remaining life (including extension options)	4.5 years
Weighted average remaining fixed interest period	2.4 years
Weighted average annual interest rate	2.82%

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Portfolio Summary

Total Office Portfolio as of December 31, 2022

Region	Number of Properties	Our Rentable Square Feet	Region Rentable Square Feet ⁽¹⁾	Our Average Market Share ⁽²⁾
Los Angeles				
Westside ⁽³⁾	52	9,998,784	40,042,780	34.7 %
Valley	16	6,790,777	21,755,737	43.6
Honolulu ⁽³⁾	3	1,277,664	5,172,139	24.7
Total / Average	71	18,067,225	66,970,656	37.4 %

- (1) The rentable square feet in each region is based on the Rentable Square Feet as reported in the 2022 fourth quarter CBRE Marketview report for our submarkets in that region.
- (2) Our market share is calculated by dividing our Rentable Square Feet by the applicable Region's Rentable Square Feet, weighted in the case of averages based on the square feet of exposure in our total portfolio to each submarket as follows:

Region	Submarket	Number of Properties	Our Rentable Square Feet	Our Market Share ⁽²⁾
Westside	Brentwood	15	2,085,745	60.3 %
	Westwood	7	2,191,444	43.6
	Olympic Corridor	5	1,142,885	29.5
	Beverly Hills ⁽³⁾	11	2,196,067	27.8
	Santa Monica	11	1,425,374	14.4
	Century City	3	957,269	9.0
Valley	Sherman Oaks/Encino	12	3,488,995	53.6
	Warner Center/Woodland Hills	3	2,845,577	37.5
	Burbank	1	456,205	6.0
Honolulu	Honolulu ⁽³⁾	3	1,277,664	24.7
	Total / Weighted Average	71	18,067,225	37.4 %

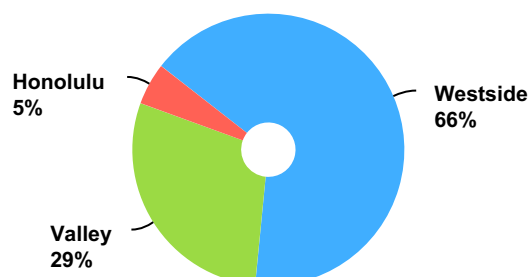
- (3) In calculating market share, we adjusted the rentable square footage by (i) removing approximately 406,000 rentable square feet of vacant space at an office building in Honolulu that we are converting to residential apartments from both our rentable square footage and that of the submarket and (ii) removing a 218,000 square foot property located just outside the Beverly Hills city limits from both the numerator and the denominator.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Percentage Leased and In-Place Rents

Total Office Portfolio as of December 31, 2022

Annualized Rent by Region



Region ⁽¹⁾	Percent Leased	Annualized Rent ⁽²⁾	Annualized Rent Per Leased Square Foot ⁽²⁾	Monthly Rent Per Leased Square Foot ⁽²⁾
Los Angeles				
Westside	87.1 %	\$ 465,109,266	\$ 56.75	\$ 4.73
Valley	86.2	203,666,873	36.34	3.03
Honolulu	91.3	38,029,901	34.28	2.86
Total / Weighted Average	87.0 %	\$ 706,806,040	\$ 47.41	\$ 3.95

(1) Regional data reflects the following underlying submarket data:

Region	Submarket	Percent Leased	Monthly Rent Per Leased Square Foot ⁽²⁾
Westside	Beverly Hills	94.9 %	\$ 4.76
	Brentwood	83.0	4.01
	Century City	91.6	4.50
	Olympic Corridor	80.2	3.40
	Santa Monica	92.5	7.00
	Westwood	81.2	4.54
Valley	Burbank	100.0	4.83
	Sherman Oaks/Encino	88.9	3.09
	Warner Center/Woodland Hills	80.7	2.58
Honolulu	Honolulu	91.3	2.86
	Weighted Average	87.0 %	\$ 3.95

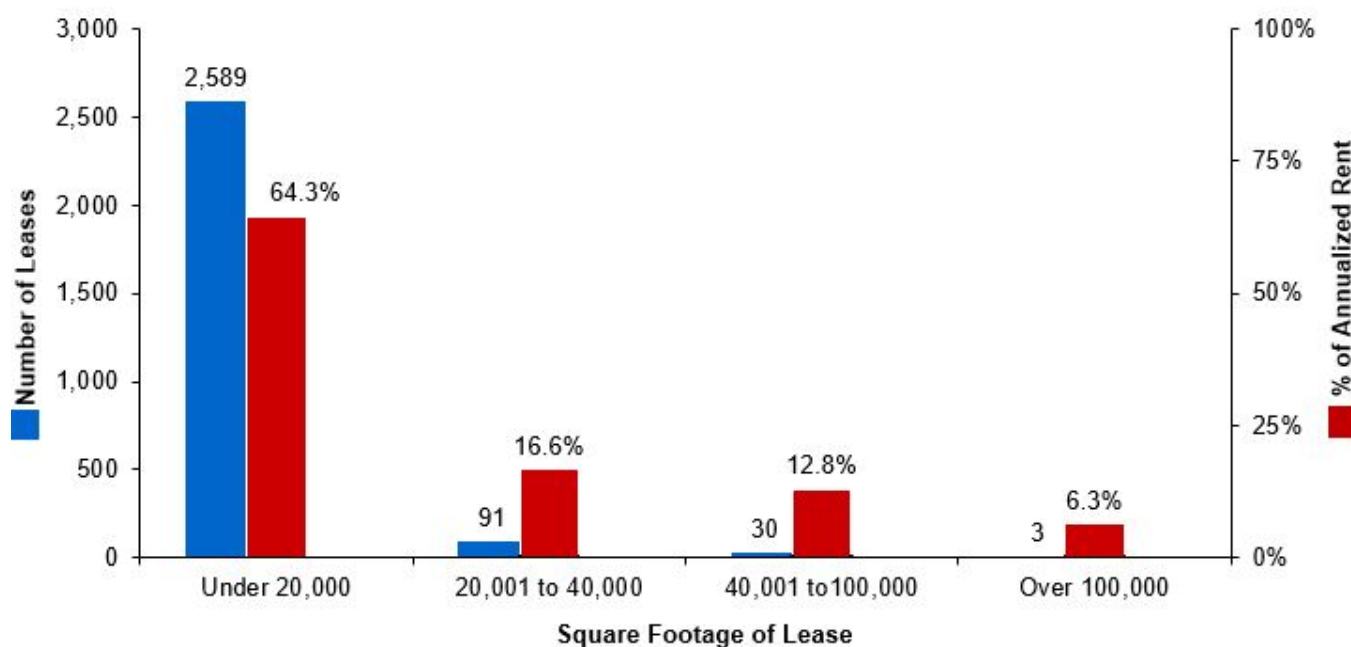
(2) Does not include signed leases not yet commenced, which are included in percent leased but excluded from annualized rent.

Recurring Office Capital Expenditures per Rentable Square Foot	
Three months ended December 31, 2022	\$ 0.06
Year ended December 31, 2022	\$ 0.28

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Lease Diversification

Total Office Portfolio as of December 31, 2022



Portfolio Tenant Size		
	Median	Average
Square feet	2,500	5,500

Square Feet Under Lease	Office Leases		Rentable Square Feet		Annualized Rent	
	Number	Percent	Amount	Percent	Amount	Percent
2,500 or less	1,345	49.6 %	1,935,678	13.0 %	\$ 84,814,085	12.0 %
2,501-10,000	1,034	38.1	5,056,569	33.9	232,673,212	32.9
10,001-20,000	210	7.7	2,905,325	19.5	137,034,451	19.4
20,001-40,000	91	3.4	2,453,302	16.5	117,019,233	16.6
40,001-100,000	30	1.1	1,745,925	11.7	90,760,299	12.8
Greater than 100,000	3	0.1	812,969	5.4	44,504,760	6.3
Total for all leases	2,713	100.0 %	14,909,768	100.0 %	\$706,806,040	100.0 %

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Largest Office Tenants

Total Office Portfolio as of December 31, 2022

Tenants paying 1% or more of our aggregate Annualized Rent:							
Tenant	Number of Leases	Number of Properties	Lease Expiration ⁽¹⁾	Total Leased Square Feet	Percent of Rentable Square Feet	Annualized Rent	Percent of Annualized Rent
Warner Bros. Discovery ⁽²⁾	4	3	2023-2024	483,412	2.7 %	\$27,477,617	3.9 %
UCLA ⁽³⁾	22	10	2023-2027	261,179	1.4	14,209,652	2.0
William Morris Endeavor ⁽⁴⁾	3	1	2023-2027	219,364	1.2	13,953,542	2.0
Morgan Stanley ⁽⁵⁾	5	5	2025-2028	142,020	0.8	10,273,231	1.4
Equinox Fitness ⁽⁶⁾	6	5	2029-2038	185,236	1.0	10,142,330	1.4
Macerich ⁽⁷⁾	2	1	2023-2028	82,368	0.5	7,501,247	1.1
Total	42	25		1,373,579	7.6 %	\$83,557,619	11.8 %

(1) Expiration dates are per lease (expiration dates do not reflect storage and similar leases).

(2) Square footage (rounded) expires as follows: 27,000 square feet in 2023; and 456,000 square feet in 2024.

(3) Square footage (rounded) expires as follows: 8 leases totaling 59,000 square feet in 2023; 2 leases totaling 11,000 square feet in 2024; 4 leases totaling 89,000 square feet in 2025; 5 leases totaling 32,000 square feet in 2026; and 3 leases totaling 71,000 square feet in 2027. Tenant has options to terminate 15,000 square feet in 2024; and 51,000 square feet in 2025.

(4) Square footage (rounded) expires as follows: 1,000 square feet in 2023; and 211,000 square feet in 2027.

(5) Square footage (rounded) expires as follows: 26,000 square feet in 2025; and 86,000 square feet in 2027; and 30,000 square feet in 2028. Tenant has options to terminate 32,000 square feet in 2024.

(6) Square footage (rounded) expires as follows: 34,000 square feet in 2029; 46,000 square feet in 2035, 31,000 square feet in 2037, and 74,000 square feet in 2038.

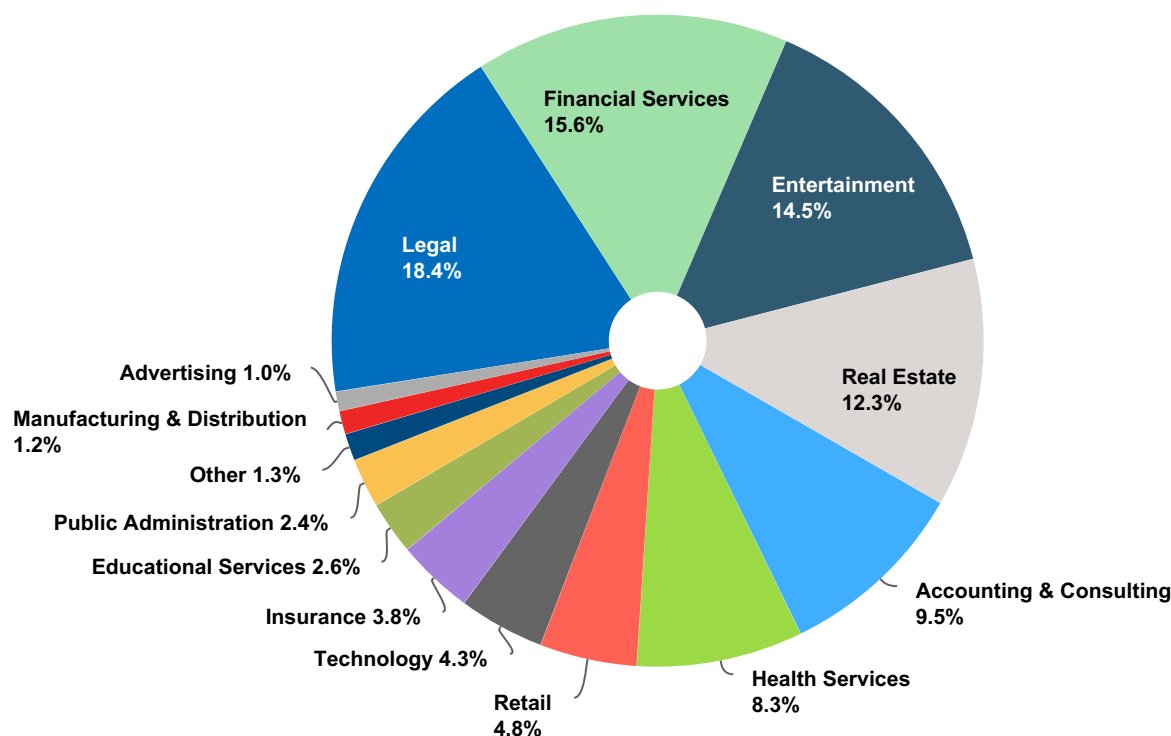
(7) Square footage (rounded) expires as follows: 27,000 square feet in 2023, and 55,000 square feet in 2028.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Industry Diversification

Total Office Portfolio as of December 31, 2022

Percentage of Annualized Rent by Tenant Industry

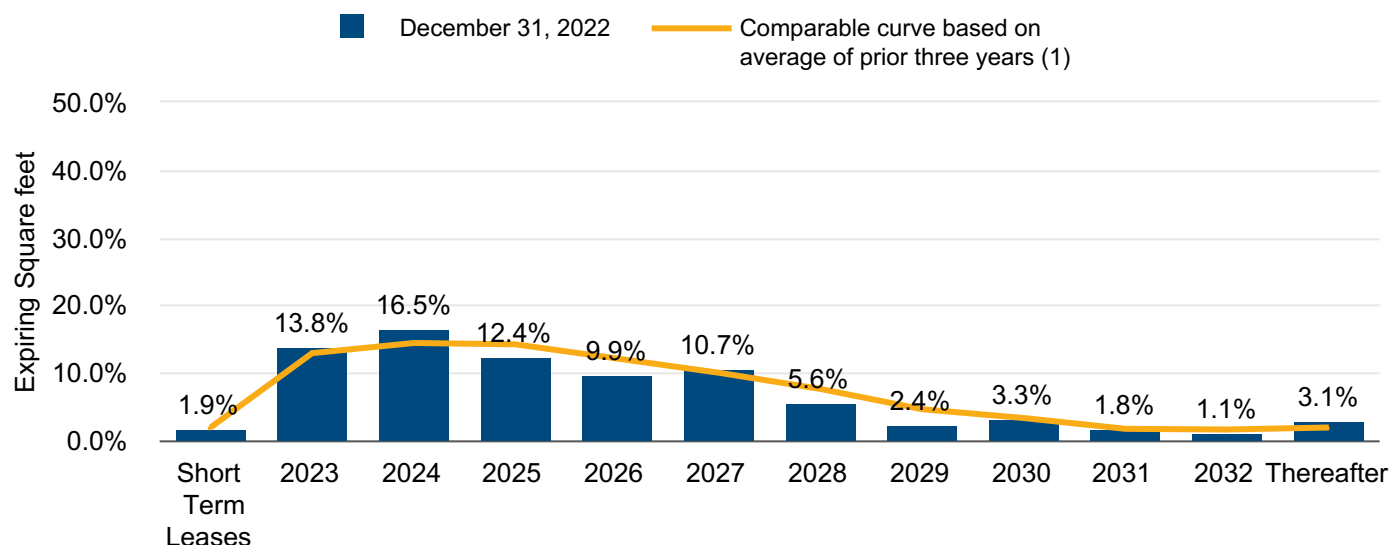


Industry	Number of Leases	Annualized Rent as a Percent of Total
Legal	578	18.4 %
Financial Services	366	15.6
Entertainment	173	14.5
Real Estate	317	12.3
Accounting & Consulting	294	9.5
Health Services	372	8.3
Retail	162	4.8
Technology	91	4.3
Insurance	94	3.8
Educational Services	47	2.6
Public Administration	76	2.4
Other	55	1.3
Manufacturing & Distribution	50	1.2
Advertising	38	1.0
Total	2,713	100.0 %

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Lease Expirations

Total Office Portfolio as of December 31, 2022



(1) Average of the percentage of leases expiring at December 31, 2019, 2020, and 2021 with the same remaining duration as the leases for the labeled year had at December 31, 2022. Acquisitions are included in the comparable average commencing in the quarter after the acquisition.

Year of Lease Expiration	Number of Leases	Rentable Square Feet	Expiring Square Feet as a Percent of Total	Annualized Rent at December 31, 2022	Annualized Rent as a Percent of Total	Annualized Rent Per Leased Square Foot ⁽¹⁾	Annualized Rent Per Leased Square Foot at Expiration ⁽²⁾
Short Term Leases	90	346,608	1.9 %	\$ 12,892,329	1.8 %	\$ 37.20	\$ 37.21
2023	647	2,491,715	13.8	112,973,008	16.0	45.34	45.72
2024	540	2,982,209	16.5	141,332,159	20.0	47.39	49.23
2025	478	2,246,320	12.4	102,529,281	14.5	45.64	49.40
2026	324	1,780,115	9.9	84,561,041	12.0	47.50	52.94
2027	270	1,941,468	10.7	96,798,669	13.7	49.86	57.31
2028	148	1,006,021	5.6	51,271,967	7.2	50.97	58.25
2029	63	434,813	2.4	21,231,469	3.0	48.83	59.61
2030	52	589,002	3.3	30,448,670	4.3	51.70	63.96
2031	40	323,138	1.8	17,025,341	2.4	52.69	66.50
2032	27	208,182	1.1	9,800,526	1.4	47.08	62.80
Thereafter	34	560,177	3.1	25,941,580	3.7	46.31	65.07
Subtotal/weighted average	2,713	14,909,768	82.5 %	\$706,806,040	100.0 %	\$ 47.41	\$ 52.54
Signed leases not commenced		600,540	3.3				
Available		2,338,608	12.9				
Building management use		114,226	0.7				
BOMA adjustment ⁽³⁾		104,083	0.6				
Total/weighted average	2,713	18,067,225	100.0 %	\$706,806,040	100.0 %	\$ 47.41	\$ 52.54

(1) Represents annualized rent at December 31, 2022 divided by leased square feet.

(2) Represents annualized rent at expiration divided by leased square feet.

(3) Represents the square footage adjustments for leases that do not reflect BOMA remeasurement.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Lease Expirations - Next Four Quarters

Total Office Portfolio as of December 31, 2022

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Los Angeles				
Westside	357,330	321,436	431,949	314,171
Valley	152,568	104,981	396,418	268,235
Honolulu	18,298	56,668	34,525	35,136
Expiring Square Feet⁽¹⁾	528,196	483,085	862,892	617,542
Percentage of Portfolio	2.9 %	2.7 %	4.8 %	3.4 %
Los Angeles				
Westside	\$61.43	\$50.93	\$45.60	\$61.30
Valley	\$36.12	\$34.39	\$33.98	\$36.45
Honolulu	\$28.88	\$28.38	\$29.76	\$31.64
Expiring Rent per Square Foot⁽²⁾	\$53.00	\$44.69	\$39.62	\$48.82

- (1) Includes leases with an expiration date in the applicable period where the space had not been re-leased as of December 31, 2022, other than 346,608 square feet of Short-Term Leases.
- (2) Fluctuations in this number primarily reflect the mix of buildings/submarkets involved, as well as the varying terms and square footage of the individual leases expiring. As a result, the data in this table should only be extrapolated with caution. While the following table sets forth data for our underlying submarkets, that data is even more influenced by such issues:

Region	Submarket	Next Four Quarters	
		Expiring SF	Expiring Rent per SF
Westside	Beverly Hills	375,485	\$54.51
	Brentwood	332,169	\$46.90
	Century City	101,214	\$49.75
	Olympic Corridor	232,286	\$37.94
	Santa Monica	202,698	\$85.44
	Westwood	181,034	\$55.59
Valley	Sherman Oaks/Encino	473,340	\$38.45
	Warner Center/Woodland Hills	448,862	\$31.56
Honolulu	Honolulu	144,627	\$29.56

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Office Leasing Activity

Total Office Portfolio during the Three Months ended December 31, 2022

Net Absorption During Quarter	(0.46)%
--------------------------------------	---------

Office Leases Signed During Quarter	Number of Leases	Rentable Square Feet	Weighted Average Lease Term (months) ¹
New leases	79	243,925	63
Renewal leases	139	528,264	54
All leases	218	772,189	58

Change in Rental Rates for Office Leases Executed during the Quarter ⁽¹⁾			
	Expiring Rate ⁽¹⁾	New/Renewal Rate ⁽¹⁾	Percentage Change
Cash Rent	\$47.13	\$42.48	(9.9)%
Straight-line Rent	\$42.33	\$43.11	1.8%

Average Office Lease Transaction Costs		
	Lease Transaction Costs per SF	Lease Transaction Costs per Annum
New leases signed during the quarter	\$35.28	\$6.76
Renewal leases signed during the quarter	\$15.26	\$5.05
All leases signed during the quarter	\$21.58	\$5.80

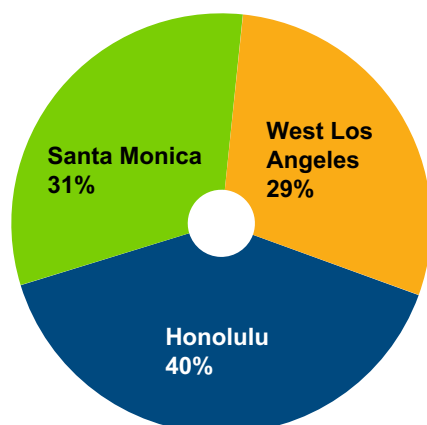
- (1) Change in rental rate and average renewal lease term exclude leases with a term of twelve months or less. Change in rental rate represents the average annual initial stabilized cash and straight-line rents per square foot on new and renewed leases signed during the quarter compared to the prior leases for the same space. Change in rental rate metrics exclude leases where the prior lease was terminated more than a year before signing of the new lease, leases for tenants relocated at the landlord's request, leases in acquired buildings where we believe the information about the prior agreement is incomplete or where we believe the base rent reflects other off-market inducements to the tenant, and other non-comparable leases.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Multifamily Portfolio Summary

as of December 31, 2022

Annualized Rent by Submarket



Submarket	Number of Properties	Number of Units	Units as a Percent of Total
Los Angeles			
Santa Monica	3	940	19 %
West Los Angeles	7	1,676	33
Honolulu	4	2,397	48
Total	14	5,013	100 %

Submarket	Percent Leased	Annualized Rent ⁽¹⁾⁽²⁾	Monthly Rent Per Leased Unit
Los Angeles			
Santa Monica	99.0 %	\$ 48,792,756	\$ 4,372
West Los Angeles ⁽²⁾	99.0	44,809,560	3,133
Honolulu	99.8	61,607,256	2,151
Total / Weighted Average	99.4 %	\$ 155,209,572	\$ 2,869

Recurring Multifamily Capital Expenditures per Unit ⁽²⁾

Three months ended December 31, 2022	\$ 298
Year ended December 31, 2022	\$ 807

(1) The multifamily portfolio also includes 10,495 square feet of ancillary retail space generating annualized rent of \$449,224, which is not included in annualized rent.

(2) Calculations exclude 94 units temporarily unoccupied as a result of a fire and 376 units at a newly constructed property undergoing lease up.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

2023 Guidance⁽¹⁾

Metric	Per Share
Net income per common share - diluted	\$0.39 to \$0.45
FFO per share - fully diluted	\$1.87 to \$1.93

Assumptions

Metric	Commentary	Assumption Range
Average Office Occupancy	Given current economic concerns, we assume meaningful office occupancy growth will not start this year.	82% to 84%
Residential Leased Rate		Essentially fully leased
Same Property Cash NOI Growth		-1% to 0%
Above/Below Market Net Revenue		\$8 to \$12 million
Straight-line Revenue		\$2 to \$5 million
G&A		\$45 to \$49 million
Interest Expense	Reflects rising interest rates, the expiration of swaps, and the full year impact of the 1221 Ocean acquisition loan.	\$192 to \$196 million
Weighted average fully diluted shares outstanding		209 million

(1) All of our assumptions include 100% of our consolidated JVs share, not our pro rata share. Except as disclosed, our guidance does not include the impact of future property acquisitions or dispositions, stock sales or repurchases, financings, property damage insurance recoveries, impairment charges or other possible capital markets activities.

The guidance and representative assumptions on this page are forward looking statements, subject to the safe harbor contained at the beginning of this Earnings Package, and reflect our views of current and future market conditions. Ranges represent a set of likely assumptions, but actual results could fall outside the ranges presented. Only a few of our assumptions underlying our guidance are disclosed above, and our actual results will be affected by known and unknown risks, trends, uncertainties and other factors, some of which are beyond our control or ability to predict. Although we believe that the assumptions underlying our guidance are reasonable, they are not guarantees of future performance and some of them will inevitably prove to be incorrect. As a result, our actual future results can be expected to differ from our expectations, and those differences could be material. See page [23](#) for a reconciliation of our Non-GAAP guidance.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Reconciliation of 2023 Non-GAAP Guidance⁽¹⁾

(Unaudited; in millions, except per share amounts)

Reconciliation of our guided Net income per common share - diluted to FFO per share - fully diluted:

Reconciliation of net income attributable to common stockholders to FFO	Low	High
Net income attributable to common stockholders	\$ 68.6	\$ 79.1
Adjustments for depreciation and amortization of real estate assets	380.0	370.0
Adjustments for noncontrolling interests, consolidated JVs and unconsolidated Fund	(57.8)	(45.7)
FFO	\$ 390.8	\$ 403.4
Weighted average fully diluted shares outstanding	High	Low
Weighted average shares of common stock outstanding - diluted	175.8	175.8
Weighted average units in our operating partnership outstanding	33.2	33.2
Weighted average fully diluted shares outstanding	209.0	209.0
Per share	Low	High
Net income per common share - diluted	\$ 0.39	\$ 0.45
FFO per share - fully diluted	\$ 1.87	\$ 1.93

(1) Our guidance does not include the impact of future property acquisitions or dispositions, financings, property damage insurance recoveries, if any, or other possible capital markets activities or impairment charges. The reconciliation should be used as an example only, with the numbers presented only as representative assumptions. Ranges represent a set of likely assumptions, but actual results could fall outside the ranges presented.

All assumptions are forward looking statements, subject to the safe harbor contained at the beginning of this Earnings Package, and reflect our views of current and future market conditions. Our actual results will be affected by known and unknown risks, trends, uncertainties and other factors, some of which are beyond our control or ability to predict. Although we believe that the assumptions underlying the guidance are reasonable, they are not guarantees of future performance and some of them will inevitably prove to be incorrect. As a result, our actual future results can be expected to differ from our expectations, and those differences could be material.

NOTE: See the "Definitions" section for definitions of certain terms used in this Earnings Package.

Adjusted Funds From Operations (AFFO): We calculate AFFO from FFO by (i) eliminating the impact on FFO of straight-line rent; amortization/accretion of acquired above/below market leases; loan costs such as amortization/accretion of loan premiums/discounts; amortization and hedge ineffectiveness of interest rate contracts; amortization/expense of loan costs; non-cash compensation expense, and (ii) subtracting recurring capital expenditures, tenant improvements and capitalized leasing expenses (including adjusting for the effect of such items attributable to our consolidated JVs and our unconsolidated Fund, but not for noncontrolling interests included in our calculation of fully diluted equity). Recurring capital expenditures, tenant improvements and leasing expenses are those required to maintain current revenues once a property has been stabilized, generally excluding those for acquired buildings being stabilized, newly developed space and upgrades to improve revenues or operating expenses or significantly change the use of the space, as well as those resulting from casualty damage or bringing the property into compliance with governmental requirements. We report AFFO because it is a widely reported measure of the performance of equity Real Estate Investments Trusts (REITs), and is also used by some investors to compare our performance with other REITs. However, the National Association of Real Estate Investment Trusts (NAREIT) has not defined AFFO, and other REITs may use different methodologies for calculating AFFO, and accordingly, our AFFO may not be comparable to the AFFO of other REITs. AFFO is a non-GAAP financial measure for which we believe that net income (loss) is the most directly comparable GAAP financial measure. AFFO should be considered only as a supplement to net income (loss) as a measure of our performance and should not be used as a measure of our liquidity or cash flow, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends.

AFFO Payout Ratio: Represents dividends announced divided by the AFFO for that period. We report AFFO Payout Ratio because it is a widely reported measure of the performance of equity REITs, and is also used by some investors to compare our performance with other REITs.

Annualized Rent: Represents annualized cash base rent (i.e. excludes tenant reimbursements, parking and other revenue) before abatement under leases commenced as of the reporting date and expiring after the reporting date (does not include 600,540 square feet with respect to signed leases not yet commenced at December 31, 2022). For our triple net office properties (in Honolulu and one single tenant building in Los Angeles), annualized rent is calculated for triple net leases by adding expense reimbursements and estimates of normal building expenses paid by tenants to base rent. Annualized Rent does not include lost rent recovered from insurance and rent for building management use. Annualized Rent includes rent for our corporate headquarters in Santa Monica. We report Annualized Rent because it is a widely reported measure of the performance of equity REITs, and is used by some investors as a means to determine tenant demand and to compare our performance and value with other REITs. We use Annualized Rent to manage and monitor the performance of our office and multifamily portfolios.

Average Office Occupancy: Calculated by averaging the Occupancy Rates on the last day of the current and prior quarter and, for reporting periods longer than a quarter, by averaging the Occupancy Rates for all the quarters in the respective reported period.

Consolidated Portfolio: Includes all of the properties included in our consolidated results, including our consolidated JVs. At December 30, 2022, we own 100% of our consolidated portfolio, except for sixteen office properties totaling 4.2 million square feet and two residential properties with 470 apartments, which we own through four consolidated JVs and in which we own a weighted average interest of approximately 46% based on square footage.

Consolidated Net Debt: Represents our consolidated debt, net of cash and cash equivalents, and before adding unamortized loan premium and deducting unamortized deferred loan costs. Cash and cash equivalents are subtracted because they could be used to reduce the debt obligations and unamortized loan premium and deferred loan costs are not adjusted for because they do not require cash settlement. Consolidated Net Debt is a non-GAAP financial measure for which we believe that consolidated debt is the most directly comparable GAAP financial measure. We report Consolidated Net Debt because some investors use it to evaluate and compare our leverage and financial position with that of other REITs. A limitation associated with using Consolidated Net Debt is that it subtracts cash and cash equivalents and may therefore imply that there is less debt than the most comparable GAAP financial measure indicates.

Equity Capitalization: Represents our Fully Diluted Shares multiplied by the closing price of our common stock on the New York Stock Exchange as of December 30, 2022.

Fully Diluted Shares: Calculated according to the treasury stock method, based on our diluted outstanding stock and units in our Operating Partnership.

Fund: At December 31, 2022, we owned an interest of approximately 34% in Douglas Emmett Partnership X, LP (Partnership X). The Fund owns two office properties totaling 0.4 million square feet.

Funds From Operations (FFO): We calculate FFO in accordance with the standards established by NAREIT by excluding gains (or losses) on sales of investments in real estate, gains (or losses) from changes in control of investments in real estate, real estate depreciation and amortization (other than amortization of right-of-use assets for which we are the lessee and amortization of deferred loan costs), and impairment write-downs of real estate from our net income (loss) (including adjusting for the effect of such items attributable to our consolidated JVs and our unconsolidated Fund, but not for noncontrolling interests included in our calculation of fully diluted equity). We report FFO because it is a widely reported measure of the performance of equity REITs, and is also used by some investors to identify the impact of trends in occupancy rates, rental rates and operating costs from year to year, excluding impacts from changes in the value of our real estate, and to compare our performance with other REITs. FFO is a non-GAAP financial measure for which we believe that net income (loss) is the most directly comparable GAAP financial measure. FFO has limitations as a measure of our performance because it excludes depreciation and amortization of real estate, and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures, tenant improvements and leasing expenses necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations. FFO should be considered only as a supplement to net income (loss) as a measure of our performance and should not be used as a measure of our liquidity or cash flow, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to the FFO of other REITs.

GAAP: Refers to accounting principles generally accepted in the United States.

Joint Ventures (JVs): At December 31, 2022, we owned a weighted average interest of approximately 46% based on square footage in four consolidated JVs. The JVs owned sixteen office properties totaling 4.2 million square feet and two residential properties with 470 apartments. One of the JVs was created in the second quarter of 2022 to purchase a residential property on April 26, 2022. The results of the acquired property are included in our consolidated results from the acquisition date.

Lease Transaction Costs: Represents the weighted average of tenant improvements and leasing commissions for leases signed by us during the quarter, excluding leases substantially negotiated by the seller in the case of acquired properties and leases for tenants relocated from space being taken out of service. We report Lease Transaction Costs because it is a widely reported measure of the performance of equity REITs, and is used by some investors to determine our cash needs and to compare our performance with other REITs. We use Lease Transaction Costs to manage and monitor the performance of our office and multifamily portfolios.

Leased Rate: The percentage leased as of December 31, 2022. Management space is considered leased. Space taken out of service during a repositioning or which is vacant as a result of a fire or other damage is excluded from both the numerator and denominator for calculating percentage leased. We report Leased Rates because it is a widely reported measure of the performance of equity REITs, and is also used by some investors as a means to determine tenant demand and to compare our performance with other REITs. We use Leased Rate to manage and monitor the performance of our office and multifamily portfolios.

Net Absorption: Represents the change in percentage leased between the last day of the current and prior quarter, excluding a property undergoing conversion from office to residential use, as well as properties acquired or sold during the current quarter. The calculation also excludes the impact of building remeasurement. We report Net Absorption because it is a widely reported measure of the performance of equity REITs, and is used by some investors as a means to determine tenant demand and to compare our performance with other REITs. We use Net Absorption to manage and monitor the performance of our office portfolio.

Net Income Per Common Share - Diluted: We calculate Net Income Per Common Share - Diluted in accordance with GAAP by dividing the net income attributable to common stockholders for the period by the weighted average number of common shares and dilutive instruments outstanding during the period using the treasury stock method. We account for unvested Long Term Incentive Plan Unit awards that contain non-forfeitable rights to dividends as participating securities and include these securities in the computation using the two-class method.

Net Operating Income (NOI): We calculate NOI as revenue less operating expenses attributable to the properties that we own and operate. We present two forms of NOI:

- **NOI:** is calculated by excluding the following from our net income (loss): general and administrative expenses, depreciation and amortization expense, other income, other expenses, income from unconsolidated Fund, interest expense, gains (losses) on sales of investments in real estate and net income attributable to noncontrolling interests.
- **Cash NOI:** is calculated by excluding from NOI our straight-line rent and the amortization/accretion of acquired above/below market leases.

We report NOI because it is a widely recognized measure of the performance of equity REITs, and is used by some investors to identify trends in occupancy rates, rental rates and operating costs and to compare our operating performance with that of other REITs. NOI is a non-GAAP financial measure for which we believe that net income (loss) is the most directly comparable GAAP financial measure. NOI has limitations as a measure of our performance because it excludes depreciation and amortization expense, and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures, tenant improvements and leasing expenses necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations. NOI should be considered only as a supplement to net income (loss) as a measure of our performance and should not be used as a measure of our liquidity or cash flow, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. Other REITs may not calculate NOI in a similar manner and, accordingly, our NOI may not be comparable to the NOI of other REITs.

Occupancy Rate: We calculate Occupancy Rate by excluding signed leases not yet commenced from the Leased Rate. Management space is considered occupied. Space taken out of service during a repositioning or which is vacant as a result of a fire or other damage is excluded from both the numerator and denominator for calculating Occupancy Rate. We report Occupancy Rate because it is a widely reported measure of the performance of equity REITs, and is also used by some investors as a means to determine tenant demand and to compare our performance with other REITs. We use Occupancy Rate to manage and monitor the performance of our office and multifamily portfolios.

Operating Partnership: Douglas Emmett Properties, LP

Our Share of Net Debt: We calculate Our Share of Net Debt by multiplying the principal balance of our consolidated loans and our unconsolidated Fund's loan by our equity interest in the relevant borrower, and subtracting the product of cash and cash equivalents multiplied by our equity interest in the entity that owns the cash or cash equivalent. We subtract cash and cash equivalents because they could be used to reduce the debt obligations, and do not add unamortized loan premium or subtract unamortized deferred loan costs because they do not require cash settlement. Our Share of Net Debt is a non-GAAP financial measure for which we believe that consolidated debt is the most directly comparable GAAP financial measure. We report Our Share of Net Debt because some investors use it to evaluate and compare our leverage and financial position with that of other REITs.

Pro Forma Enterprise Value: We calculate Pro Forma Enterprise Value by adding Equity Capitalization to Our Share of Net Debt. Pro Forma Enterprise Value is a non-GAAP financial measure for which we believe that consolidated total equity and liabilities is the most directly comparable GAAP financial measure. We report Pro Forma Enterprise Value because some investors use it to evaluate and compare our financial position with that of other REITs.

Recurring Capital Expenditures: Building improvements required to maintain revenues once a property has been stabilized, and excludes capital expenditures for (i) acquired buildings being stabilized, (ii) newly developed space, (iii) upgrades to improve revenues or operating expenses or significantly change the use of the space, (iv) casualty damage and (v) bringing the property into compliance with governmental or lender requirements. We report Recurring Capital Expenditures because it is a widely reported measure of the performance of equity REITs, and is used by some investors as a means to determine our cash flow requirements and to compare our performance with other REITs. We use Recurring Capital Expenditures to manage and monitor the performance of our office and multifamily portfolios.

Rental Rate: We report Rental Rate because it is a widely reported measure of the performance of equity REITs, and is used by some investors to compare our performance with other REITs. We use Rental Rate to manage and monitor the performance of our office and multifamily portfolios. We present two forms of Rental Rates:

- **Cash Rental Rate:** is calculated by dividing the rent paid by the Rentable Square Feet.
- **Straight-Line Rental Rate:** is calculated by dividing the average rent over the lease term by the Rentable Square Feet.

Rentable Square Feet: Based on the Building Owners and Managers Association (BOMA) measurement. At December 31, 2022, total consists of 15,510,308 leased square feet (including 600,540 square feet with respect to signed leases not commenced), 2,338,608 available square feet, 114,226 building management use square feet and 104,083 square feet of BOMA adjustment on leased space. We report Rentable Square Feet because it is a widely reported measure of the performance and value of equity REITs, and is also used by some investors to compare our performance and value with other REITs. We use Rentable Square Feet to manage and monitor the performance of our office portfolio.

Same Property NOI: To facilitate a comparison of NOI between reported periods, we report NOI for a subset of our properties referred to as our “same properties,” which are properties that have been owned and operated by us during both periods being compared. We exclude from our same property subset properties that during the comparable periods were: (i) acquired, (ii) sold, held for sale, contributed or otherwise removed from our consolidated financial statements, or (iii) that underwent a major repositioning project, were impacted by development activity, or suffered significant casualty loss that we believed significantly affected the properties' operating results. We also exclude rent received from ground leases. Our Same Property NOI is not adjusted for noncontrolling interests in properties which are not wholly owned.

Our same properties for 2022 and 2023 include all of our Consolidated Portfolio properties, other than: (1) a 493,000 square foot office property in Honolulu affected by development activity, (2) a residential property with 712 apartments and approximately 34,000 square feet of retail space in Los Angeles partially affected by fire damage, (3) a new residential property with 376 apartments in West Los Angeles that we placed into service in 2022, and (4) a residential property with 120 units that we acquired in the second quarter of 2022.

We report Same Property NOI because it is a widely reported measure of the performance and value of equity REITs, and it is used by some investors to: (i) analyze our operating results excluding the impact of properties not being operated on a consistent basis, and (ii) to compare our performance and value with other REITs. We use Same Property NOI to manage and monitor the performance of our office portfolio.

Short Term Leases: Represents leases that expired on or before the reporting date or had a term of less than one year, including hold over tenancies, month to month leases and other short term occupancies.

Total Portfolio: At December 31, 2022, our Total Portfolio included our Consolidated Portfolio plus two office properties totaling 0.4 million square feet owned by one unconsolidated Fund in which we owned approximately 34%.

"We" and "our" refers to Douglas Emmett, Inc., our Operating Partnership and its subsidiaries, as well as our consolidated JVs and our unconsolidated Fund.