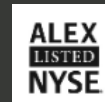




ALEXANDER & BALDWIN  
PARTNERS FOR HAWAII

# Premier Hawai'i Commercial Real Estate Company

Investor Presentation  
As of December 31, 2023



# Safe Harbor Statement

Certain matters included in this presentation that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

These forward-looking statements include, but are not limited to, statements regarding possible or assumed future results of operations, business strategies, growth opportunities and competitive positions. Such forward-looking statements speak only as of the date the statements were made and are not guarantees of future performance. Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from those expressed in or implied by the forward-looking statements. These factors include, but are not limited to, prevailing market conditions and other factors related to the Company's REIT status and the Company's business, the evaluation of alternatives by the Company related to its non-core assets and business, and the risk factors discussed in the Company's most recent Form 10-K, Form 10-Q and other filings with the Securities and Exchange Commission. The information in this presentation should be evaluated in light of these important risk factors. We do not undertake any obligation to update the Company's forward-looking statements.



ALEXANDER &amp; BALDWIN

- Fully **integrated** commercial real estate company
- Only publicly-traded real estate investment trust to **focus exclusively on Hawai'i** commercial real estate
- **Largest owner of grocery-anchored centers** in Hawai'i, with complimentary industrial and ground lease assets

#### Financial Metrics

Annualized Dividend	\$0.89
Forward Dividend Yield	4.7%
Equity Market Capitalization	\$1,378.0 million
Net Debt to TTM Consolidated Adjusted EBITDA	4.2x
Total Liquidity	\$476.5 million

#### Improved Property Portfolio Statistics

Number of Properties	39 properties
Total GLA	3,933,900 sq. ft.
Leased Occupancy	94.7%
Economic Occupancy	93.0%

As of December 31, 2023

Partners for Hawai'i



# Premier Hawai'i REIT Investment Opportunity



## PROVEN MANAGEMENT TEAM

Diverse Experience and Deep Local Roots



## SUPERIOR MARKET FUNDAMENTALS

Dynamic, Growing Market with Structural Limitations on New Supply



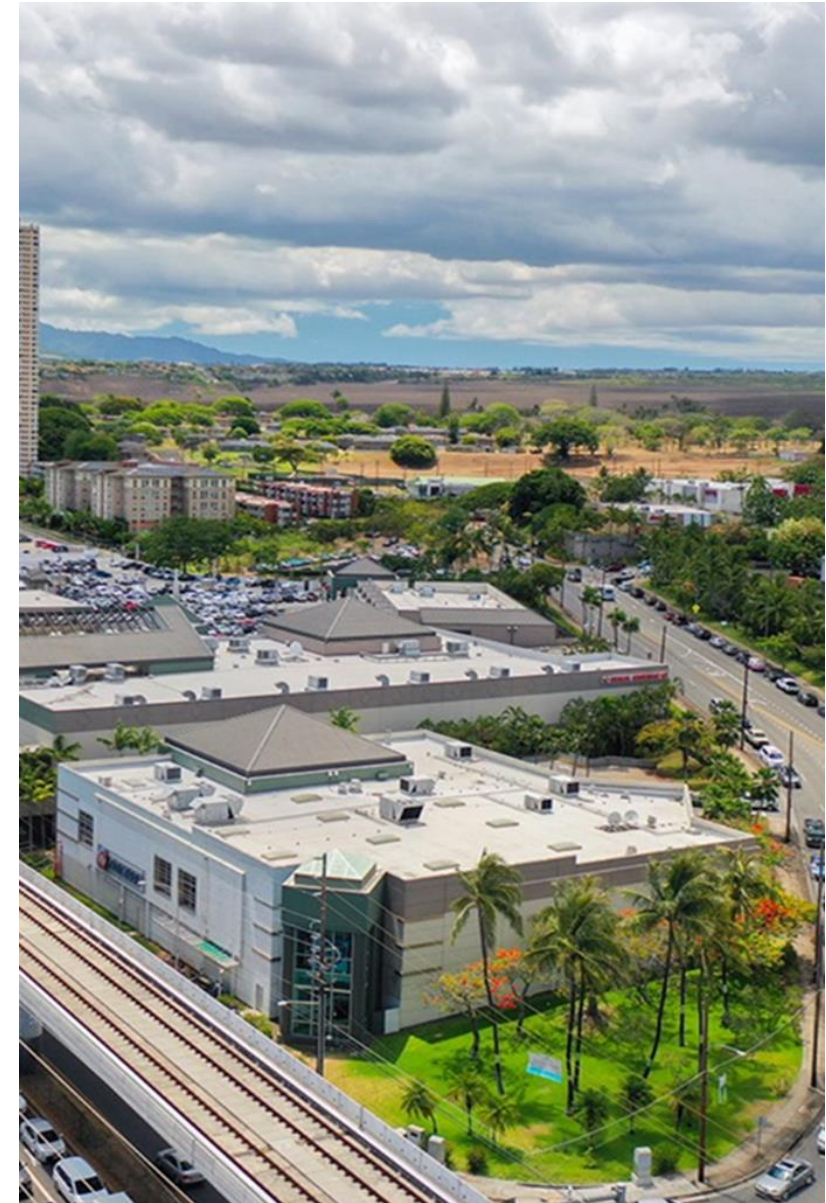
## HIGH-QUALITY PORTFOLIO

Irreplaceable assets



## OPPORTUNITIES FOR GROWTH

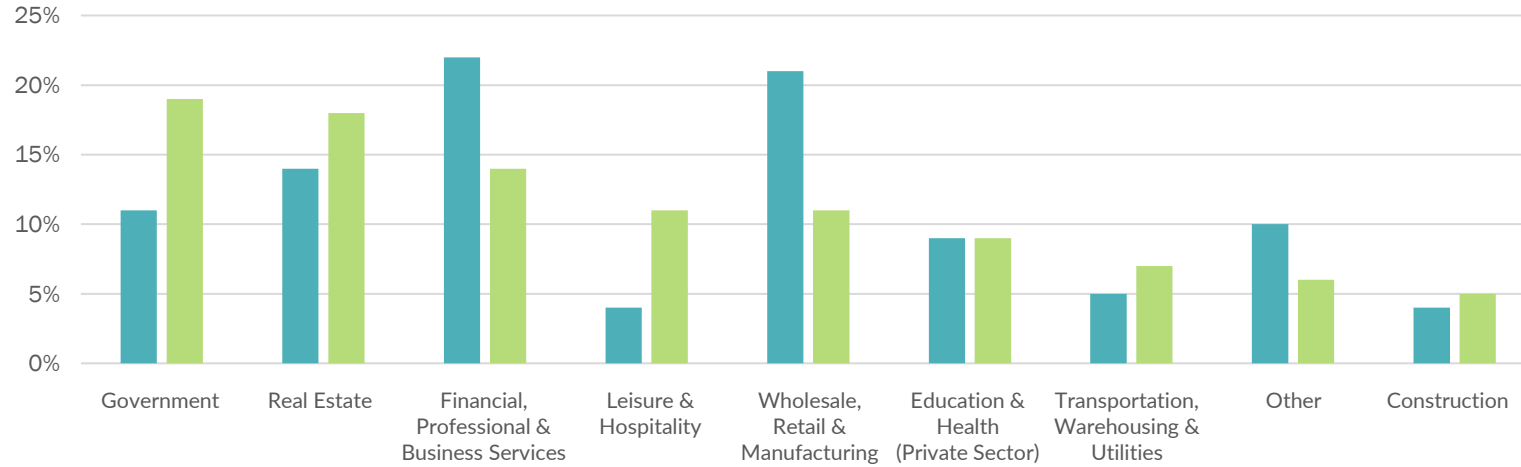
Embedded Internal Growth Opportunities and Competitive Advantage with Hawai'i Focus



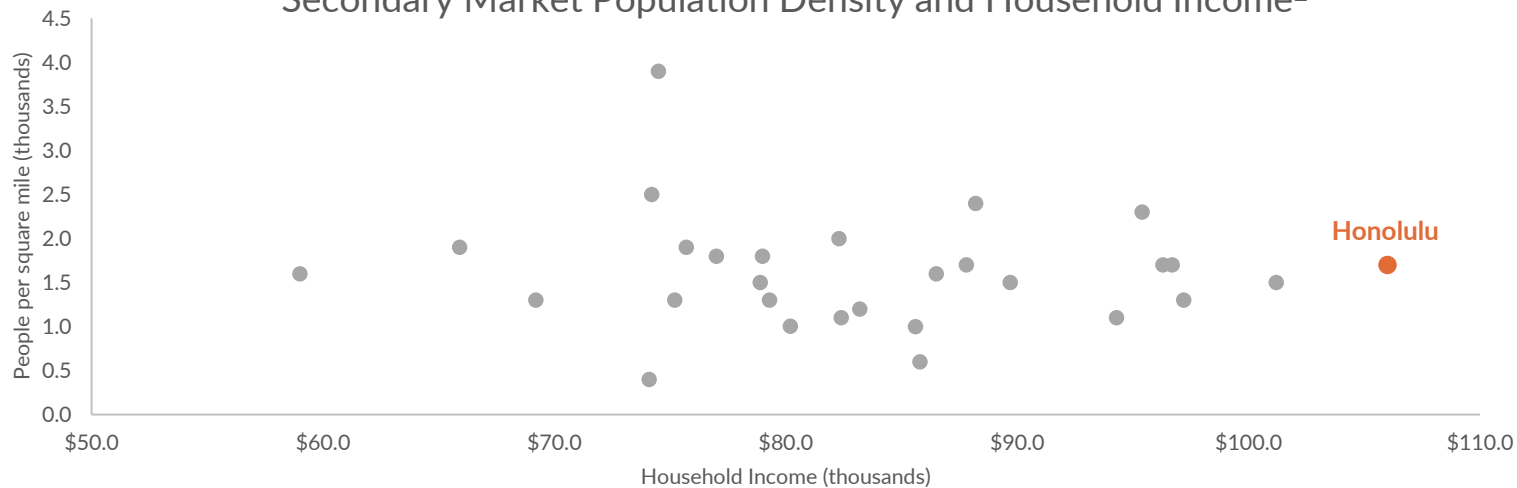
# Hawai'i Market

US and Hawai'i GDP by Industry<sup>1</sup>

■ US GDP ■ Hawai'i GDP



Secondary Market Population Density and Household Income<sup>2</sup>



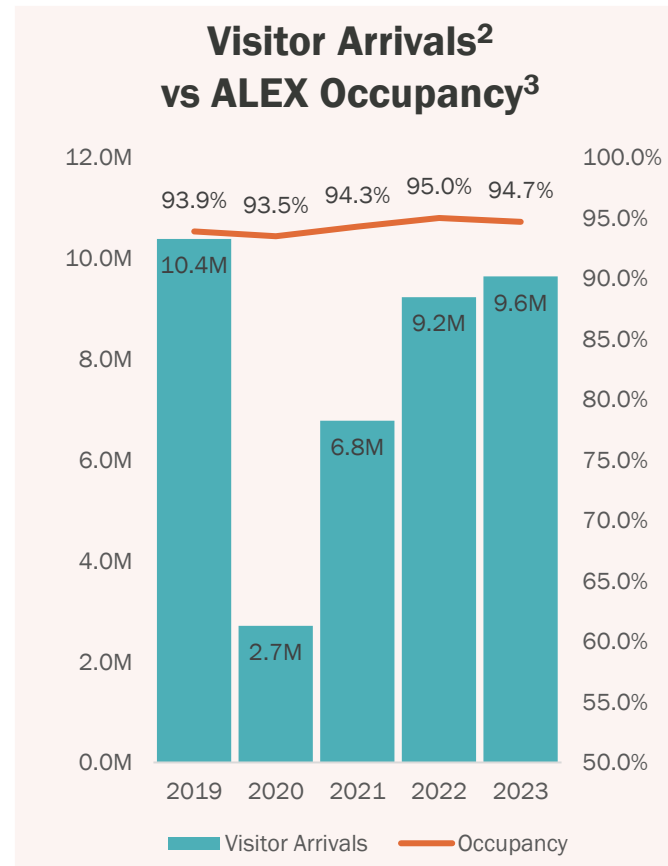
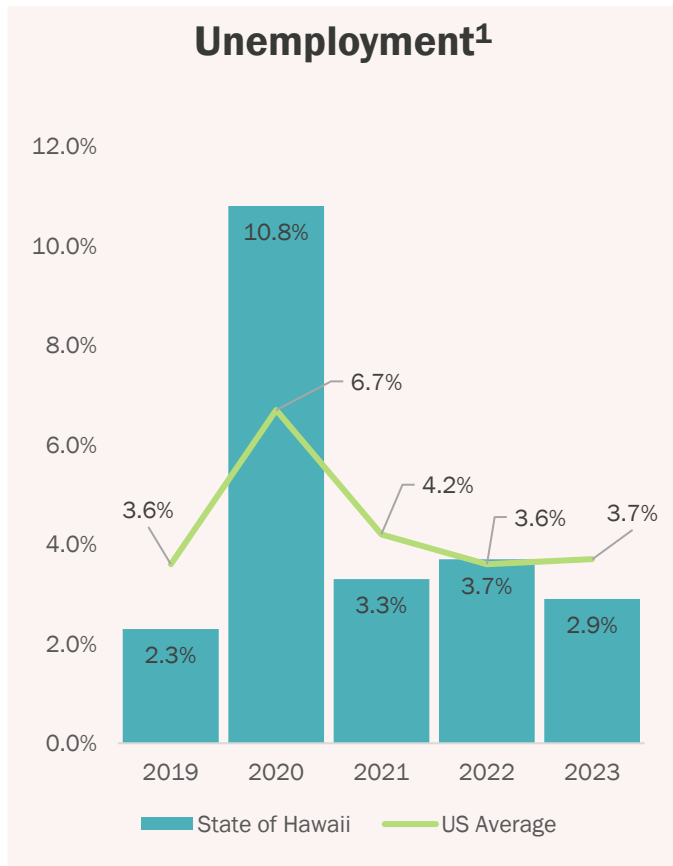
## Diverse Economy, Compelling Secondary Market Demographics

- Hawai'i has a unique economic make-up compared to the rest of the US
  - High proportion of stable government spending at the federal, state and county levels
  - Supplemented by leisure, hospitality and restaurant spend from local and tourist-driven spend
- Honolulu's household income is the highest out of all secondary markets, as identified by Green Street.
- Honolulu's population density is above the median of secondary markets, as identified by Green Street.

Sources:

- 1) GDP from U.S. Bureau of Economic Analysis for 2022
- 2) "Secondary Market" classification and metrics per Green Street
- 3) Data provided for informational purposes only; no endorsement implied.

# Resilient Market



**Positioned well, with a high-quality, needs-based portfolio that has proven to be resilient**

<sup>1</sup> US unemployment from U.S. Bureau of Labor Statistics, Hawai'i unemployment from Hawai'i Department of Business, Economic Development & Tourism

<sup>2</sup> Visitor arrivals from Hawai'i Department of Business, Economic Development & Tourism

<sup>3</sup> From Company filings

# High Barriers to Entry

## STATE ACREAGE BY USE

CONSERVATION  
**1,973,946**  
 (48%)

AGRICULTURE  
**1,932,822**  
 (47%)

URBAN  
**205,620**  
 (5%)



Source: State of Hawai'i Land Use Division  
 Data provided for informational purposes only; no endorsement implied.

### Supply Constraints Due to Long Entitlement Process

**Lengthy & Complex Entitlement Process**

**3-5 Years**

FOR COUNTY GENERAL PLAN INCLUSION

**3-5 Years**

FOR STATE LAND USE URBAN DESIGNATION

**3-5 Years**

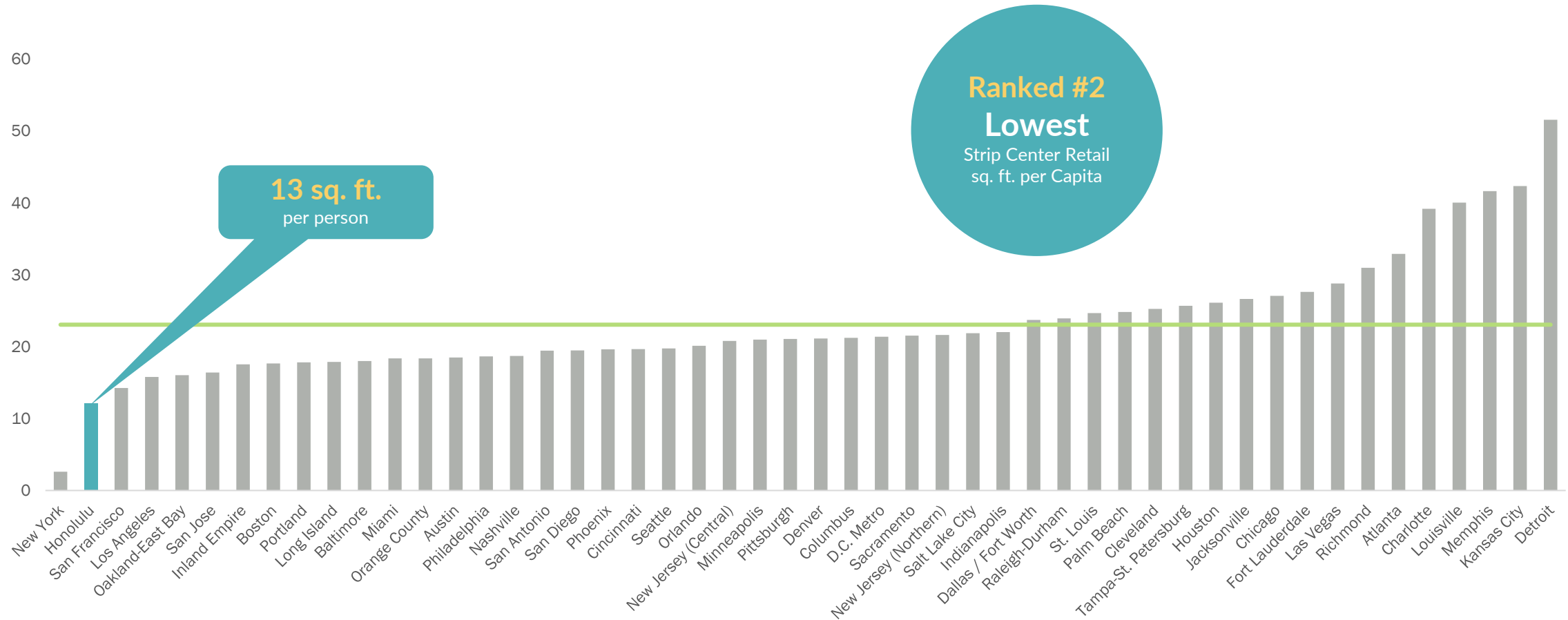
FOR COUNTY URBAN ZONING

**9-15 Years**

TOTAL

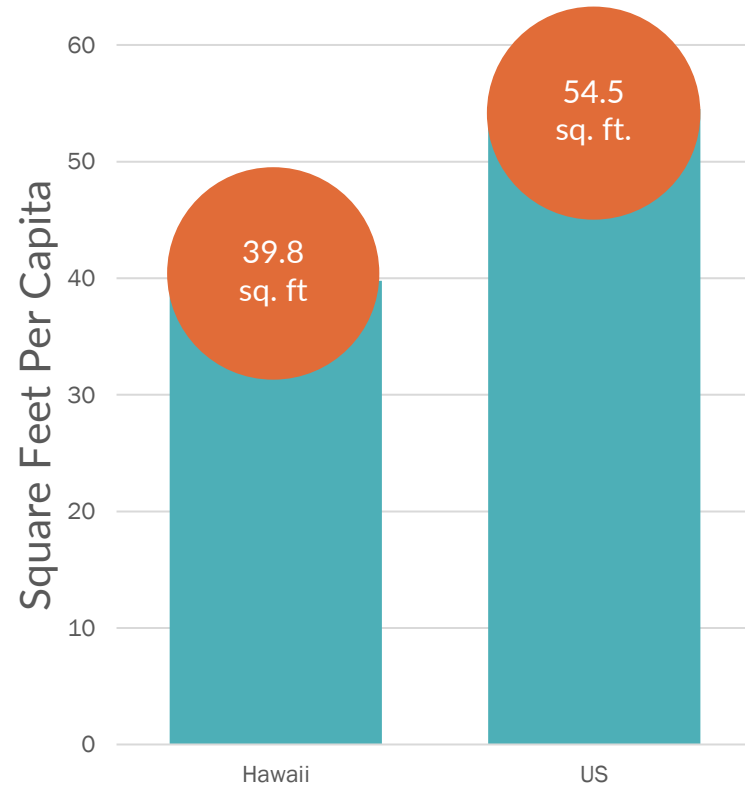


# Strip Center Retail Supply



Source: Green Street Advisors 2024 Strip Center Outlook  
 Data provided for informational purposes only; no endorsement implied.

# Industrial Supply



Source: Square footage per Colliers International and population data from U.S. Census Bureau  
Data provided for informational purposes only; no endorsement implied.



# Portfolio

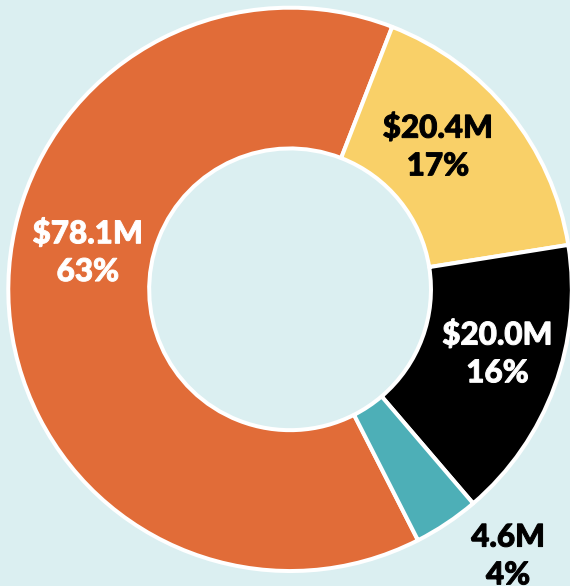
As of December 31, 2023

# Outstanding Portfolio

Largest Owner of Grocery-Anchored Shopping Centers in Hawai'i

**\$123.3M<sup>1</sup>**

TTM NOI

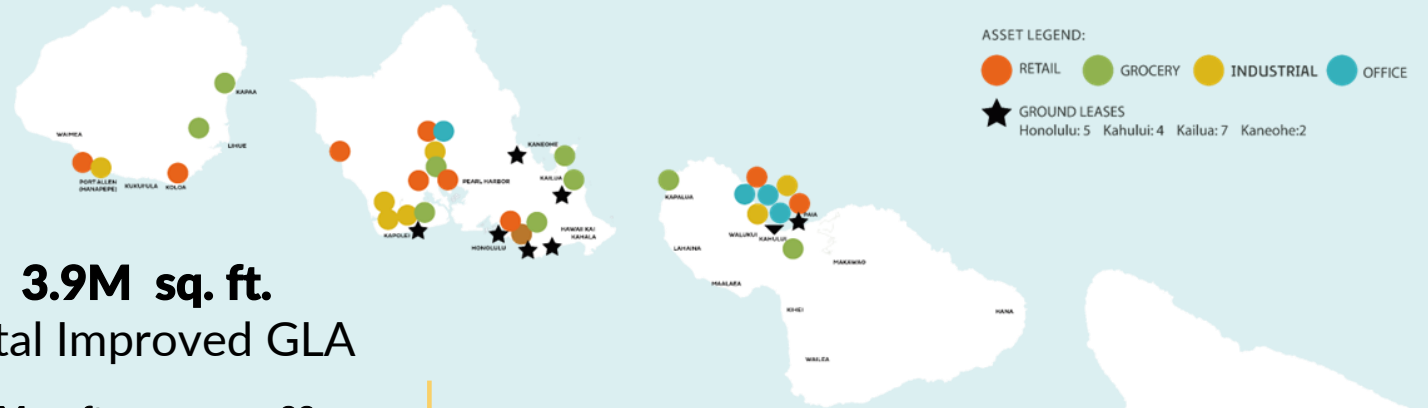


**3.9M sq. ft.**  
Total Improved GLA

**2.5M sq. ft.** Total GLA  
**22** Properties

**1.3M sq. ft.** Total GLA  
**13** Properties

**142.0 Acres**  
Total



ASSET LEGEND:  
 ● RETAIL ● GROCERY ● INDUSTRIAL ● OFFICE  
 ★ GROUND LEASES  
 Honolulu: 5 Kahului: 4 Kailua: 7 Kaneohe: 2

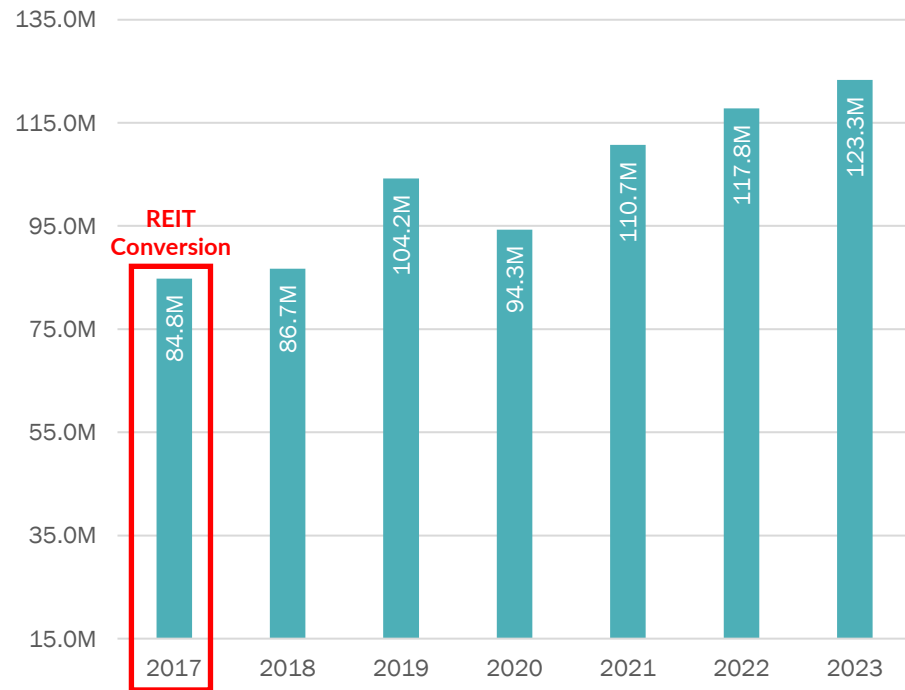
**OAHU**  
 % of Hawai'i GDP<sup>2</sup> | 74%  
 TTM NOI | 70%

**MAUI**  
 % of Hawai'i GDP<sup>2</sup> | 12%  
 TTM NOI | 13%

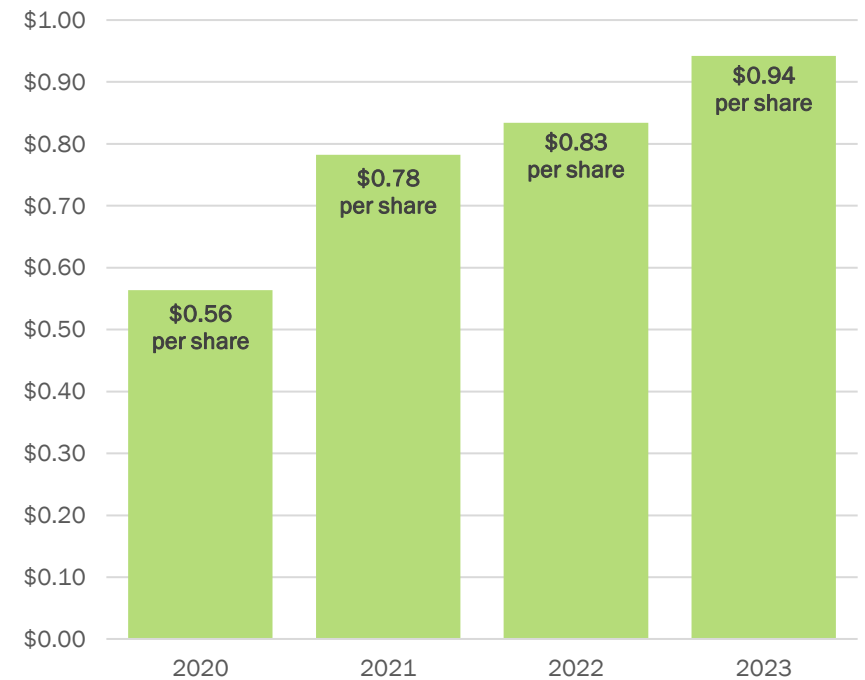
**OTHER ISLANDS**  
 % of Hawai'i GDP<sup>2</sup> | 15%  
 TTM NOI | 17%

# Strong Track Record of Performance

NOI Since REIT Conversion <sup>1</sup>



CRE and Corporate-Related FFO <sup>2</sup>



1: Based on Company filings.

2: See appendix for calculation for each period presented.

As of December 31, 2023

# Retail Portfolio

**22**

Properties

**2.5M**

GLA

**\$19.1M**

NOI (QTD)

**94.3%**

Leased Occupancy

**\$35.53**

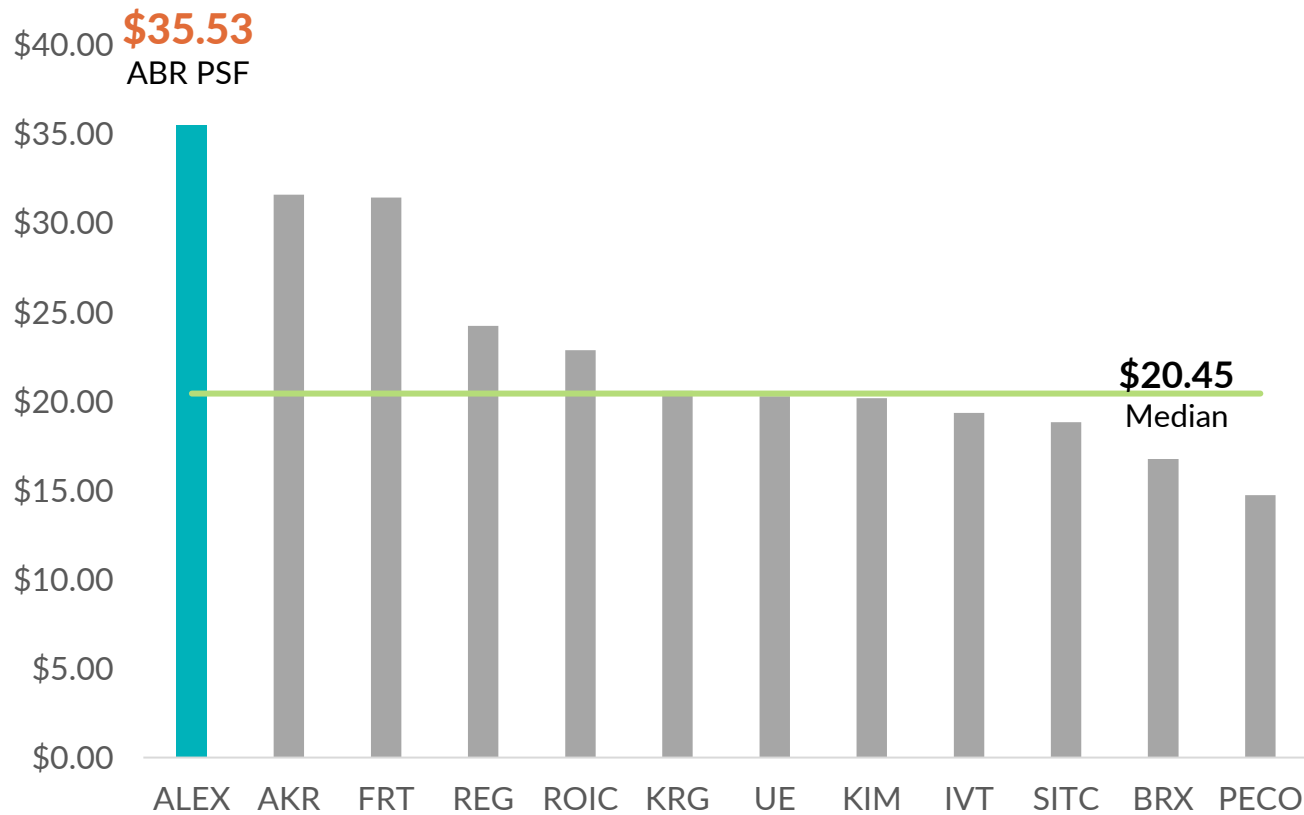
ABR PSF

**7.1 years**

Weighted Average  
Lease Term



# Strong ABR Compared to Peer Set



Source: A&B disclosure as of December 31, 2023. Comparative data set represents Strip Retail peers under Green Street coverage as of September 30, 2023; no endorsement implied.



# First to Market

**Ulta Beauty | 2018**



**Guitar Center | 2019**



**Chick-Fil-A | 2022**



**Sonic Drive-In | 2023**



**Tokyo Central | Coming Soon**





As of December 31, 2023

# Industrial Portfolio

**13**

Properties

**1.3M**

GLA

**\$5.4M**

NOI (QTD)

**96.8%**

Leased Occupancy

**\$16.19**

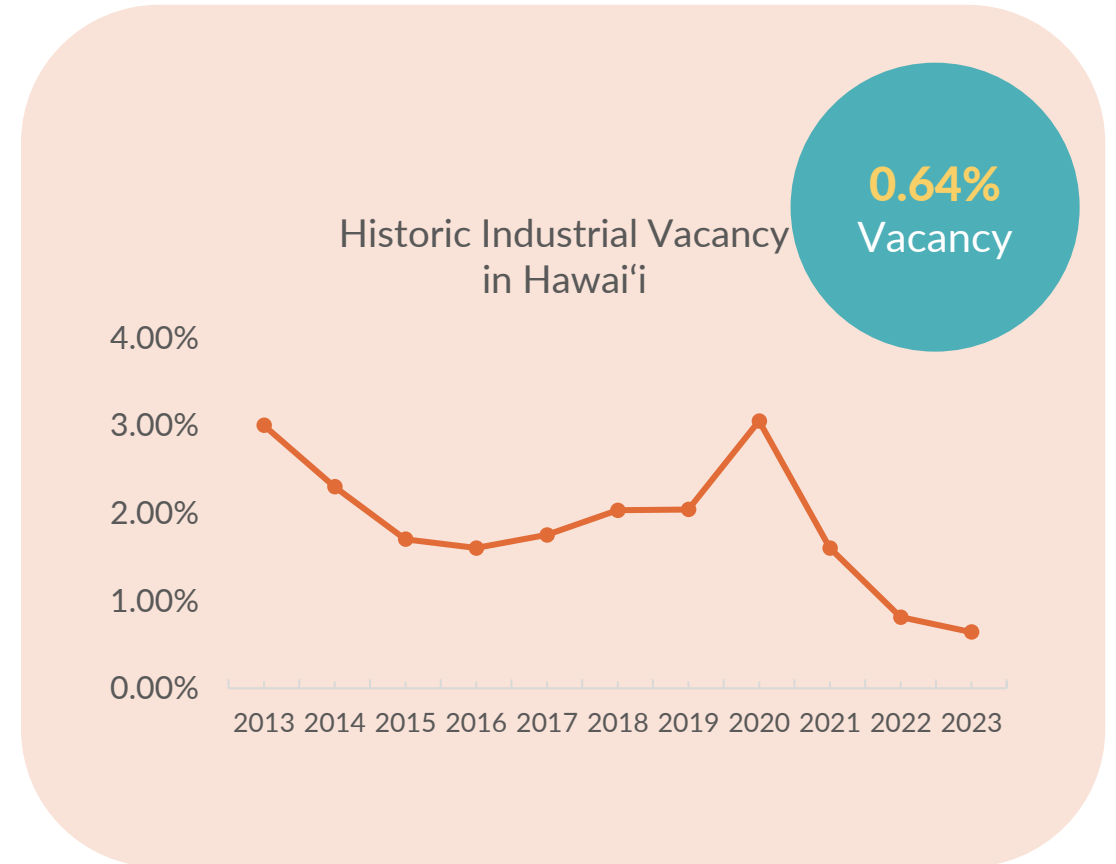
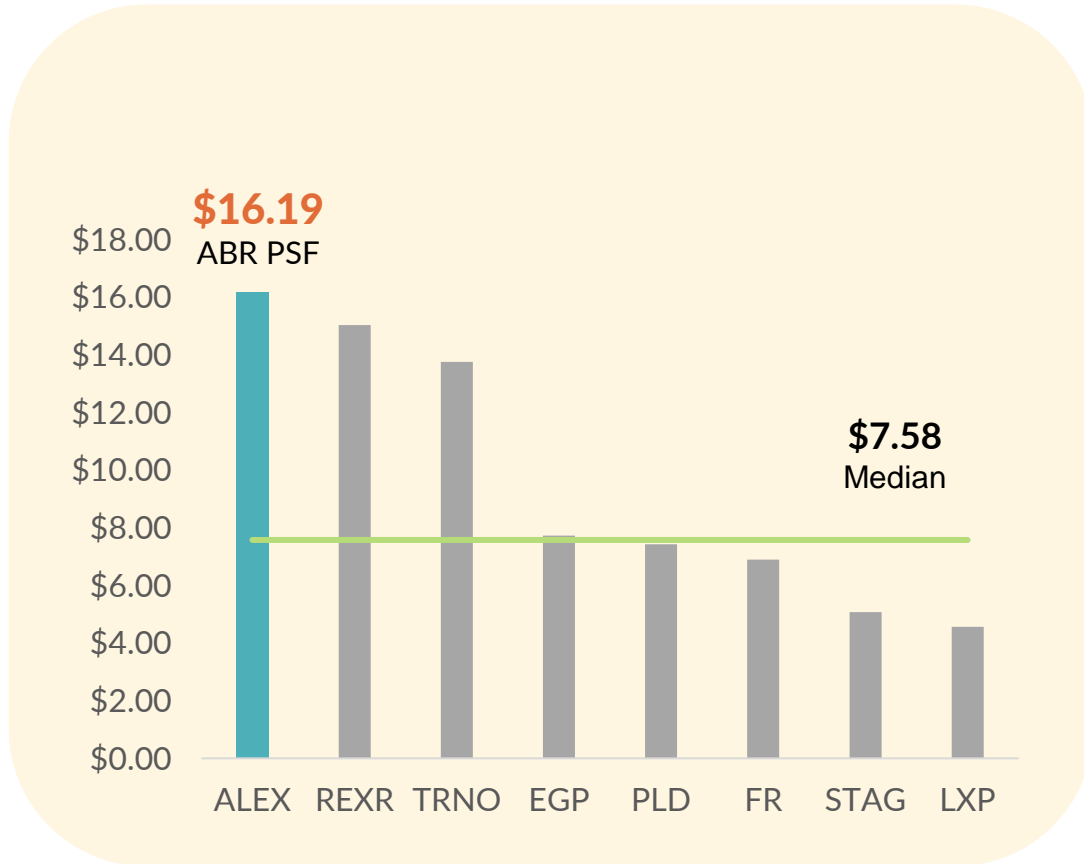
ABR PSF

**3.2 years**

Weighted Average  
Lease Term



# Strong ABR Compared to Peer Set



Source: A&B disclosure as of December 31, 2023. Comparative data set represents Strip Retail peers under Green Street coverage as of September 30, 2023; Vacancy per Colliers International; no endorsement implied.

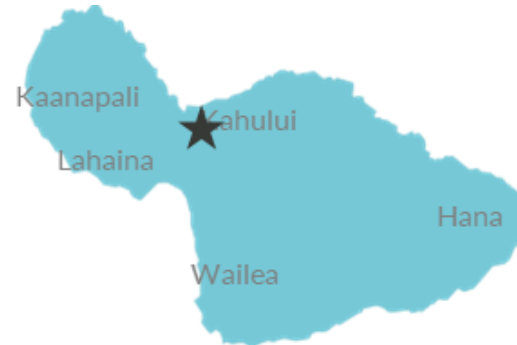
As of December 31, 2023

# Ground Lease Portfolio

## O'AHU



## MAUI



**142.0**  
Acres

**\$5.1M**  
NOI  
(QTD)

**7.3%**  
5-Year NOI  
CAGR

**19.4 years**  
Wtd. Avg.  
Lease Term



# Ground Lease Portfolio

In Hawai'i, it is common to bifurcate property ownership between land and improvements by way of a ground lease. A **ground lease** is a type of lease agreement where a landowner retains ownership of land (the “leased fee”) and leases that land to a tenant for a long-duration. Often, the tenant will build improvements (the “leasehold”) which the tenant owns and maintains for the duration of the ground lease term.



Land  
(Owned by A&B)

## Leasehold Owner (Our Ground Lease Tenant)

- Pays ground rent to A&B
- Responsible for the operating costs and capital expenditures related to ongoing ownership and maintenance of the land and associated improvements
- Tenant may sublease all or a portion of the improvements

## Leased Fee Owner (Alexander & Baldwin)

- A&B receives senior / secured ground rent payments from our tenant which include fixed, CPI adjusted and / or fair market value-based rent escalations
- All improvements automatically revert to A&B upon ground lease expiration or tenant default

# Ground Lease Value Proposition



## Ground Rent Fixed Step Ups

Tenant pays A&B ground lease rent that includes contractual fixed step-ups and is responsible for majority of operating and capital costs.



## Ground Rent Fair Market Value Resets

Periodically, ground lease rent resets based on increases in land value, often at substantial growth rate.



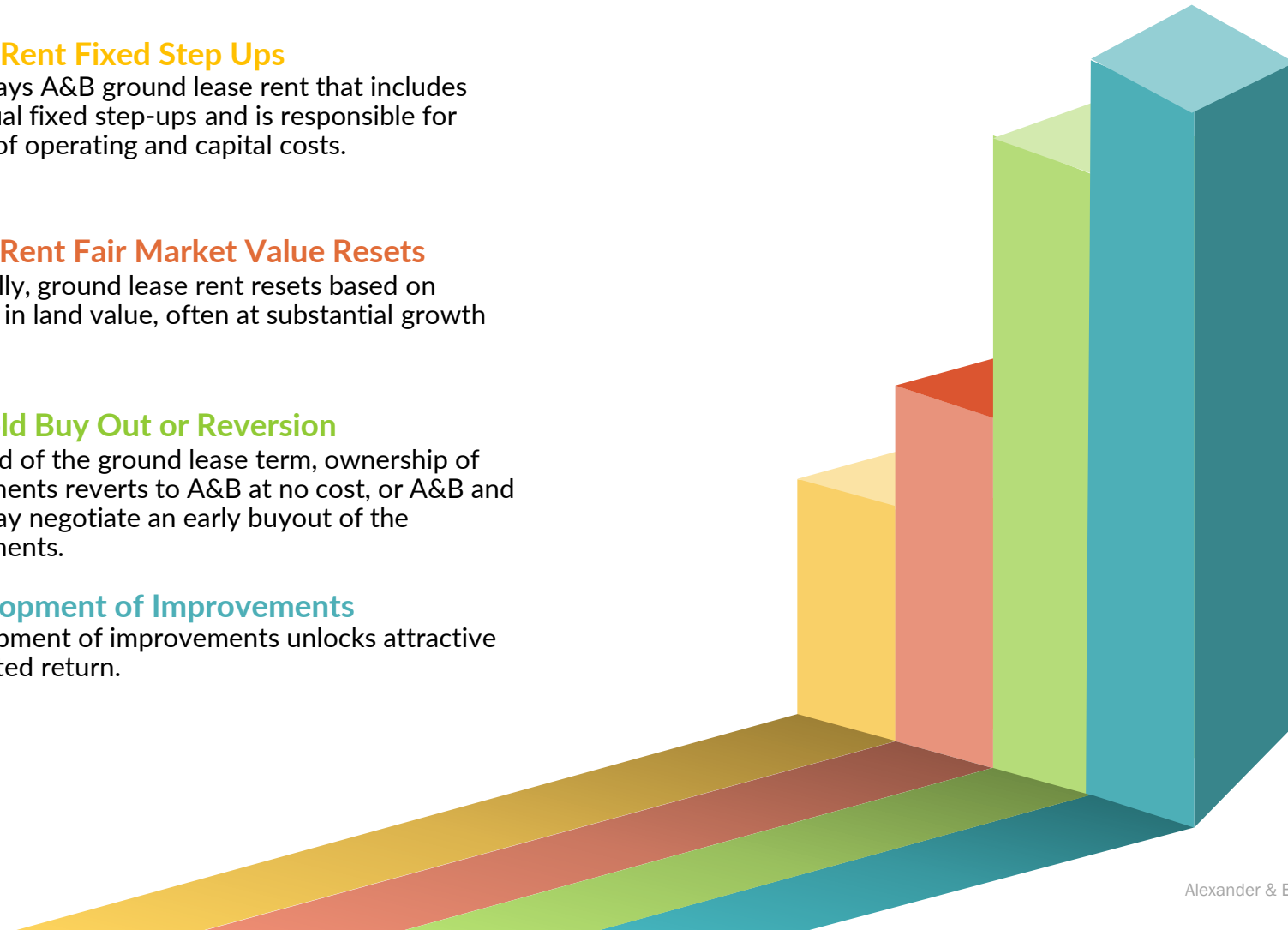
## Leasehold Buy Out or Reversion

At the end of the ground lease term, ownership of improvements reverts to A&B at no cost, or A&B and tenant may negotiate an early buyout of the improvements.



## Redevelopment of Improvements

Redevelopment of improvements unlocks attractive risk adjusted return.



# Ground Lease Case Studies



**2020**  
**KAIMUKI SHOPPING CENTER**

FMV reset resulted in 29% ABR increase with additional contract steps



**2021**  
**HART PRE-CAST YARD**

Contractual step-up resulted in 34% ABR increase



**2023**  
**WINDWARD CITY SHOPPING CENTER**

Contractual step-up resulted in 39% ABR increase

## AIKAHI PARK SHOPPING CENTER



2013: Acquired leased fee for \$23.8 M @ 4.6% return  
2015: Acquired leasehold for \$1.6 M @ 25.0% return  
2022: Repositioning complete @ 9.0% return  
Annualized NOI as of Q4 2023: \$3.0 million

## LAU HALA SHOPS



2013: Acquired leased fee for \$8.3 M @ 2.2% return  
2016: Leaseholds reverted to A&B at no cost  
2018: Repositioning complete @ 11.0% return  
Annualized NOI as of Q4 2023: \$2.5 million

# Growth

# External Growth

## Hawai'i Specialist with 154-Year History

Strong local relationships and track record of closing complex deals provides a sourcing advantage in turbulent times

## Access to Capital

Over \$450M of corporate revolver capacity, allowing us to move quickly while competitors are priced or frozen out of the asset-level financing markets

## Substantial Headroom in Core Asset Classes

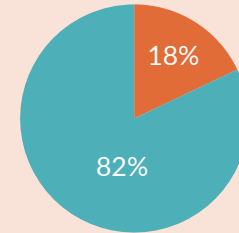
We own less than a quarter of the anchored retail market in Hawai'i, and a sliver of the ~60.5M square foot industrial market

**\$1.25B**

CRE acquisitions since 2013

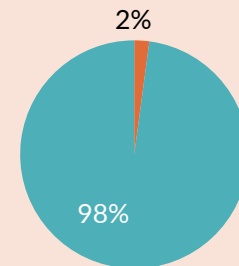
**90%+**

Of A&B's acquisitions since 2013 were off-market or first-look



A&B Others

**17** Grocery or drugstore anchored assets  
**2.3 M** Sq. ft. of GLA  
**92.1%** Grocer-Anchored Leased occupancy  
**94.9%** Of total NOI (Retail)  
**~12.2M** Sq. Ft. of GLA total anchored retail market



**13** Industrial assets  
**1.3 M** Sq. ft. of GLA  
**96.8%** Leased Occupancy  
**17%** Of total NOI  
**~60.5M** Sq. Ft. of GLA total industrial market



# Redevelopment

## Irreplaceable Assets with Embedded Growth Upside

Expertise in unlocking value-add opportunities

COMPLETED

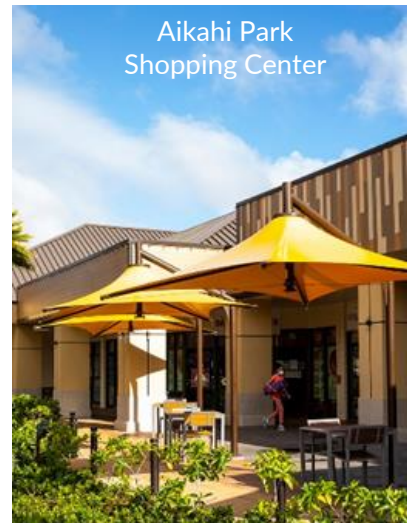


Lau Hala Shops

Reversion of Ground Lease Asset  
Adaptive Reuse

Return of 11% on repositioning capital spent and current leased occupancy of 100%.

COMPLETED

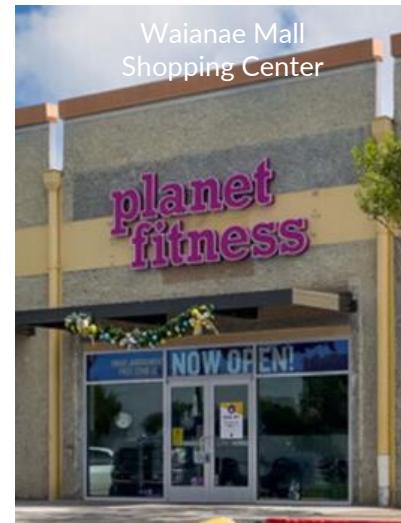


Aikahi Park Shopping Center

Reversion of Ground Lease Asset  
Renovation and GLA Expansion

Estimated return of 9% on repositioning capital spent and current leased occupancy of 92.5%.

COMPLETED



Waianae Mall Shopping Center

Re-tenancy of Big Box

Estimated return of 12% on re-tenancy capital spend and 100% preleased.

COMPLETED



Manoa Marketplace

Renovation of Aging Asset

Estimated return of 8% on refresh capital spend and current leased occupancy of 97.4%.

# Retail / Industrial Land-Bank at Kahului, Maui

Low-cost Land Basis - Competitive Advantage at Maui  
Business Park II

Strategically developing and offering build-to-suit lease arrangements for tenants, while monetizing select parcels to owner-users.



**34.2 sellable acres**

Located in Kahului, Maui

**Flex Zoning**

Light industrial, retail and office use

## RETAIL / Ho'okele Shopping Center



- Phase one development of 71,400-sq. ft. center complete
- Safeway grocery store, gas station, and convenience store anchor property
- First Sonic Drive-In in the State
- Stabilized yield of approximately 8%

## Industrial / Build-to-Suit



- Highly desirable commercial and light industrial development given proximity to Kahului Airport, Kahului Harbor and main Maui roadways

# Industrial Land-Bank at Kapolei, Oahu

55 acres of Industrial zoned land strategically located on West Oahu, with capacity for 940,000 sf of institutional quality warehouse and distribution centers.

Oahu Industrial Land Bank Summary	Land*	Potential GLA
Komohana Industrial Park (yard only)	23.1	373,000 sf
HART	29.1	508,000 sf
KBPW Lots 22 & 5	3.0	59,000 sf
<b>Total</b>	<b>55.2</b>	<b>940,000 sf</b>

\* NET developable area excluding future roads, retention areas, and existing buildings.

**55 acres**

Located in Kapolei, Oahu

**Industrial Zoning**

Industrial, manufacturing, warehouse, and distribution

## Industrial / Komohana Industrial Yard



- Asset includes 23 acres of undeveloped yard space zoned for Industrial use.

## Industrial / HART Yard



- Asset includes 29 acres of undeveloped yard space zoned for Industrial use.

# Completed PV Initiatives

## Pearl Highlands Center

- Completed construction of 1.3-megawatt rooftop PV system
- Sized to offset 100% of common area energy and provide additional power to select tenants
- \$0.7 million incremental NOI uplift realized in 2023

## Kaka`ako Commerce Center

- 464-kilowatt PV system
- Sized to offset approximately 37% of the Center's current energy demand
- Expected to provide \$0.2 million of incremental NOI uplift



# Ongoing PV Initiatives

Identified next properties for broader rooftop solar initiative

## The Shops at Kukui'ula

- 443-Kilowatt PV system
- Sized to offset approximately 38% of the Center's current energy demand



**In  
Progress**  
Status

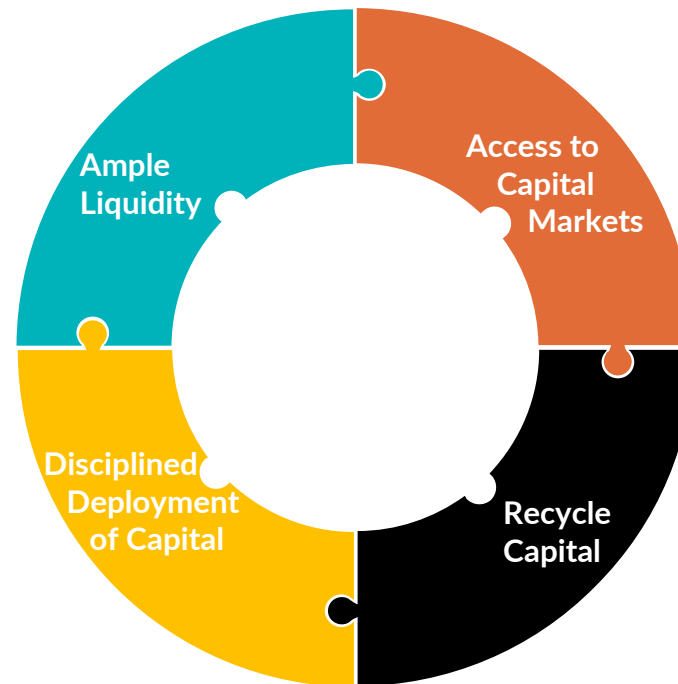
**Low  
Teens IRR**  
Estimated risk-  
adjusted returns

# Capital Structure and Balance Sheet

# Capital Strategy

- Cash and available revolver capacity totalling \$476.5 million
- 92% of outstanding debt is fixed rate
- \$150 million available for use through at-the-market program

- Maintain disciplined underwriting of acquisitions
- Seek appropriate risk-adjusted returns for ground-up development, GLA additions and photovoltaic projects.
- When appropriate, allocate capital to share repurchase program.



- Maintain existing relationships with local and national lenders
- Clearly communicate with investors, analysts and local community

- Since 2018, recycled more than \$440 million of cash proceeds related to non-core land sales into income producing properties
- Utilization of funds from Section 1031 exchanges to maximize efficiency of tax attributes

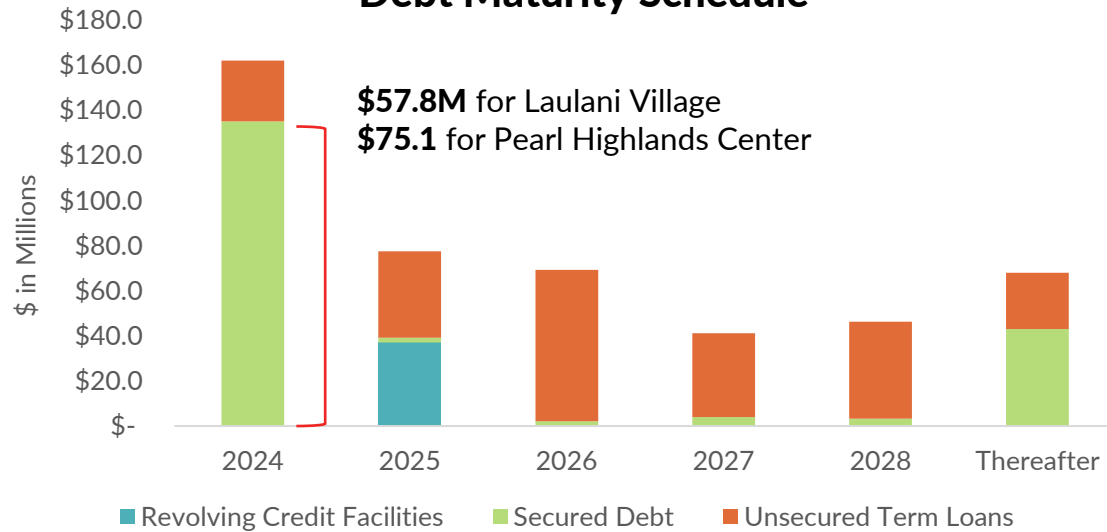
As of December 31, 2023

# Flexible Balance Sheet

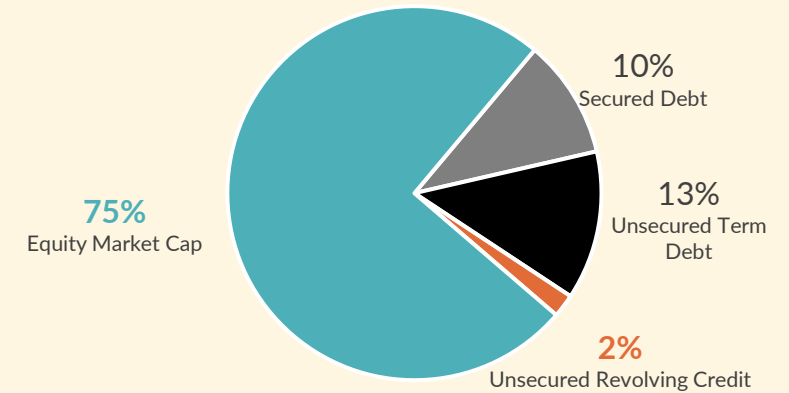
## Balance Sheet Highlights

- Net Debt / TTM Consolidated Adjusted EBITDA of **4.2x**
- Total liquidity of **\$476.5**, including cash of **\$13.5M** and remaining capacity on revolver of **\$463.0M**
- Plan to refinance the Laulani Village mortgage that matures in May 2024 with unsecured debt

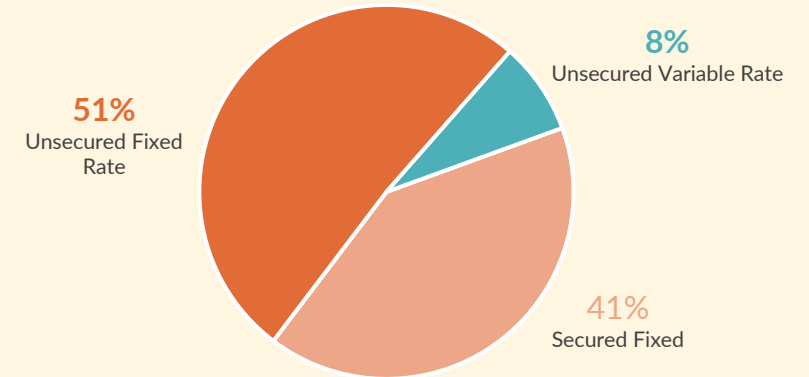
## Debt Maturity Schedule



## Total Market Capitalization



## Outstanding Debt





# Environmental, Social and Governance

For more than 150 years, Alexander & Baldwin has placed a high priority on corporate responsibility to the community.

This commitment has never been stronger, nor more essential. Scan the QR code to view our latest Corporate Responsibility Report.

### 2022 Corporate Responsibility Report



# Appendix

# Q4 2023 CRE Results



**NOI Growth**

**4.7%**



**Same-Store NOI Growth**

**4.3%**



**Same-Store NOI Growth**  
(excluding collections of prior year reserves)

**4.8%**



**Core Funds From Operations**

**\$0.29**  
per diluted share



**Same-Store Leased Occupancy**

**95.5%**  
+ 100 basis points from prior quarter



**Same-Store Economic Occupancy**

**93.8%**  
+ 100 basis points from prior quarter



**Spreads for New Leases**

**11.4%**



**Spreads for Renewal Leases**

**7.0%**

# Full-Year 2023 CRE Results



NOI Growth

**4.7%**



Same-Store NOI Growth

**4.3%**



Same-Store NOI Growth  
(excluding collections of prior year reserves)

**6.8%**



Core Funds From Operations

**\$1.17**  
per diluted share



Spreads for New Improved Property Leases

**8.0%**



Spreads for Renewal Improved Property Leases

**7.6%**



Spread for Renewal Ground Leases

**37.8%**



ABR for SNO Leases at December 31, 2023

**\$2.8 million**

# Fourth Quarter **Accomplishments**

## Warehouse / Distribution @ Maui Business Park



- ✓ Pre-leased ground-up development
  - 30,000 sq. ft. with 32' clear height
  - Space for up to 14 dock-high loading bays
  - Q4 2025 in-service date
  - \$1 million of ABR when economic

## Photovoltaic @ Kaka'ako Commerce Center



- ✓ Completed PV installation and go-live
  - \$0.2 million expected incremental NOI impact
  - 968 PV panels across 24k sq. ft.
  - 464 kW system offsets ~37% of consumption

# Fourth Quarter **Accomplishments**



- Sold Grace Pacific and related assets for \$60 million:
  - \$45 million in cash at closing
  - \$15 million promissory note was paid in January 2024
- With the sale complete, A&B has no continuing interest or involvement

## **The Grace sale is significant, because we can ...**

- focus on growing CRE portfolio
- utilize full strength of balance sheet to fund growth
- simplify reporting metrics

# Full-Year **Accomplishments**

## Acquisition

## Kaomi Loop Industrial



- Off-market sale leaseback acquisition
- 33,200-square-foot asset
- \$9.5M acquisition cost @ 7%+ IRR
- Stabilized asset with 10-year lease term

## Renovation

## Manoa Marketplace



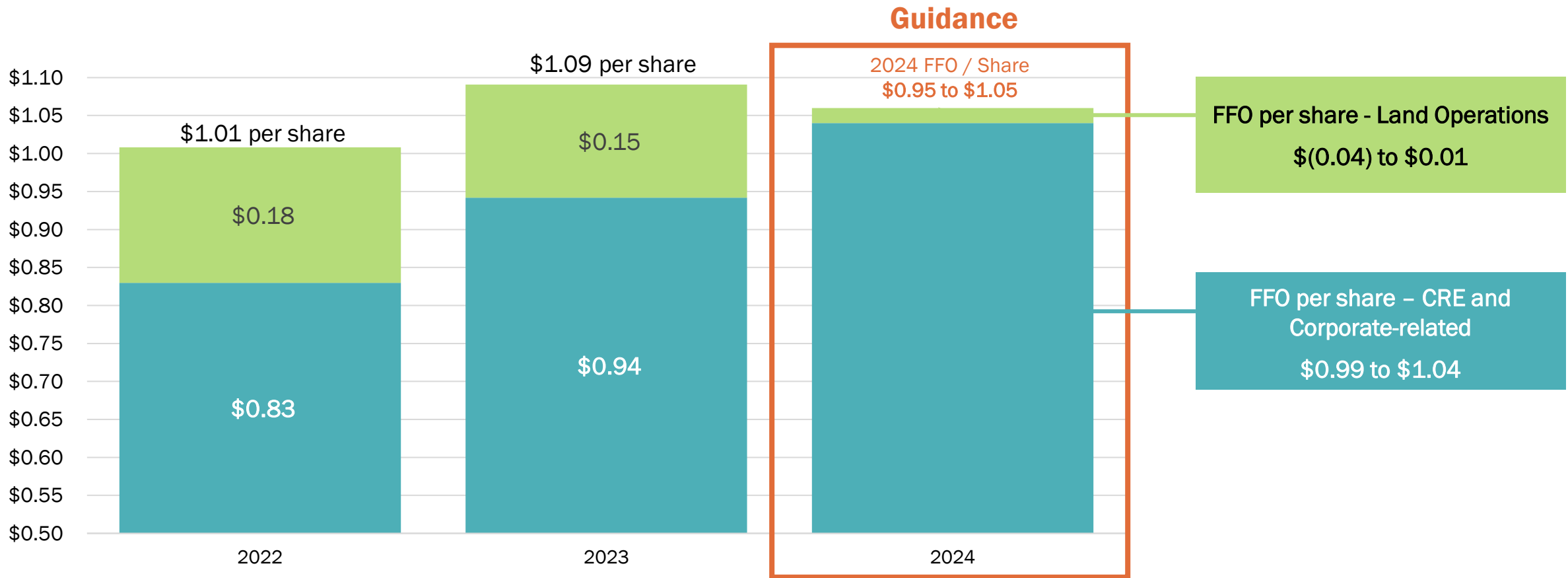
- Renovation of a strategically located urban-Honolulu asset
- Estimated return of 8.0%-8.5% on capital invested to refresh the asset



# Initial Full-Year 2024 Guidance

Metric	2024 (E)
CRE Same-Store NOI	<b>1.0% to 2.0%</b>
Same Store NOI, excluding collections of amounts reserved in previous years	<b>2.0% to 3.0%</b>
FFO per diluted share	<b>\$0.95 to \$1.05</b>
AFFO per diluted share	<b>\$0.80 to \$0.90</b>

# FFO Guidance **Considerations**<sup>1</sup>



1: See appendix for calculation of 2022 and 2023.

DOLLARS IN MILLIONS; AS OF DECEMBER 31, 2023

# CRE Net Operating Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
<b>CRE Operating Profit (Loss)</b>	\$ 17.0	\$ 21.2	\$ 81.2	\$ 81.5
Plus: Depreciation and amortization	9.2	9.1	36.5	36.5
Less: Straight-line lease adjustments	(0.9)	(2.6)	(5.1)	(6.3)
Less: Favorable/(unfavorable) lease amortization	(0.3)	(0.3)	(1.1)	(1.1)
Less: Termination income	—	—	(0.1)	(0.1)
Plus: Other (income)/expense, net	—	0.2	0.1	0.5
Plus: Impairment losses - abandoned development costs	4.2	—	4.8	—
Plus: Selling, general, administrative and other expenses	1.4	1.6	7.0	6.8
<b>NOI</b>	<b>30.6</b>	<b>29.2</b>	<b>123.3</b>	<b>117.8</b>
Less: NOI from acquisitions, dispositions, and other adjustments	0.5	0.3	0.9	0.4
<b>Same-Store NOI</b>	<b>30.1</b>	<b>28.9</b>	<b>122.4</b>	<b>117.4</b>
Less: Collections of amounts reserved in previous years	0.4	0.5	2.1	4.7
<b>Same-Store NOI excluding collections of amounts reserved in previous years</b>	<b>\$ 29.7</b>	<b>\$ 28.4</b>	<b>\$ 120.3</b>	<b>\$ 112.7</b>
Same-Store NOI Growth	4.3%		4.3%	
Same-Store NOI growth, excluding collections of amounts reserved in previous years	4.8%		6.8%	

IN MILLIONS EXCEPT PER SHARE DATA; AS OF DECEMBER 31, 2023

## Funds From Operations (FFO) And Core FFO

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net Income (Loss) available to A&B common shareholders	\$ (3.5)	\$ (71.6)	\$ 29.7	\$ (50.8)
Depreciation and amortization of commercial real estate properties	9.2	9.1	36.5	36.5
Gain on the disposal of commercial real estate properties, net	—	—	—	—
Impairment losses - CRE properties	2.2	—	2.2	—
(Income) loss from discontinued operations, net of income taxes	11.7	87.9	7.8	86.6
Income (loss) attributable to discontinued noncontrolling interest	0.3	(0.1)	3.2	1.1
<b>FFO</b>	<b>19.9</b>	<b>25.3</b>	<b>79.4</b>	<b>73.4</b>
Exclude items not related to core business:				
Land Operations operating (profit) loss	(6.3)	(5.7)	(10.8)	1.4
Income (loss) attributable to continuing noncontrolling interest	—	—	—	—
Income tax expense (benefit)	—	(0.2)	—	(18.3)
Pension termination - CRE and Corporate	—	—	—	14.7
Impairment losses - abandoned development costs	2.0	—	2.6	—
Interest rate derivative fair value adjustment	2.7	—	2.7	—
Non-core business interest expense	2.7	2.8	11.4	11.0
<b>Core FFO</b>	<b>\$ 21.0</b>	<b>\$ 22.2</b>	<b>\$ 85.3</b>	<b>\$ 82.2</b>
FFO per diluted share	\$ 0.27	\$ 0.35	\$ 1.09	\$ 1.01
Core FFO per diluted share	\$ 0.29	\$ 0.31	\$ 1.17	\$ 1.13
Weighted average diluted shares outstanding (FFO/Core FFO)	72.7	72.7	72.8	72.8

DOLLARS IN MILLIONS; AS OF DECEMBER 31, 2023

# Consolidated Adjusted EBITDA

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
<b>Net Income (Loss)</b>	\$ (3.2)	\$ (71.7)	\$ 33.0	\$ (49.5)
Adjustments:				
Depreciation and amortization	9.2	9.2	36.8	38.0
Interest expense	6.0	5.3	23.0	22.0
Income tax expense (benefit)	—	(0.2)	—	(18.3)
Depreciation and amortization related to discontinued operations	—	1.5	—	5.8
Interest expense related to discontinued operations	—	0.1	0.5	0.2
<b>Consolidated EBITDA</b>	<b>12.0</b>	<b>(55.8)</b>	<b>93.3</b>	<b>(1.8)</b>
Asset impairments	4.2	5.0	4.8	5.0
Interest rate swap fair value adjustment	2.7	—	2.7	—
(Income) loss from discontinued operations, net of income taxes and excluding depreciation, amortization and interest expense	11.7	86.3	7.3	80.6
Pension termination	—	—	—	76.9
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 30.6</b>	<b>\$ 35.5</b>	<b>\$ 108.1</b>	<b>\$ 160.7</b>

DOLLARS IN MILLIONS; AS OF DECEMBER 31, 2023

# Net Debt

	December 31, 2023
<b>Debt</b>	
Secured debt	\$ 189.7
Unsecured term debt	237.3
Unsecured revolving credit facility	37.0
<b>Total Debt</b>	<b>464.0</b>
Add: Net unamortized deferred financing cost / discount (premium)	0.1
Less: Cash and cash equivalents	(13.5)
<b>Net Debt</b>	<b>\$ 450.6</b>

DOLLARS IN MILLIONS; AS OF DECEMBER 31, 2023

## Core FFO to Adjusted FFO (AFFO) Bridge

As part of the Company's simplification process, Management will no longer report on or guide to Core FFO in 2024. Instead, Management will report and guide to AFFO. For comparative purposes, a reconciliation between Core FFO and AFFO is provided below.

AFFO represents a non-GAAP measure relevant to the operating performance of the Company as compared to other real estate companies. The Company's calculation refers to FFO as its starting point, adjusted to exclude: (1) items that are non-recurring, infrequent, unusual and unrelated to the core business operating performance (i.e., not likely to recur within two years or has not occurred within the prior two years); and (2) non-cash adjustments, including but not limited to straight-line rent, favorable / unfavorable lease amortization, amortization of deferred financing costs, market debt and swap adjustments, and share-based compensation. AFFO further reduces FFO for normalized recurring expenditures that are necessary to maintain our properties including but not limited to recurring capital expenditures, tenant improvement costs, and leasing commissions paid. Adjusted FFO provides further insight into our performance by focusing on the revenues and expenditures directly involved in our operations and the management of our entire portfolio.

	Twelve Months Ended	
	2023	2022
<b>Core FFO</b>	<b>\$ 85.3</b>	<b>\$ 82.2</b>
Land Operations activities that do not meet exclusion definition, net <sup>1</sup>	3.9	16.3
Non-core business interest expense	(11.4)	(11.0)
Maintenance Capital Expenditures (recurring)	(13.7)	(14.6)
Leasing commissions	(1.4)	(1.3)
Non-cash debt adjustments	1.0	1.0
CRE segment straight-line lease and (favorable)/unfavorable lease amortization adjustments	(6.3)	(7.4)
Amortization of share-based compensation	6.1	4.9
<b>AFFO</b>	<b>\$ 63.5</b>	<b>\$ 70.1</b>
Weighted average diluted shares outstanding (FFO)	72.8	72.8

<sup>1</sup>Balance represents Land Operations profit / (loss) excluding inter segment operating charges (net), (gain) / loss on sale of business, (earnings) / loss from joint ventures, pension termination (net of tax), impairment of assets and the non-cash impact of changes in certain legal, environmental and other reserves. See Table 18 within our Supplemental Information for more details.

DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS

# CRE and Corporate-Related FFO<sup>1</sup>

	Twelve Months Ended December 31,			
	2023	2022	2021	2020
Net Income (Loss) available to A&B common shareholders	\$ 29.7	\$ (50.8)	\$ 35.1	\$ 5.5
Depreciation and amortization of commercial real estate properties	36.5	36.5	37.7	40.1
Impairment losses - CRE properties	2.2	—	(2.8)	(0.5)
(Income) loss from discontinued operations, net of income taxes	7.8	86.6	39.6	14.1
Income (loss) attributable to discontinued noncontrolling interest	3.2	1.1	0.4	(0.4)
<b>FFO</b>	<b>79.4</b>	<b>73.4</b>	<b>110.0</b>	<b>58.8</b>
Less: Land Operations operating profit <sup>2</sup>	(10.8)	(13.4)	(53.2)	(18.0)
<b>CRE and Corporate-related FFO</b>	<b>\$ 68.6</b>	<b>\$ 60.0</b>	<b>\$ 56.8</b>	<b>\$ 40.8</b>
CRE and Corporate-related FFO	\$ 0.94	\$ 0.83	\$ 0.78	\$ 0.56
Weighted Average Diluted Shares Outstanding	72.8	72.8	72.6	72.4

1: Based on Company filings.

2: 2022 Land Operations FFO includes \$14.8 million related to Land Operations' proportional share of income tax benefit from the pension termination.