

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number:	001-32268	Kite Realty Group Trust
Commission File Number:	333-202666-01	Kite Realty Group, L.P.

**KITE REALTY GROUP TRUST**  
**KITE REALTY GROUP, L.P.**

(Exact name of registrant as specified in its charter)

Maryland	Kite Realty Group Trust	11-3715772
Delaware	Kite Realty Group, L.P.	20-1453863
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)

30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204

(Address of principal executive offices) (Zip Code)

(317) 577-5600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.01 par value per share	KRG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Kite Realty Group Trust	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Kite Realty Group, L.P.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Kite Realty Group Trust	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Kite Realty Group, L.P.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Kite Realty Group Trust:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
						Emerging growth company	<input type="checkbox"/>

Kite Realty Group, L.P.:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
						Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Kite Realty Group Trust	<input type="checkbox"/>	Kite Realty Group, L.P.	<input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Kite Realty Group Trust	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Kite Realty Group, L.P.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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The number of Common Shares outstanding as of July 26, 2024 was 219,665,639 (\$0.01 par value).

## **EXPLANATORY NOTE**

This report combines the quarterly reports on Form 10-Q for the period ended June 30, 2024 of Kite Realty Group Trust, Kite Realty Group, L.P. and its subsidiaries. Unless stated otherwise or the context otherwise requires, references to “Kite Realty Group Trust” or the “Parent Company” mean Kite Realty Group Trust, and references to the “Operating Partnership” mean Kite Realty Group, L.P. and its consolidated subsidiaries. The terms “Company,” “we,” “us,” and “our” refer to the Parent Company and the Operating Partnership, collectively, and those entities owned or controlled by the Parent Company and/or the Operating Partnership.

The Operating Partnership is engaged in the ownership, operation, acquisition, development and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt markets and select strategic gateway markets in the United States, and the Parent Company conducts substantially all of its activities through the Operating Partnership and its wholly owned subsidiaries. The Parent Company is the sole general partner of the Operating Partnership and, as of June 30, 2024, owned approximately 98.3% of the common partnership interests in the Operating Partnership (“General Partner Units”). The remaining 1.7% of the common partnership interests (“Limited Partner Units” and, together with the General Partner Units, the “Common Units”) are owned by the limited partners.

We believe combining the quarterly reports on Form 10-Q of the Parent Company and the Operating Partnership into this single report benefits investors by:

- enhancing investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation of information as a substantial portion of the Company's disclosure applies to both the Parent Company and the Operating Partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how we operate as an interrelated consolidated company. The Parent Company has no material assets or liabilities other than its investment in the Operating Partnership. The Parent Company issues public equity from time to time but does not have any indebtedness as all debt is incurred by the Operating Partnership. In addition, the Parent Company currently does not nor does it intend to guarantee any debt of the Operating Partnership. The Operating Partnership has numerous wholly owned subsidiaries, and it also owns interests in certain joint ventures. These subsidiaries and joint ventures own and operate retail shopping centers and other real estate assets. The Operating Partnership is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for General Partner Units, the Operating Partnership generates the capital required by the business through its operations, its incurrence of indebtedness, and the issuance of Limited Partner Units to third parties.

Shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. In order to highlight this and other differences between the Parent Company and the Operating Partnership, there are separate sections in this report, as applicable, that separately discuss the Parent Company and the Operating Partnership, including separate financial statements and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the collective Company.

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KITE REALTY GROUP TRUST AND KITE REALTY GROUP, L.P. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024

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**PART I — FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**KITE REALTY GROUP TRUST**  
**Consolidated Balance Sheets**  
(Unaudited)  
(\$ in thousands, except share and per share data)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets:</b>		
Investment properties, at cost	\$ 7,546,116	\$ 7,740,061
Less: accumulated depreciation	(1,447,549)	(1,381,770)
Net investment properties	6,098,567	6,358,291
Cash and cash equivalents	153,835	36,413
Tenant and other receivables, including accrued straight-line rent of \$62,035 and \$55,482, respectively	120,012	113,290
Restricted cash and escrow deposits	4,935	5,017
Deferred costs, net	263,884	304,171
Short-term deposits	120,000	—
Prepaid and other assets	114,159	117,834
Investments in unconsolidated subsidiaries	9,970	9,062
Assets associated with investment property held for sale	73,558	—
<b>Total assets</b>	<b>\$ 6,958,920</b>	<b>\$ 6,944,078</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Mortgage and other indebtedness, net	\$ 3,015,626	\$ 2,829,202
Accounts payable and accrued expenses	189,688	198,079
Deferred revenue and other liabilities	250,103	272,942
Liabilities associated with investment property held for sale	3,930	—
<b>Total liabilities</b>	<b>3,459,347</b>	<b>3,300,223</b>
Commitments and contingencies		
Limited Partners' interests in the Operating Partnership	76,093	73,287
<b>Equity:</b>		
Common shares, \$0.01 par value, 490,000,000 shares authorized, 219,654,953 and 219,448,429 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	2,197	2,194
Additional paid-in capital	4,886,532	4,886,592
Accumulated other comprehensive income	50,255	52,435
Accumulated deficit	(1,517,383)	(1,373,083)
Total shareholders' equity	3,421,601	3,568,138
Noncontrolling interests	1,879	2,430
<b>Total equity</b>	<b>3,423,480</b>	<b>3,570,568</b>
<b>Total liabilities and equity</b>	<b>\$ 6,958,920</b>	<b>\$ 6,944,078</b>

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP TRUST**  
**Consolidated Statements of Operations and Comprehensive Income**  
(Unaudited)  
(\$ in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
Rental income	\$ 205,836	\$ 205,836	\$ 411,649	\$ 408,899
Other property-related revenue	3,146	1,883	4,457	3,799
Fee income	3,452	1,040	3,767	2,811
<b>Total revenue</b>	<b>212,434</b>	<b>208,759</b>	<b>419,873</b>	<b>415,509</b>
<b>Expenses:</b>				
Property operating	28,564	27,232	56,645	54,546
Real estate taxes	26,493	26,697	53,027	53,880
General, administrative and other	12,966	14,499	25,750	27,883
Depreciation and amortization	99,291	109,462	199,670	217,533
Impairment charges	66,201	—	66,201	—
<b>Total expenses</b>	<b>233,515</b>	<b>177,890</b>	<b>401,293</b>	<b>353,842</b>
(Loss) gain on sales of operating properties, net	(1,230)	28,440	(1,466)	28,440
Operating (loss) income	(22,311)	59,309	17,114	90,107
<b>Other (expense) income:</b>				
Interest expense	(30,981)	(27,205)	(61,345)	(52,630)
Income tax expense of taxable REIT subsidiaries	(132)	(45)	(290)	(16)
Equity in (loss) earnings of unconsolidated subsidiaries	(174)	118	(594)	(126)
Gain on sale of unconsolidated property, net	—	—	2,325	—
Other income, net	4,295	304	7,923	707
Net (loss) income	(49,303)	32,481	(34,867)	38,042
Net loss (income) attributable to noncontrolling interests	665	(423)	385	(593)
Net (loss) income attributable to common shareholders	\$ (48,638)	\$ 32,058	\$ (34,482)	\$ 37,449
Net (loss) income per common share – basic and diluted	\$ (0.22)	\$ 0.15	\$ (0.16)	\$ 0.17
Weighted average common shares outstanding – basic	219,622,059	219,354,275	219,561,586	219,294,255
Weighted average common shares outstanding – diluted	219,622,059	220,032,366	219,561,586	219,999,440
Net (loss) income	\$ (49,303)	\$ 32,481	\$ (34,867)	\$ 38,042
Change in fair value of derivatives	(4,708)	8,642	(2,166)	(3,003)
<b>Total comprehensive (loss) income</b>	<b>(54,011)</b>	<b>41,123</b>	<b>(37,033)</b>	<b>35,039</b>
Comprehensive loss (income) attributable to noncontrolling interests	737	(529)	372	(611)
<b>Comprehensive (loss) income attributable to the Company</b>	<b>\$ (53,274)</b>	<b>\$ 40,594</b>	<b>\$ (36,661)</b>	<b>\$ 34,428</b>

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP TRUST**  
**Consolidated Statements of Shareholders' Equity**  
(Unaudited)  
*(in thousands, except share data)*

	Common Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount				
<b>Balance at December 31, 2023</b>	219,448,429	\$ 2,194	\$ 4,886,592	\$ 52,435	\$ (1,373,083)	\$ 3,568,138
Stock compensation activity	155,433	2	1,991	—	—	1,993
Other comprehensive income	—	—	—	2,456	—	2,456
Distributions to common shareholders	—	—	—	—	(54,901)	(54,901)
Net income attributable to common shareholders	—	—	—	—	14,156	14,156
Adjustment to redeemable noncontrolling interests	—	—	(1,010)	—	—	(1,010)
<b>Balance at March 31, 2024</b>	219,603,862	\$ 2,196	\$ 4,887,573	\$ 54,891	\$ (1,413,828)	\$ 3,530,832
Stock compensation activity	51,091	1	3,077	—	—	3,078
Other comprehensive loss	—	—	—	(4,636)	—	(4,636)
Distributions to common shareholders	—	—	—	—	(54,917)	(54,917)
Net loss attributable to common shareholders	—	—	—	—	(48,638)	(48,638)
Adjustment to redeemable noncontrolling interests	—	—	(4,118)	—	—	(4,118)
<b>Balance at June 30, 2024</b>	219,654,953	\$ 2,197	\$ 4,886,532	\$ 50,255	\$ (1,517,383)	\$ 3,421,601
<b>Balance at December 31, 2022</b>	219,185,658	\$ 2,192	\$ 4,897,736	\$ 74,344	\$ (1,207,757)	\$ 3,766,515
Stock compensation activity	140,240	1	2,134	—	—	2,135
Other comprehensive loss	—	—	—	(11,557)	—	(11,557)
Distributions to common shareholders	—	—	—	—	(52,659)	(52,659)
Net income attributable to common shareholders	—	—	—	—	5,391	5,391
Adjustment to redeemable noncontrolling interests	—	—	(3,821)	—	—	(3,821)
<b>Balance at March 31, 2023</b>	219,325,898	\$ 2,193	\$ 4,896,049	\$ 62,787	\$ (1,255,025)	\$ 3,706,004
Stock compensation activity	48,377	1	2,959	—	—	2,960
Other comprehensive income	—	—	—	8,536	—	8,536
Distributions to common shareholders	—	—	—	—	(52,650)	(52,650)
Net income attributable to common shareholders	—	—	—	—	32,058	32,058
Adjustment to redeemable noncontrolling interests	—	—	(4,101)	—	—	(4,101)
<b>Balance at June 30, 2023</b>	219,374,275	\$ 2,194	\$ 4,894,907	\$ 71,323	\$ (1,275,617)	\$ 3,692,807

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP TRUST**  
**Consolidated Statements of Cash Flows**  
(Unaudited)  
(in thousands)

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (34,867)	\$ 38,042
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	201,586	219,315
Loss (gain) on sales of operating properties, net	1,466	(28,440)
Gain on sale of unconsolidated property, net	(2,325)	—
Impairment charges	66,201	—
Straight-line rent	(6,780)	(6,958)
Compensation expense for equity awards	5,386	5,133
Amortization of debt fair value adjustments	(6,463)	(6,688)
Amortization of in-place lease liabilities	(4,656)	(5,375)
Changes in assets and liabilities:		
Tenant receivables	(3,157)	268
Deferred costs and other assets	(9,237)	(14,074)
Accounts payable, accrued expenses, deferred revenue and other liabilities	(11,468)	(20,798)
Net cash provided by operating activities	195,686	180,425
<b>Cash flows from investing activities:</b>		
Capital expenditures	(67,131)	(67,767)
Net proceeds from sales of land	4,855	917
Net proceeds from sales of operating properties	29,809	78,556
Investment in short-term deposits	(265,000)	—
Proceeds from short-term deposits	145,000	—
Small business loan repayments	—	287
Change in construction payables	(2,806)	(3,980)
Distribution from unconsolidated joint venture	1,618	—
Capital contribution to unconsolidated joint venture	(946)	—
Net cash (used in) provided by investing activities	(154,601)	8,013
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common shares, net	37	40
Repurchases of common shares upon the vesting of restricted shares	(867)	(731)
Debt and equity issuance costs	(3,640)	(54)
Loan proceeds	385,345	293,095
Loan payments	(192,180)	(361,162)
Distributions paid – common shareholders	(109,763)	(105,243)
Distributions paid – redeemable noncontrolling interests	(1,760)	(1,399)
Distributions to noncontrolling interests	(692)	—
Net cash provided by (used in) financing activities	76,480	(175,454)
Net change in cash, cash equivalents and restricted cash	117,565	12,984
Cash, cash equivalents and restricted cash, beginning of period	41,430	121,970
Cash, cash equivalents and restricted cash, end of period	\$ 158,995	\$ 134,954

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP, L.P. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
(Unaudited)  
*(in thousands, except unit data)*

	June 30, 2024	December 31, 2023
<b>Assets:</b>		
Investment properties, at cost	\$ 7,546,116	\$ 7,740,061
Less: accumulated depreciation	(1,447,549)	(1,381,770)
Net investment properties	6,098,567	6,358,291
Cash and cash equivalents	153,835	36,413
Tenant and other receivables, including accrued straight-line rent of \$62,035 and \$55,482, respectively	120,012	113,290
Restricted cash and escrow deposits	4,935	5,017
Deferred costs, net	263,884	304,171
Short-term deposits	120,000	—
Prepaid and other assets	114,159	117,834
Investments in unconsolidated subsidiaries	9,970	9,062
Assets associated with investment property held for sale	73,558	—
<b>Total assets</b>	<b>\$ 6,958,920</b>	<b>\$ 6,944,078</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Mortgage and other indebtedness, net	\$ 3,015,626	\$ 2,829,202
Accounts payable and accrued expenses	189,688	198,079
Deferred revenue and other liabilities	250,103	272,942
Liabilities associated with investment property held for sale	3,930	—
<b>Total liabilities</b>	<b>3,459,347</b>	<b>3,300,223</b>
Commitments and contingencies		
Limited Partners' interests in the Operating Partnership	76,093	73,287
<b>Partners' Equity:</b>		
Common equity, 219,654,953 and 219,448,429 units issued and outstanding at June 30, 2024 and December 31, 2023, respectively	3,371,346	3,515,703
Accumulated other comprehensive income	50,255	52,435
Total Partners' equity	3,421,601	3,568,138
Noncontrolling interests	1,879	2,430
<b>Total equity</b>	<b>3,423,480</b>	<b>3,570,568</b>
<b>Total liabilities and equity</b>	<b>\$ 6,958,920</b>	<b>\$ 6,944,078</b>

The accompanying notes are an integral part of these consolidated financial statements.



**KITE REALTY GROUP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Operations and Comprehensive Income**  
(Unaudited)  
*(in thousands, except unit and per unit data)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
Rental income	\$ 205,836	\$ 205,836	\$ 411,649	\$ 408,899
Other property-related revenue	3,146	1,883	4,457	3,799
Fee income	3,452	1,040	3,767	2,811
<b>Total revenue</b>	<b>212,434</b>	<b>208,759</b>	<b>419,873</b>	<b>415,509</b>
<b>Expenses:</b>				
Property operating	28,564	27,232	56,645	54,546
Real estate taxes	26,493	26,697	53,027	53,880
General, administrative and other	12,966	14,499	25,750	27,883
Depreciation and amortization	99,291	109,462	199,670	217,533
Impairment charges	66,201	—	66,201	—
<b>Total expenses</b>	<b>233,515</b>	<b>177,890</b>	<b>401,293</b>	<b>353,842</b>
(Loss) gain on sales of operating properties, net	(1,230)	28,440	(1,466)	28,440
Operating (loss) income	(22,311)	59,309	17,114	90,107
<b>Other (expense) income:</b>				
Interest expense	(30,981)	(27,205)	(61,345)	(52,630)
Income tax expense of taxable REIT subsidiaries	(132)	(45)	(290)	(16)
Equity in (loss) earnings of unconsolidated subsidiaries	(174)	118	(594)	(126)
Gain on sale of unconsolidated property, net	—	—	2,325	—
Other income, net	4,295	304	7,923	707
Net (loss) income	(49,303)	32,481	(34,867)	38,042
Net income attributable to noncontrolling interests	(74)	(30)	(141)	(134)
Net (loss) income attributable to common unitholders	<u>\$ (49,377)</u>	<u>\$ 32,451</u>	<u>\$ (35,008)</u>	<u>\$ 37,908</u>
<b>Allocation of net (loss) income:</b>				
Limited Partners	\$ (739)	\$ 393	\$ (526)	\$ 459
Parent Company	(48,638)	32,058	(34,482)	37,449
	<u>\$ (49,377)</u>	<u>\$ 32,451</u>	<u>\$ (35,008)</u>	<u>\$ 37,908</u>
Net (loss) income per common unit – basic and diluted	<u>\$ (0.22)</u>	<u>\$ 0.15</u>	<u>\$ (0.16)</u>	<u>\$ 0.17</u>
Weighted average common units outstanding – basic	<u>223,329,063</u>	<u>222,388,487</u>	<u>223,219,523</u>	<u>222,287,815</u>
Weighted average common units outstanding – diluted	<u>223,329,063</u>	<u>223,066,578</u>	<u>223,219,523</u>	<u>222,993,000</u>
Net (loss) income	\$ (49,303)	\$ 32,481	\$ (34,867)	\$ 38,042
Change in fair value of derivatives	(4,708)	8,642	(2,166)	(3,003)
Total comprehensive (loss) income	(54,011)	41,123	(37,033)	35,039
Comprehensive income attributable to noncontrolling interests	(74)	(30)	(141)	(134)
Comprehensive (loss) income attributable to common unitholders	<u>\$ (54,085)</u>	<u>\$ 41,093</u>	<u>\$ (37,174)</u>	<u>\$ 34,905</u>

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Partners' Equity**  
(Unaudited)  
(in thousands)

	General Partner		
	Common Equity	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at December 31, 2023</b>	<b>\$ 3,515,703</b>	<b>\$ 52,435</b>	<b>\$ 3,568,138</b>
Stock compensation activity	1,993	—	1,993
Other comprehensive income attributable to Parent Company	—	2,456	2,456
Distributions to Parent Company	(54,901)	—	(54,901)
Net income attributable to Parent Company	14,156	—	14,156
Adjustment to redeemable noncontrolling interests	(1,010)	—	(1,010)
<b>Balance at March 31, 2024</b>	<b>\$ 3,475,941</b>	<b>\$ 54,891</b>	<b>\$ 3,530,832</b>
Stock compensation activity	3,078	—	3,078
Other comprehensive loss attributable to Parent Company	—	(4,636)	(4,636)
Distributions to Parent Company	(54,917)	—	(54,917)
Net loss attributable to Parent Company	(48,638)	—	(48,638)
Adjustment to redeemable noncontrolling interests	(4,118)	—	(4,118)
<b>Balance at June 30, 2024</b>	<b>\$ 3,371,346</b>	<b>\$ 50,255</b>	<b>\$ 3,421,601</b>
<b>Balance at December 31, 2022</b>	<b>\$ 3,692,171</b>	<b>\$ 74,344</b>	<b>\$ 3,766,515</b>
Stock compensation activity	2,135	—	2,135
Other comprehensive loss attributable to Parent Company	—	(11,557)	(11,557)
Distributions to Parent Company	(52,659)	—	(52,659)
Net income attributable to Parent Company	5,391	—	5,391
Adjustment to redeemable noncontrolling interests	(3,821)	—	(3,821)
<b>Balance at March 31, 2023</b>	<b>\$ 3,643,217</b>	<b>\$ 62,787</b>	<b>\$ 3,706,004</b>
Stock compensation activity	2,960	—	2,960
Other comprehensive income attributable to Parent Company	—	8,536	8,536
Distributions to Parent Company	(52,650)	—	(52,650)
Net income attributable to Parent Company	32,058	—	32,058
Adjustment to redeemable noncontrolling interests	(4,101)	—	(4,101)
<b>Balance at June 30, 2023</b>	<b>\$ 3,621,484</b>	<b>\$ 71,323</b>	<b>\$ 3,692,807</b>

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
(Unaudited)  
(in thousands)

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (34,867)	\$ 38,042
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	201,586	219,315
Loss (gain) on sales of operating properties, net	1,466	(28,440)
Gain on sale of unconsolidated property, net	(2,325)	—
Impairment charges	66,201	—
Straight-line rent	(6,780)	(6,958)
Compensation expense for equity awards	5,386	5,133
Amortization of debt fair value adjustments	(6,463)	(6,688)
Amortization of in-place lease liabilities	(4,656)	(5,375)
Changes in assets and liabilities:		
Tenant receivables	(3,157)	268
Deferred costs and other assets	(9,237)	(14,074)
Accounts payable, accrued expenses, deferred revenue and other liabilities	(11,468)	(20,798)
Net cash provided by operating activities	195,686	180,425
<b>Cash flows from investing activities:</b>		
Capital expenditures	(67,131)	(67,767)
Net proceeds from sales of land	4,855	917
Net proceeds from sales of operating properties	29,809	78,556
Investment in short-term deposits	(265,000)	—
Proceeds from short-term deposits	145,000	—
Small business loan repayments	—	287
Change in construction payables	(2,806)	(3,980)
Distribution from unconsolidated joint venture	1,618	—
Capital contribution to unconsolidated joint venture	(946)	—
Net cash (used in) provided by investing activities	(154,601)	8,013
<b>Cash flows from financing activities:</b>		
Contributions from the General Partner	37	40
Repurchases of common shares upon the vesting of restricted shares	(867)	(731)
Debt and equity issuance costs	(3,640)	(54)
Loan proceeds	385,345	293,095
Loan payments	(192,180)	(361,162)
Distributions paid – common unitholders	(109,763)	(105,243)
Distributions paid – redeemable noncontrolling interests	(1,760)	(1,399)
Distributions to noncontrolling interests	(692)	—
Net cash provided by (used in) financing activities	76,480	(175,454)
Net change in cash, cash equivalents and restricted cash	117,565	12,984
Cash, cash equivalents and restricted cash, beginning of period	41,430	121,970
Cash, cash equivalents and restricted cash, end of period	\$ 158,995	\$ 134,954

The accompanying notes are an integral part of these consolidated financial statements.

**KITE REALTY GROUP TRUST AND KITE REALTY GROUP, L.P. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2024**

(Unaudited)

*(\$ in thousands, except share, per share, unit and per unit amounts and where indicated in millions or billions)*

**NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION**

Kite Realty Group Trust (the "Parent Company"), through its majority-owned subsidiary, Kite Realty Group, L.P. (the "Operating Partnership"), owns interests in various operating subsidiaries and joint ventures engaged in the ownership, operation, acquisition, development and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt markets and select strategic gateway markets in the United States. The terms "Company," "we," "us," and "our" refer to the Parent Company and the Operating Partnership, collectively, and those entities owned or controlled by the Parent Company and/or the Operating Partnership.

The Operating Partnership was formed on August 16, 2004, when the Parent Company contributed properties and the net proceeds from an initial public offering ("IPO") of shares of its common stock to the Operating Partnership. The Parent Company was organized in Maryland in 2004 to succeed in the development, acquisition, construction and real estate businesses of its predecessor. We believe the Company qualifies as a real estate investment trust ("REIT") under sections 856-860 of the Internal Revenue Code of 1986, as amended.

The Parent Company is the sole general partner of the Operating Partnership and, as of June 30, 2024, owned approximately 98.3% of the common partnership interests in the Operating Partnership ("General Partner Units"). The remaining 1.7% of the common partnership interests ("Limited Partner Units" and, together with the General Partner Units, the "Common Units") were owned by the limited partners. As the sole general partner of the Operating Partnership, the Parent Company has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. The Parent Company and the Operating Partnership are operated as one enterprise. The management of the Parent Company consists of the same members as the management of the Operating Partnership. As the sole general partner with control of the Operating Partnership, the Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have any significant assets other than its investment in the Operating Partnership.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the presentation not misleading. The unaudited consolidated financial statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 include all adjustments, consisting of normal recurring adjustments, necessary in the opinion of management to present fairly the financial information set forth therein. The unaudited consolidated financial statements in this Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the combined Annual Report on Form 10-K of the Parent Company and the Operating Partnership for the year ended December 31, 2023.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Actual results could differ from these estimates. The results of operations for the interim periods are not necessarily indicative of the results that may be expected on an annual basis.

As of June 30, 2024, the Company's portfolio consisted of the following:

	Properties	Square Footage
Operating retail properties <sup>(1)</sup>	178	27,607,987
Office properties	1	287,291
Development and redevelopment projects:		
Carillon medical office building	1	126,000
The Corner – IN <sup>(2)</sup>	1	24,000
Hamilton Crossing Centre	1	92,283
Edwards Multiplex – Ontario	1	124,614

(1) Included within operating retail properties are 10 properties that contain an office component. Excludes one operating retail property classified as held for sale as of June 30, 2024. Of the 178 operating retail properties, 175 are consolidated within these financial statements and the remaining three are accounted for under the equity method.

(2) This property is held in an unconsolidated joint venture in which the Company has a 50% ownership interest.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Components of Investment Properties

The following table summarizes the composition of the Company's investment properties as of June 30, 2024 and December 31, 2023 (in thousands):

	Balance as of	
	June 30, 2024	December 31, 2023
Land, buildings and improvements	\$ 7,475,763	\$ 7,684,066
Construction in progress	70,353	55,995
Investment properties, at cost	<u>\$ 7,546,116</u>	<u>\$ 7,740,061</u>

### Components of Rental Income including Allowance for Uncollectible Accounts

Rental income related to the Company's operating leases is comprised of the following for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fixed contractual lease payments – operating leases	\$ 161,673	\$ 160,134	\$ 322,213	\$ 318,724
Variable lease payments – operating leases	39,663	39,876	80,133	79,630
Bad debt reserve	(1,544)	(233)	(2,133)	(1,788)
Straight-line rent adjustments	2,829	2,910	6,192	6,768
Straight-line rent reserve for uncollectibility	825	504	588	190
Amortization of in-place lease liabilities, net	2,390	2,645	4,656	5,375
Rental income	<u>\$ 205,836</u>	<u>\$ 205,836</u>	<u>\$ 411,649</u>	<u>\$ 408,899</u>

The Company makes estimates as to the collectability of its accounts receivable. In making these estimates, the Company reviews a variety of qualitative and quantitative data and considers such factors as the credit quality of our customer, historical write-off experience and current economic trends, to make a subjective determination. An allowance for uncollectible accounts, including future credit losses of the accrued straight-line rent receivables, is maintained for estimated losses resulting from the inability of certain tenants to meet contractual obligations under their lease agreements.

### Short-Term Deposits

In January 2024, the Company invested \$265.0 million in short-term deposits at Goldman Sachs Bank USA and KeyBank National Association. As of June 30, 2024, the Company had \$120.0 million remaining in short-term deposits. The short-term deposits earned interest at a weighted average interest rate of 5.34% with a final maturity date of July 22, 2024. During the six months ended June 30, 2024, the Company earned \$ 6.2 million of interest income on the deposits, which is recorded within "Other income, net" in the accompanying consolidated statements of operations and comprehensive income.

### *Consolidation and Investments in Joint Ventures*

The accompanying financial statements are presented on a consolidated basis and include all accounts of the Parent Company, the Operating Partnership, the taxable REIT subsidiaries ("TRSs") of the Operating Partnership, subsidiaries of the Operating Partnership that are controlled and any variable interest entities ("VIEs") in which the Operating Partnership is the primary beneficiary. As of June 30, 2024, we owned investments in two consolidated joint ventures that were VIEs in which the partners did not have substantive participating rights and we were the primary beneficiary. As of June 30, 2024, these consolidated VIEs had mortgage debt totaling \$110.9 million, which was secured by assets of the VIEs totaling \$ 217.3 million. The Operating Partnership guarantees the mortgage debt of these VIEs.

The Operating Partnership is considered a VIE as the limited partners do not hold kick-out rights or substantive participating rights. The Parent Company consolidates the Operating Partnership as it is the primary beneficiary.

As of June 30, 2024, the Company also owned investments in four unconsolidated joint ventures accounted for under the equity method, which are not considered VIEs. On January 31, 2024, the joint venture that owned Glendale Center Apartments, of which we have an 11.5% ownership interest, sold the 267-unit property to a third party, resulting in a gain on sale of \$ 20.2 million. The Company recognized its share of the gain on sale of unconsolidated property of \$2.3 million during the six months ended June 30, 2024. In addition, the Company received a \$ 1.6 million distribution upon the disposition of the property. The Company maintains an investment in the joint venture, which is in the process of winding up its activities and distributing remaining net assets. Glendale Center Apartments is adjacent to our Glendale Town Center operating retail property in the Indianapolis MSA.

### *Income Taxes and REIT Compliance*

#### Parent Company

The Parent Company has been organized and operated, and intends to continue to operate, in a manner that will enable it to maintain its qualification as a REIT for U.S. federal income tax purposes. As a result, it generally will not be subject to U.S. federal income tax on the earnings that it distributes to the extent it distributes its "REIT taxable income" (determined before the deduction for dividends paid and excluding net capital gains) to shareholders of the Parent Company and meets certain other requirements on a recurring basis. To the extent that it satisfies this distribution requirement but distributes less than 100% of its taxable income, it will be subject to U.S. federal income tax on its undistributed REIT taxable income at regular corporate income tax rates. REITs are subject to a number of organizational and operational requirements. If the Parent Company fails to qualify as a REIT in any taxable year, it will be subject to U.S. federal income tax on its taxable income at regular corporate income tax rates for a period of four years following the year in which qualification is lost. Additionally, we may also be subject to certain taxes enacted by the Inflation Reduction Act of 2022 that are applicable to non-REIT corporations, including the nondeductible 1% excise tax on certain stock repurchases. We may also be subject to certain U.S. federal, state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed taxable income even if the Parent Company does qualify as a REIT. The Operating Partnership intends to continue to make distributions to the Parent Company in amounts sufficient to assist the Parent Company in adhering to REIT requirements and maintaining its REIT status.

We have elected to treat Kite Realty Holdings, LLC and IWR Protective Corporation as TRSs with respect to the REIT, and we may elect to treat other subsidiaries as TRSs in the future. This election enables us to receive income and provide services that would otherwise be impermissible for a REIT. Deferred tax assets and liabilities are established for temporary differences between the financial reporting bases and the tax bases of assets and liabilities at the tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

#### Operating Partnership

The allocated share of income and loss, other than the operations of our TRSs, is included in the income tax returns of the Operating Partnership's partners. Accordingly, the only U.S. federal income taxes included in the accompanying consolidated financial statements are in connection with the TRSs.

### Noncontrolling Interests

We report the non-redeemable noncontrolling interests in subsidiaries as equity, and the amount of consolidated net income attributable to these noncontrolling interests is set forth separately in the accompanying consolidated financial statements. The following table summarizes the non-redeemable noncontrolling interests in consolidated properties for the six months ended June 30, 2024 and 2023 (*in thousands*):

	Six Months Ended June 30,	
	2024	2023
Noncontrolling interests balance as of January 1,	\$ 2,430	\$ 5,370
Net income allocable to noncontrolling interests, excluding redeemable noncontrolling interests	141	134
Distributions to noncontrolling interests	(692)	—
Noncontrolling interests balance as of June 30,	<u>\$ 1,879</u>	<u>\$ 5,504</u>

### Noncontrolling Interests – Joint Venture

Prior to the October 2021 merger with Retail Properties of America, Inc. (“RPAI”), RPAI entered into a joint venture related to the development, ownership and operation of the multifamily rental portion of the expansion project at One Loudoun Downtown – Pads G & H. The Company owns 90% of the joint venture.

Under terms defined in the joint venture agreement, after construction completion and stabilization of the development project (as defined in the joint venture agreement), the Company has the ability to call, and the joint venture partner has the ability to put to the Company, subject to certain conditions, the joint venture partner’s interest in the joint venture at fair value. As of June 30, 2024, these conditions for exercising the put and call options have been met but neither the Company nor the joint venture partner has exercised their respective options.

The joint venture is considered a VIE primarily because the Company’s joint venture partner does not have substantive kick-out rights or substantive participating rights. The Company is considered the primary beneficiary as it has a controlling financial interest in the joint venture. As such, the Company has consolidated this joint venture and presented the joint venture partner’s interests as noncontrolling interests.

### Redeemable Noncontrolling Interests – Limited Partners

Limited Partner Units are redeemable noncontrolling interests in the Operating Partnership. We classify redeemable noncontrolling interests in the Operating Partnership in the accompanying consolidated balance sheets outside of permanent equity because we may be required to pay cash to holders of Limited Partner Units upon redemption of their interests in the Operating Partnership or deliver registered shares upon their conversion. The carrying amount of the redeemable noncontrolling interests in the Operating Partnership is reflected at the greater of historical book value or redemption value with a corresponding adjustment to additional paid-in capital. As of June 30, 2024 and December 31, 2023, the redemption value of the redeemable noncontrolling interests in the Operating Partnership exceeded the historical book value, and the balances were accordingly adjusted to redemption value.

We allocate net operating results of the Operating Partnership after noncontrolling interests in the consolidated properties based on the partners’ respective weighted average ownership interest. We adjust the redeemable noncontrolling interests in the Operating Partnership at the end of each reporting period to reflect their interests in the Operating Partnership or redemption value. This adjustment is reflected in our shareholders’ and Parent Company’s equity. For the three and six months ended June 30, 2024 and 2023, the weighted average interests of the Parent Company and the limited partners in the Operating Partnership were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Parent Company’s weighted average interest in the Operating Partnership	98.3 %	98.6 %	98.4 %	98.7 %
Limited partners’ weighted average interests in the Operating Partnership	1.7 %	1.4 %	1.6 %	1.3 %

As of June 30, 2024, the Parent Company’s interest and the limited partners’ redeemable noncontrolling ownership interests in the Operating Partnership were 98.3% and 1.7%. As of December 31, 2023, the Parent Company’s interest and the limited partners’ redeemable noncontrolling ownership interests in the Operating Partnership were 98.4% and 1.6%.

Concurrent with the Parent Company's IPO and related formation transactions, certain individuals received Limited Partner Units of the Operating Partnership in exchange for their interests in certain properties. The limited partners have the right to redeem Limited Partner Units for cash or, at the Parent Company's election, common shares of the Parent Company in an amount equal to the market value of an equivalent number of common shares of the Parent Company at the time of redemption. Such common shares must be registered, which is not fully in the Parent Company's control. Therefore, the limited partners' interest is not reflected within permanent equity. The Parent Company also has the right to redeem the Limited Partner Units directly from the limited partner in exchange for either cash in the amount specified above or a number of its common shares equal to the number of Limited Partner Units being redeemed.

There were 3,707,004 and 3,512,868 Limited Partner Units outstanding as of June 30, 2024 and December 31, 2023, respectively. The increase in Limited Partner Units outstanding from December 31, 2023 is due to non-cash compensation awards granted to our executive officers in the form of Limited Partner Units.

The redeemable noncontrolling interests in the Operating Partnership for the six months ended June 30, 2024 and 2023 were as follows *(in thousands)*:

	Six Months Ended June 30,	
	2024	2023
Redeemable noncontrolling interests balance as of January 1,	\$ 73,287	\$ 53,967
Net (loss) income allocable to redeemable noncontrolling interests	(526)	459
Distributions declared to redeemable noncontrolling interests	(1,809)	(1,456)
Other, net including adjustments to redemption value	5,141	7,957
Total limited partners' interests in the Operating Partnership balance as of June 30,	<u>\$ 76,093</u>	<u>\$ 60,927</u>

#### *Fair Value Measurements*

We follow the framework established under Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, for measuring fair value of non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis but only in certain circumstances, such as a business combination or upon determination of an impairment.

Assets and liabilities recorded at fair value in the accompanying consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

- Level 1 fair value inputs are quoted prices in active markets for identical instruments to which we have access.
- Level 2 fair value inputs are inputs other than quoted prices included in Level 1 that are observable for similar instruments, either directly or indirectly, and appropriately consider counterparty creditworthiness in the valuation.
- Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an instrument at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate.

In instances where the determination of the fair value measurement is based upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

#### *Effects of Accounting Pronouncements*

In March 2024, the SEC issued a final rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. This final rule is effective for the Company for the fiscal year beginning in 2025 and requires companies to annually disclose, among other things, (i) climate-related risks that have had or are reasonably likely to have a material impact on the Company, including on its strategy, results of operations, or financial condition, (ii) activities to mitigate or adapt to such risks, including a quantitative and qualitative description of material expenditures incurred and impacts on estimates and assumptions, (iii) information about oversight by a company's board of directors of climate-related risks and management's role in managing material climate-related risks; and (iv) information on any climate-related targets or goals that are material to the company's business, results of operations, or financial condition. In addition, the final rule requires (i) disclosure of Scope 1 and/or Scope 2 greenhouse gas ("GHG") emissions on a phased-in basis when those emissions are material, (ii) the filing of an attestation



report covering the disclosure of the Scope 1 and/or Scope 2 emissions on a phased-in basis, and (iii) disclosure of the financial statement effects of severe weather events and other natural conditions. In April 2024, the SEC announced a stay of these climate disclosure rules pending judicial review. The Company will continue to evaluate the impact of this final rule until it becomes effective.

### NOTE 3. DISPOSITIONS AND IMPAIRMENT CHARGES

The Company closed on the following disposition during the six months ended June 30, 2024 *(dollars in thousands)*:

Date	Property Name	MSA	Property Type	Square Footage	Sales Price	Gain (Loss)
May 31, 2024	Ashland & Roosevelt	Chicago	Multi-tenant retail	104,176	\$ 30,600	\$ (1,230)

The Company closed on the following dispositions during the six months ended June 30, 2023 *(dollars in thousands)*:

Date	Property Name	MSA	Property Type	Square Footage	Sales Price	Gain (Loss)
May 8, 2023	Kingwood Commons	Houston	Multi-tenant retail	158,172	\$ 27,350	\$ 4,740
June 8, 2023	Pan Am Plaza & Garage	Indianapolis	Land & garage	—	52,025	23,700
				158,172	\$ 79,375	\$ 28,440

As of June 30, 2024, we have classified City Center, a 362,278 square foot multi-tenant retail property in the New York MSA, as held for sale as the Company has committed to a plan to sell this asset and expects that the sale will be completed within one year. This property qualified for held-for-sale accounting treatment upon meeting all applicable GAAP criteria as of June 30, 2024, at which time depreciation and amortization were ceased. In addition, the assets and liabilities associated with this property are separately classified as held for sale in the accompanying consolidated balance sheet as of June 30, 2024. No properties qualified for held-for-sale accounting treatment as of December 31, 2023.

As of June 30, 2024, in connection with the preparation and review of the second quarter 2024 financial statements and in conjunction with classifying City Center as held for sale, we evaluated City Center for impairment and recorded a \$66.2 million impairment charge due to changes in the facts and circumstances underlying the Company's expected future hold period of the property. A shortening of the expected future hold period is considered an impairment indicator; therefore, we assessed the recoverability of City Center by comparing the carrying value of long-lived assets of \$135.1 million as of June 30, 2024 to its estimated fair value of \$ 69.6 million, which was determined using the income approach, less estimated selling costs of \$0.7 million. The income approach involves discounting the estimated income stream and reversion (presumed sale) value of a property over an estimated hold period to a present value at a risk-adjusted rate. We used capitalization rates as a significant assumption in the valuation model, which are considered to be Level 3 inputs within the fair value hierarchy. We applied capitalization rates ranging from 6.0% to 15.0% to property income streams based upon the risk profile of the respective tenants and market rent of the leasable space. Based on this analysis, we recorded a \$66.2 million non-cash impairment charge on City Center during the three months ended June 30, 2024.

The following table presents the assets and liabilities associated with City Center, the investment property classified as held for sale as of June 30, 2024 (*in thousands*):

	June 30, 2024
<b>Assets</b>	
Net investment properties	\$ 67,984
Tenant and other receivables	2,522
Restricted cash and escrow deposits	225
Deferred costs, net	2,577
Prepaid and other assets	250
Assets associated with investment property held for sale	\$ 73,558
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 637
Deferred revenue and other liabilities	3,293
Liabilities associated with investment property held for sale	\$ 3,930

There were no discontinued operations for the six months ended June 30, 2024 and 2023 as none of the dispositions or planned dispositions represented a strategic shift that has had, or will have, a material effect on our operations or financial results.

#### NOTE 4. DEFERRED COSTS AND INTANGIBLES, NET

Deferred costs consist primarily of acquired lease intangible assets, broker fees and capitalized internal commissions incurred in connection with lease originations. Deferred leasing costs, lease intangibles and similar costs are amortized on a straight-line basis over the terms of the related leases. As of June 30, 2024 and December 31, 2023, deferred costs consisted of the following (*in thousands*):

	June 30, 2024	December 31, 2023
Acquired lease intangible assets	\$ 389,158	\$ 433,771
Deferred leasing costs and other	81,943	74,662
	471,101	508,433
Less: accumulated amortization	(204,640)	(204,262)
	\$ 266,461	\$ 304,171
Less: deferred costs associated with investment property held for sale	(2,577)	—
Deferred costs, net	\$ 263,884	\$ 304,171

The amortization of deferred leasing costs, lease intangibles and other is included within "Depreciation and amortization" in the accompanying consolidated statements of operations and comprehensive income. The amortization of above-market lease intangibles is included as a reduction to "Rental income" in the accompanying consolidated statements of operations and comprehensive income. The amounts of such amortization included in the accompanying consolidated statements of operations and comprehensive income are as follows (*in thousands*):

	Six Months Ended June 30,	
	2024	2023
Amortization of deferred leasing costs, lease intangibles and other	\$ 40,850	\$ 57,610
Amortization of above-market lease intangibles	\$ 5,177	\$ 6,274

#### NOTE 5. DEFERRED REVENUE, INTANGIBLES, NET AND OTHER LIABILITIES

Deferred revenue and other liabilities consist of (i) the unamortized fair value of below-market lease liabilities recorded in connection with purchase accounting, (ii) retainage payables for development and redevelopment projects, (iii) tenant rent payments received in advance of the month in which they are due, and (iv) lease liabilities recorded upon adoption of ASU 2016-02, *Leases (Topic 842)*. The amortization of below-market lease liabilities is recognized as revenue over the remaining life of the leases (including option periods for leases with below-market renewal options) through 2085. Tenant rent payments

received in advance are recognized as revenue in the period to which they apply, which is typically the month following their receipt.

As of June 30, 2024 and December 31, 2023, deferred revenue, intangibles, net and other liabilities consisted of the following *(in thousands)*:

	June 30, 2024	December 31, 2023
Unamortized in-place lease liabilities	\$ 149,279	\$ 159,449
Retainages payable and other	8,378	9,229
Tenant rents received in advance	27,702	35,339
Lease liabilities	68,037	68,925
	<u>\$ 253,396</u>	<u>\$ 272,942</u>
Less: deferred revenue associated with investment property held for sale	(3,293)	—
Deferred revenue and other liabilities	<u>\$ 250,103</u>	<u>\$ 272,942</u>

The amortization of below-market lease intangibles is included as a component of “Rental income” in the accompanying consolidated statements of operations and comprehensive income and totaled \$9.8 million and \$11.6 million for the six months ended June 30, 2024 and 2023, respectively.

#### NOTE 6. MORTGAGE AND OTHER INDEBTEDNESS

The following table summarizes the Company's indebtedness as of June 30, 2024 and December 31, 2023 *(in thousands)*:

	June 30, 2024	December 31, 2023
Mortgages payable	\$ 150,761	\$ 153,306
Senior unsecured notes	2,030,000	1,829,635
Unsecured term loans	820,000	820,000
Unsecured revolving line of credit	—	—
	<u>3,000,761</u>	<u>2,802,941</u>
Unamortized discounts and premiums, net	26,147	35,765
Unamortized debt issuance costs, net	(11,282)	(9,504)
Total mortgage and other indebtedness, net	<u>\$ 3,015,626</u>	<u>\$ 2,829,202</u>

Consolidated indebtedness, including weighted average interest rates and weighted average maturities as of June 30, 2024, considering the impact of interest rate swaps, is summarized below *(dollars in thousands)*:

	Amount Outstanding	Ratio	Weighted Average Interest Rate	Weighted Average Years to Maturity
Fixed rate debt <sup>(1)</sup>	\$ 2,829,961	94 %	4.03 %	4.1
Variable rate debt <sup>(2)</sup>	170,800	6 %	8.65 %	2.2
Debt discounts, premiums and issuance costs, net	14,865	N/A	N/A	N/A
Mortgage and other indebtedness, net	<u>\$ 3,015,626</u>	<u>100 %</u>	<u>4.29 %</u>	<u>4.0</u>

(1) Fixed rate debt includes the portion of variable rate debt that has been hedged by interest rate swaps. As of June 30, 2024, \$20.0 million in variable rate debt is hedged to a fixed rate for a weighted average of 1.2 years.

(2) Variable rate debt includes the portion of fixed rate debt that has been hedged by interest rate swaps. As of June 30, 2024, \$155.0 million in fixed rate debt is hedged to a floating rate for a weighted average of 1.2 years.

## Mortgages Payable

The following table summarizes the Company's mortgages payable (*dollars in thousands*):

	June 30, 2024			December 31, 2023		
	Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity	Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity
Fixed rate mortgages payable <sup>(1)</sup>	\$ 134,961	5.09 %	7.6	\$ 136,306	5.09 %	8.1
Variable rate mortgage payable <sup>(2)</sup>	15,800	7.54 %	2.1	17,000	7.59 %	2.6
Total mortgages payable	<u>\$ 150,761</u>			<u>\$ 153,306</u>		

(1) The fixed rate mortgages had interest rates ranging from 3.75% to 5.73% as of June 30, 2024 and December 31, 2023.

(2) The interest rate on the variable rate mortgage is based on Bloomberg Short Term Bank Yield Index ("BSBY") plus 215 basis points. The one-month BSBY rate was 5.39% and 5.44% as of June 30, 2024 and December 31, 2023, respectively.

Mortgages payable, which are secured by certain real estate and, in some cases, by guarantees from the Operating Partnership, are generally due in monthly installments of principal and interest and mature over various terms through 2033. During the six months ended June 30, 2024, we made scheduled principal payments of \$2.6 million related to amortizing loans.

## Unsecured Notes

The following table summarizes the Company's senior unsecured notes and exchangeable senior notes (*dollars in thousands*):

	Maturity Date	June 30, 2024		December 31, 2023	
		Balance	Interest Rate	Balance	Interest Rate
Senior notes – 4.58% due 2024	June 30, 2024	\$ —	— %	\$ 149,635	4.58 %
Senior notes – 4.00% due 2025	March 15, 2025	350,000	4.00 %	350,000	4.00 %
Senior notes – SOFR + 3.65% due 2025 <sup>(1)</sup>	September 10, 2025	80,000	8.71 %	80,000	9.27 %
Senior notes – 4.08% due 2026	September 30, 2026	100,000	4.08 %	100,000	4.08 %
Senior notes – 4.00% due 2026	October 1, 2026	300,000	4.00 %	300,000	4.00 %
Senior exchangeable notes – 0.75% due 2027	April 1, 2027	175,000	0.75 %	175,000	0.75 %
Senior notes – SOFR + 3.75% due 2027 <sup>(2)</sup>	September 10, 2027	75,000	8.81 %	75,000	9.37 %
Senior notes – 4.24% due 2028	December 28, 2028	100,000	4.24 %	100,000	4.24 %
Senior notes – 4.82% due 2029	June 28, 2029	100,000	4.82 %	100,000	4.82 %
Senior notes – 4.75% due 2030	September 15, 2030	400,000	4.75 %	400,000	4.75 %
Senior notes – 5.50% due 2034 <sup>(3)</sup>	March 1, 2034	350,000	4.60 %	—	— %
Total senior unsecured notes		<u>\$ 2,030,000</u>		<u>\$ 1,829,635</u>	

(1) \$80,000 of 4.47% senior unsecured notes due 2025 has been swapped to a variable rate of three-month Secured Overnight Financing Rate ("SOFR") plus 3.65% through September 10, 2025.

(2) \$75,000 of 4.57% senior unsecured notes due 2027 has been swapped to a variable rate of three-month SOFR plus 3.75% through September 10, 2025.

(3) The coupon rate of the Notes Due 2034 (defined below) is 5.50%; however, due to hedging activities, the Company's interest rate is 4.60%.

During the six months ended June 30, 2024, the Company completed a public offering of \$ 350.0 million in aggregate principal amount of 5.50% senior unsecured notes due 2034 (the "Notes Due 2034"). The Notes Due 2034 were priced at 98.670% of the principal amount to yield 5.673% to maturity and will mature on March 1, 2034, unless earlier redeemed. A portion of the proceeds were used to repay the \$149.6 million principal balance of the 4.58% senior unsecured notes that matured on June 30, 2024. Subsequent to June 30, 2024, the remaining proceeds were used to repay the \$120.0 million unsecured term loan due July 2024 (the "\$ 120M Term Loan") and for general corporate purposes.

### Unsecured Term Loans and Revolving Line of Credit

The following table summarizes the Company's term loans and revolving line of credit (*dollars in thousands*):

	Maturity Date	June 30, 2024		December 31, 2023	
		Balance	Interest Rate	Balance	Interest Rate
Unsecured term loan due 2024 – fixed rate <sup>(1)</sup>	July 17, 2024	\$ 120,000	2.68 %	\$ 120,000	2.68 %
Unsecured term loan due 2025 – fixed rate <sup>(2)</sup>	October 24, 2025	250,000	5.09 %	250,000	5.09 %
Unsecured term loan due 2026 – fixed rate <sup>(3)</sup>	July 17, 2026	150,000	2.73 %	150,000	2.73 %
Unsecured term loan due 2029 – fixed rate <sup>(4)</sup>	July 29, 2029	300,000	3.82 %	300,000	3.82 %
Total unsecured term loans		<u>\$ 820,000</u>		<u>\$ 820,000</u>	
Unsecured credit facility revolving line of credit – variable rate <sup>(5)</sup>	January 8, 2026	<u>\$ —</u>	6.48 %	<u>\$ —</u>	6.58 %

- (1) \$120,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 1.58% plus a credit spread based on a ratings grid ranging from 0.80% to 1.65% through July 17, 2024. The applicable credit spread was 1.10% as of June 30, 2024 and December 31, 2023. Subsequent to June 30, 2024, the \$120M Term Loan was repaid with a portion of the proceeds from the Notes Due 2034.
- (2) \$250,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 5.09% through October 24, 2025. The maturity date of the term loan may be extended for up to three additional periods of one year each at the Operating Partnership's option, subject to certain conditions.
- (3) \$150,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 1.68% plus a credit spread based on a ratings grid ranging from 0.75% to 1.60% through July 17, 2026. The applicable credit spread was 1.05% as of June 30, 2024 and December 31, 2023.
- (4) \$300,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 2.47% plus a credit spread based on a ratings grid ranging from 1.15% to 2.20% through August 1, 2025. The applicable credit spread was 1.35% as of June 30, 2024 and December 31, 2023.
- (5) The revolving line of credit has two six-month extension options that the Company can exercise, at its election, subject to (i) customary representations and warranties, including, but not limited to, the absence of an event of default as defined in the unsecured credit agreement and (ii) payment of an extension fee equal to 0.075% of the revolving line of credit capacity.

### Unsecured Revolving Credit Facility

In July 2022, the Operating Partnership, as borrower, and the Company entered into the Second Amendment (the "Second Amendment") to the Sixth Amended and Restated Credit Agreement, dated as of July 8, 2021 (as amended, the "Credit Agreement") with a syndicate of financial institutions to provide for an unsecured revolving credit facility aggregating \$1.1 billion (the "Revolving Facility") and a seven-year \$300.0 million unsecured term loan (the "\$300M Term Loan"). Under the Second Amendment, the Operating Partnership has the option, subject to certain customary conditions, to increase the Revolving Facility and/or incur additional term loans in an aggregate amount for all such increases and additional loans of up to \$600.0 million, for a total facility amount of up to \$2.0 billion. The Revolving Facility has a scheduled maturity date of January 8, 2026, which maturity date may be extended for up to two additional periods of six months at the Operating Partnership's option, subject to certain conditions.

Borrowings under the Revolving Facility bear interest at a rate per annum equal to SOFR plus a margin based on the Operating Partnership's leverage ratio or credit rating, respectively, plus a facility fee based on the Operating Partnership's leverage ratio or credit rating, respectively. The SOFR rate is also subject to an additional 0.10% spread adjustment as specified in the Second Amendment. The Revolving Facility is currently priced on the leverage-based pricing grid. In accordance with the Credit Agreement, the credit spread set forth in the leverage grid resets quarterly based on the Company's leverage, as calculated at the previous quarter end. The Company may irrevocably elect to convert to the ratings-based pricing grid at any time. As of June 30, 2024, making such an election would have resulted in a lower interest rate; however, the Company had not made the election to convert to the ratings-based pricing grid. The Credit Agreement includes a sustainability metric based on targeted greenhouse gas emission reductions, which results in a reduction of the otherwise applicable interest rate margin by one basis point upon achievement of targets set forth therein. The greenhouse gas emission reduction targets have not been achieved as of June 30, 2024.

The following table summarizes the key terms of the Revolving Facility as of June 30, 2024 (*dollars in thousands*):

Credit Agreement	Maturity Date	Extension Option	Extension Fee	Leverage-Based Pricing		Investment Grade Pricing		SOFR Adjustment
				Credit Spread	Facility Fee	Credit Spread	Facility Fee	
\$1,100,000 unsecured revolving line of credit	1/8/2026	2 six-month	0.075%	1.05%–1.50%	0.15%–0.30%	0.725%–1.40%	0.125%–0.30%	0.10%

The Operating Partnership's ability to borrow under the Credit Agreement is subject to ongoing compliance by the Operating Partnership and its subsidiaries with various restrictive covenants, including with respect to liens, transactions with affiliates, dividends, mergers and asset sales. In addition, the Credit Agreement requires that the Operating Partnership satisfy certain financial covenants, including (i) a maximum leverage ratio; (ii) a minimum fixed charge coverage ratio; (iii) a maximum secured indebtedness ratio; (iv) a maximum unsecured leverage ratio; and (v) a minimum unencumbered interest coverage ratio. As of June 30, 2024, we were in compliance with all such covenants.

#### Unsecured Term Loans

As of June 30, 2024, the Operating Partnership has the following unsecured term loans: (i) the \$ 120M Term Loan, (ii) a \$250.0 million unsecured term loan due October 2025 (the "\$250M Term Loan"), (iii) a \$150.0 million unsecured term loan due July 2026 (the "\$150M Term Loan"), and (iv) the \$300M Term Loan that matures in July 2029, each of which bears interest at a rate of SOFR plus a credit spread. The \$120M Term Loan, \$150M Term Loan and \$300M Term Loan are each priced on a ratings-based pricing grid while the \$ 250M Term Loan is priced on a leverage-based pricing grid. The agreements related to the \$150M Term Loan and \$300M Term Loan include a sustainability metric based on targeted greenhouse gas emission reductions, which results in a reduction of the otherwise applicable interest rate margin by one basis point upon achievement of targets set forth in each agreement. Subsequent to June 30, 2024, the \$120M Term Loan was repaid with a portion of the proceeds from the Notes Due 2034.

The following table summarizes the key terms of the unsecured term loans as of June 30, 2024 (*dollars in thousands*):

Unsecured Term Loans	Maturity Date	Leverage-Based Pricing	Investment Grade Pricing	SOFR Adjustment
		Credit Spread	Credit Spread	
\$120,000 unsecured term loan due 2024 <sup>(1)</sup>	7/17/2024	1.20% – 1.70%	0.80% – 1.65%	0.10%
\$250,000 unsecured term loan due 2025	10/24/2025 <sup>(2)</sup>	2.00% – 2.55%	2.00% – 2.50%	0.10%
\$150,000 unsecured term loan due 2026	7/17/2026	1.20% – 1.70%	0.75% – 1.60%	0.10%
\$300,000 unsecured term loan due 2029	7/29/2029	N/A	1.15% – 2.20%	0.10%

(1) Subsequent to June 30, 2024, the \$120M Term Loan was repaid with a portion of the proceeds from the Notes Due 2034.

(2) The maturity date may be extended for up to three additional periods of one year each at the Operating Partnership's option, subject to certain conditions.

Under the agreement related to the \$120M Term Loan and the \$150M Term Loan, the Operating Partnership has the option to increase each of the term loans to \$250.0 million upon the Operating Partnership's request, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the term loan agreement, to provide such increased amounts. The Operating Partnership is permitted to prepay each of the \$120M Term Loan and \$150M Term Loan, in whole or in part, at any time without being subject to a prepayment fee.

The Operating Partnership has the option to increase the \$250M Term Loan to \$300.0 million, subject to certain conditions including obtaining commitments from any one or more lenders, whether or not currently party to the term loan agreement, to provide such increased amounts. The Operating Partnership is permitted to prepay the \$250M Term Loan in whole or in part, at any time, subject to a prepayment fee if prepaid on or before October 25, 2023.

The Operating Partnership is permitted to prepay the \$300M Term Loan in whole or in part, at any time, subject to a prepayment fee if prepaid on or before July 29, 2024.

The unsecured term loan agreements contain representations, financial and other affirmative and negative covenants and events of default that are substantially similar to those contained in the Credit Agreement. The unsecured term loan agreements all rank pari passu with the Operating Partnership's Revolving Facility and other unsecured indebtedness of the Operating Partnership.

### Debt Issuance Costs

Debt issuance costs are amortized over the terms of the respective loan agreements. The following amounts of amortization of debt issuance costs are included as a component of "Interest expense" in the accompanying consolidated statements of operations and comprehensive income (*in thousands*):

	Six Months Ended June 30,	
	2024	2023
Amortization of debt issuance costs	\$ 1,916	\$ 1,782

### Debt Discounts and Premiums

Debt discounts and premiums, including the related value of interest rate swaps that were assumed in the October 2021 merger with RPAI, are amortized over the terms of the respective loan agreements. The following amounts of amortization are included as a component of "Interest expense" in the accompanying consolidated statements of operations and comprehensive income (*in thousands*):

	Six Months Ended June 30,	
	2024	2023
Amortization of debt discounts, premiums and hedge instruments	\$ 7,490	\$ 9,998

In addition, the estimated amounts of the reduction to interest expense as of June 30, 2024 for each of the next five years and thereafter related to the amortization of debt discounts, premiums and assumed hedge instruments, assuming these instruments are held to maturity, are as follows (*in thousands*):

July 2024 through December 2024	\$ 6,222
2025	7,807
2026	6,152
2027	5,235
2028	5,225
Thereafter	5,411
Total unamortized debt discounts, premiums and hedge instruments	<u>\$ 36,052</u>

The following table reconciles total unamortized debt discounts, premiums and hedge instruments as of June 30, 2024 to the balance of unamortized discounts and premiums, net (*in thousands*):

Unamortized discounts and premiums on mortgages payable, senior unsecured notes and unsecured term loans	\$ 34,055
Unamortized hedge instruments	1,997
Total unamortized debt discounts, premiums and hedge instruments	<u>36,052</u>
Unamortized hedge instruments (included in accumulated other comprehensive income)	(1,997)
Fair value of variable interest rate swaps	<u>(7,908)</u>
Unamortized discounts and premiums, net	<u>\$ 26,147</u>

### Fair Value of Fixed and Variable Rate Debt

As of June 30, 2024, the estimated fair value of fixed rate debt was \$ 2.1 billion compared to the book value of \$ 2.2 billion. The fair value was estimated using Level 2 and 3 inputs with cash flows discounted at current borrowing rates for similar instruments, which ranged from 5.82% to 7.02%. As of June 30, 2024, the estimated fair value of variable rate debt was \$ 841.8 million compared to the book value of \$ 835.8 million. The fair value was estimated using Level 2 and 3 inputs with cash flows discounted at current borrowing rates for similar instruments, which ranged from 6.49% to 6.54%.

### NOTE 7. DERIVATIVE INSTRUMENTS, HEDGING ACTIVITIES AND OTHER COMPREHENSIVE INCOME

In order to manage potential future variable interest rate risk, we enter into interest rate derivative agreements from time to time. We do not use interest rate derivative agreements for trading or speculative purposes. The agreements with each of our derivative counterparties provide that in the event of default on any of our indebtedness, we could also be declared in default on our derivative obligations.

The following table summarizes the terms and fair values of the Company's derivative financial instruments that were designated and qualified as part of a hedging relationship as of June 30, 2024 and December 31, 2023 (*dollars in thousands*):

Type of Hedge	Number of Instruments	Aggregate Notional	Reference Rate	Interest Rate	Effective Date	Maturity Date	Fair Value Assets (Liabilities) <sup>(1)</sup>	
							June 30, 2024	December 31, 2023
Cash Flow	Four	\$ 250,000	SOFR	2.99 %	12/1/2022	10/24/2025	\$ 5,700	\$ 4,952
Cash Flow	Two	100,000	SOFR	2.66 %	8/1/2022	8/1/2025	2,350	2,415
Cash Flow	Two	200,000	SOFR	2.37 %	11/22/2023	8/1/2025	5,314	5,716
Cash Flow	Three	120,000	SOFR	1.58 %	8/15/2022	7/17/2024	199	2,236
Cash Flow	Three	150,000	SOFR	1.68 %	8/15/2022	7/17/2026	8,231	7,744
		\$ 820,000					\$ 21,794	\$ 23,063
Fair Value <sup>(2)</sup>	Two	\$ 155,000	SOFR	SOFR + 3.70%	4/23/2021	9/10/2025	\$ (7,908)	\$ (9,408)
Forward-Starting								
Cash Flow <sup>(3)</sup>	Three	\$ 150,000	SOFR	3.44 %	6/28/2024	6/28/2034	\$ —	\$ (700)

(1) Derivatives in an asset position are included within "Prepaid and other assets" and derivatives in a liability position are included within "Accounts payable and accrued expenses" in the accompanying consolidated balance sheets.

(2) The derivative agreements swap a blended fixed rate of 4.52% for a blended floating rate of three-month SOFR plus 3.70%.

(3) The forward-starting interest rate swaps were terminated in conjunction with the issuance of the Notes Due 2034.

In December 2023, we entered into three forward-starting interest rate swap agreements with notional amounts totaling \$ 150.0 million that swap a floating rate of compound SOFR for a fixed rate of 3.44% with an effective date of June 28, 2024 and a maturity date of June 28, 2034. These interest rate swaps fixed the interest rate on a portion of the Notes Due 2034, which were issued in January 2024, and were subsequently terminated upon issuance of the Notes Due 2034. We received \$0.7 million upon termination, which is included as a component of "Accumulated other comprehensive income" in the accompanying consolidated balance sheets and is being reclassified as a reduction to interest expense over the term of the debt.

In October 2022, we terminated two forward-starting interest rate swaps with notional amounts totaling \$ 150.0 million and a maturity date of June 1, 2032 and received \$30.9 million upon termination. This settlement is included as a component of "Accumulated other comprehensive income" in the accompanying consolidated balance sheets and is being reclassified to earnings over time as the hedged items are recognized in earnings. During the year ended December 31, 2023, we accelerated the reclassification of \$3.1 million in accumulated other comprehensive income as a reduction to interest expense as a result of a portion of the hedged forecasted transaction becoming probable not to occur. In January 2024, we completed a public offering of the Notes Due 2034. The remaining balance in accumulated other comprehensive income is being reclassified as a reduction to interest expense over the term of the debt.

These interest rate derivative agreements are the only assets or liabilities that we record at fair value on a recurring basis. The valuation of these assets and liabilities is determined using widely accepted techniques including discounted cash flow analysis. These techniques consider the contractual terms of the derivatives (including the period to maturity) and use observable market-based inputs such as interest rate curves and implied volatilities. We also incorporate credit valuation adjustments into the fair value measurements to reflect nonperformance risk on both our part and that of the respective counterparties.

We have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, although the credit valuation adjustments associated with our derivatives use Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. As of June 30, 2024 and December 31, 2023, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations were classified within Level 2 of the fair value hierarchy.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to earnings over time as the hedged items are recognized in earnings. Approximately \$4.9 million and \$9.8 million was reclassified as a reduction to interest expense during the three and six months ended June 30, 2024, respectively. Approximately \$3.5 million and \$7.7 million was reclassified as a reduction to interest expense during the three and six months ended June 30, 2023,



respectively. As interest payments on our derivatives are made over the next 12 months, we estimate the decrease to interest expense to be approximately \$21.1 million, assuming the current SOFR curve.

Unrealized gains and losses on our interest rate derivative agreements are the only components of the change in accumulated other comprehensive income.

## **NOTE 8. SHAREHOLDERS' EQUITY**

### *Distributions*

Our Board of Trustees declared a cash distribution of \$ 0.25 per common share and Common Unit for the second quarter of 2024. This distribution was paid on July 16, 2024 to common shareholders and common unitholders of record as of July 9, 2024. For the six months ended June 30, 2024, we declared cash distributions totaling \$0.50 per common share and Common Unit.

For the three and six months ended June 30, 2023, we declared cash distributions of \$ 0.24 and \$0.48 per common share and Common Unit, respectively.

### *Share Repurchase Program*

The Company has an existing share repurchase program under which it may repurchase, from time to time, up to a maximum of \$ 300.0 million of its common shares (the "Share Repurchase Program"). The Company intends to fund any future repurchases under the Share Repurchase Program with cash on hand or availability under the Revolving Facility, subject to any applicable restrictions. The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will depend upon prevailing market conditions, regulatory requirements and other factors. In February 2024, the Company extended the Share Repurchase Program for an additional year to February 28, 2025, if not terminated or extended prior to that date. As of June 30, 2024, the Company has not repurchased any shares under the Share Repurchase Program.

## **NOTE 9. EARNINGS PER SHARE OR UNIT**

Basic earnings per share or unit is calculated based on the weighted average number of common shares/units outstanding during the period. Diluted earnings per share/unit is calculated based on the weighted average number of common shares/units outstanding during the period combined with the incremental average common shares/units that would have been outstanding assuming the conversion of all potentially dilutive common shares/units into common shares/units as of the earliest date possible.

Potentially dilutive securities include (i) outstanding options to acquire common shares; (ii) Limited Partner Units, which may be exchanged for either cash or common shares at the Parent Company's option and under certain circumstances; (iii) "appreciation only" long-term incentive plan units; and (iv) deferred common share units, which may be credited to the personal accounts of non-employee trustees in lieu of compensation paid in cash or the issuance of common shares to such trustees. Limited Partner Units have been omitted from the Parent Company's denominator for the purpose of computing diluted earnings per share since the effect of including those amounts in the denominator would have no dilutive impact. Weighted average Limited Partner Units outstanding were 3.7 million for the three and six months ended June 30, 2024 and 3.0 million for the three and six months ended June 30, 2023.

Due to the net loss allocable to common shareholders and common unitholders for the three and six months ended June 30, 2024, no securities had a dilutive impact for those periods.

## **NOTE 10. COMMITMENTS AND CONTINGENCIES**

### *Other Commitments and Contingencies*

We are obligated under various completion guarantees with certain lenders and lease agreements with tenants to complete all or portions of a development project and tenant-specific space currently under construction. We believe we currently have sufficient financing in place to fund these projects and expect to do so primarily through free cash flow or borrowings on the Revolving Facility.

In 2017, we provided a repayment guaranty on a \$33.8 million construction loan associated with the development of the Embassy Suites at the University of Notre Dame, consistent with our 35% ownership interest. Our portion of the repayment

guaranty was limited to \$5.9 million, and the guaranty's term was through July 1, 2024, the maturity date of the construction loan. As of June 30, 2024, the outstanding loan balance was \$32.3 million, of which our share was \$11.3 million. Subsequent to June 30, 2024, the joint venture repaid the construction loan and we contributed \$10.2 million representing our 35% share of the debt repaid.

In 2021, we provided repayment and completion guaranties on loans totaling \$ 66.2 million associated with the development of The Corner mixed-use project in the Indianapolis MSA. As of June 30, 2024, the outstanding balance of the loans was \$70.1 million, of which our share was \$35.1 million.

#### *Legal Proceedings*

We are not subject to any material litigation nor, to management's knowledge, is any material litigation currently threatened against us. We are parties to routine litigation, claims, and administrative proceedings arising in the ordinary course of business. Management believes that such matters will not have a material adverse impact on our consolidated financial condition, results of operations or cash flows taken as a whole.

#### **NOTE 11. SUBSEQUENT EVENTS**

Subsequent to June 30, 2024, we:

- repaid the \$120.0 million unsecured term loan due July 2024 with a portion of the proceeds from the Notes Due 2034 and the corresponding interest rate swaps matured; and
- contributed \$10.2 million to the repayment of the construction loan at Embassy Suites at the University of Notre Dame representing our 35% share of the joint venture debt repaid.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying historical financial statements and related notes thereto. In this discussion, unless the context suggests otherwise, references to "our Company," "we," "us," and "our" mean Kite Realty Group Trust and its direct and indirect subsidiaries, including Kite Realty Group, L.P.

### CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements.

Risks, uncertainties and other factors that might cause such differences, some of which could be material, include but are not limited to:

- economic, business, banking, real estate and other market conditions, particularly in connection with low or negative growth in the U.S. economy as well as economic uncertainty (including a potential economic slowdown or recession, rising interest rates, inflation, unemployment, or limited growth in consumer income or spending);
- financing risks, including the availability of, and costs associated with, sources of liquidity;
- our ability to refinance, or extend the maturity dates of, our indebtedness;
- the level and volatility of interest rates;
- the financial stability of our tenants;
- the competitive environment in which we operate, including potential oversupplies of, or a reduction in demand for, rental space;
- acquisition, disposition, development and joint venture risks;
- property ownership and management risks, including the relative illiquidity of real estate investments, and expenses, vacancies or the inability to rent space on favorable terms or at all;
- our ability to maintain our status as a real estate investment trust ("REIT") for U.S. federal income tax purposes;
- potential environmental and other liabilities;
- impairment in the value of real estate property we own;
- the attractiveness of our properties to tenants, the actual and perceived impact of e-commerce on the value of shopping center assets, and changing demographics and customer traffic patterns;
- business continuity disruptions and a deterioration in our tenants' ability to operate in affected areas or delays in the supply of products or services to us or our tenants from vendors that are needed to operate efficiently, causing costs to rise sharply and inventory to fall;
- risks related to our current geographical concentration of properties in the states of Texas, Florida, and North Carolina and the metropolitan statistical areas ("MSAs") of New York, Atlanta, Seattle, Chicago, and Washington, D.C.;
- civil unrest, acts of violence, terrorism or war, acts of God, climate change, epidemics, pandemics, natural disasters and severe weather conditions, including such events that may result in underinsured or uninsured losses or other increased costs and expenses;

- changes in laws and government regulations including governmental orders affecting the use of our properties or the ability of our tenants to operate, and the costs of complying with such changed laws and government regulations;
- possible short-term or long-term changes in consumer behavior due to COVID-19 and the fear of future pandemics;
- our ability to satisfy environmental, social or governance standards set by various constituencies;
- insurance costs and coverage, especially in Florida and Texas coastal areas;
- risks associated with cybersecurity attacks and the loss of confidential information and other business disruptions;
- other factors affecting the real estate industry generally; and
- other risks identified in this Quarterly Report on Form 10-Q and, from time to time, in other reports we file with the Securities and Exchange Commission (the "SEC") or in other documents that we publicly disseminate, including, in particular, the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

## Overview

### *Our Business and Properties*

Kite Realty Group Trust is a publicly held REIT that, through its majority-owned subsidiary, Kite Realty Group, L.P., owns interests in various operating subsidiaries and joint ventures engaged in the ownership, operation, acquisition, development, and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt and select strategic gateway markets in the United States. We derive our revenue primarily from the collection of contractual rents and reimbursement payments from tenants under existing lease agreements at each of our properties. Therefore, our operating results depend materially on, among other things, the ability of our tenants to make required lease payments, the health and resilience of the U.S. retail sector, interest rate volatility, stability in the banking sector, job growth, the real estate market, and overall economic conditions.

As of June 30, 2024, we owned interests in 178 operating retail properties totaling approximately 27.6 million square feet, excluding one operating retail property classified as held for sale as of June 30, 2024, and one office property with 0.3 million square feet. Of the 178 operating retail properties, 10 contain an office component. We also owned two development projects under construction as of this date and an additional two properties with future redevelopment opportunities.

### *Inflation*

We believe inflationary concerns could negatively impact consumer confidence and spending and our tenants' sales and overall health. This could, in turn, continue to put downward pricing pressure on rents that we are able to charge to new or renewing tenants, such that future rent spreads and, in some cases, our percentage rents, could be adversely impacted. Many of our leases contain provisions designed to mitigate the adverse impact of inflation, including annual rent increases and requirements for tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance or other operating expenses related to the maintenance of our properties, with escalation clauses in most leases. Over the last year, we have made significant progress in converting leases to include higher fixed-rent bumps while also including CPI-based, anti-gouging protection for tenants. However, the stated rent increases or limits on such tenant's obligation to pay its share of operating expenses could be lower than the increase in inflation at any given time. Inflation may also increase labor or other general and administrative expenses that cannot be easily reduced.

Historically, economic indicators such as GDP growth, consumer confidence and employment have been correlated with demand for certain of our tenants' products and services. If an economic recession returns, it could, among other impacts, (i) increase the number of our tenants that are unable to meet their lease obligations to us and (ii) limit the demand for space in our properties from new tenants.

## Operating Activity

During the second quarter of 2024, we executed new and renewal leases on 160 individual spaces totaling 1,153,766 square feet (15.6% cash leasing spread on 136 comparable leases). New leases were signed on 55 individual spaces for 372,155 square feet of gross leasable area ("GLA") (34.8% cash leasing spread on 40 comparable leases), while non-option renewal leases were signed on 69 individual spaces for 314,899 square feet of GLA (14.3% cash leasing spread on 60 comparable leases) and option renewals were signed on 36 individual spaces for 466,712 square feet of GLA (6.0% cash leasing spread). The blended cash spreads for comparable new and non-option renewal leases were 23.7%. Comparable new and renewal leases are defined as those for which the space was occupied by a tenant within the last 12 months.

## Results of Operations

The comparability of results of operations for the three and six months ended June 30, 2024 and 2023 is affected by our development, redevelopment, and operating property acquisition and disposition activities during these periods. Therefore, we believe it is most useful to review the comparisons of our results of operations for these periods in conjunction with the discussion of our activities during those periods, which is set forth below.

## Acquisitions

The following operating property was acquired during the period from January 1, 2023 through June 30, 2024:

Property Name	MSA	Acquisition Date	GLA
Prestonwood Place	Dallas, TX	September 22, 2023	155,975

## Dispositions

The following operating and other properties were sold during the period from January 1, 2023 through June 30, 2024:

Property Name	MSA	Disposition Date	GLA
Kingwood Commons	Houston, TX	May 8, 2023	158,172
Pan Am Plaza & Garage	Indianapolis, IN	June 8, 2023	—
Reisterstown Road Plaza	Baltimore, MD	September 11, 2023	376,683
Eastside	Dallas, TX	October 24, 2023	43,640
Ashland & Roosevelt	Chicago, IL	May 31, 2024	104,176

In addition, during the six months ended June 30, 2024, the joint venture that owned Glendale Center Apartments, of which we have an 11.5% ownership interest, sold the 267-unit property to a third party. Glendale Center Apartments is adjacent to our Glendale Town Center operating retail property in the Indianapolis MSA.

## Development and Redevelopment Projects

The following properties were under active development or redevelopment at various times during the period from January 1, 2023 through June 30, 2024 and removed from our operating portfolio:

Project Name	MSA	Transition to Development or Redevelopment <sup>(1)</sup>	Transition to Operating Portfolio	GLA
<b>Active Projects</b>				
Carillon MOB <sup>(2)</sup>	Washington, D.C.	October 2021	Pending	126,000
The Corner – IN <sup>(2)</sup>	Indianapolis, IN	December 2015	Pending	24,000
<b>Future Opportunities</b>				
Hamilton Crossing Centre <sup>(2)(3)</sup>	Indianapolis, IN	June 2014	Pending	92,283
Edwards Multiplex – Ontario <sup>(2)</sup>	Los Angeles, CA	March 2023	Pending	124,614
<b>Completed Projects</b>				
The Landing at Tradition – Phase II	Port St. Lucie, FL	September 2021	June 2023	39,900

- (1) Transition date represents the date the property was transferred from our operating portfolio into redevelopment status. For legacy Retail Properties of America, Inc. ("RPAI") projects, the transition date represents the later of the date of the closing of the merger (October 2021) and the date the project was transferred into redevelopment status.
- (2) This property has been identified as a redevelopment property and is not included in the operating portfolio or the same property pool. The redevelopment projects at Hamilton Crossing Centre and The Corner – IN will include the creation of a mixed-used development.
- (3) Approximately half of the Hamilton Crossing site was sold in January 2022 to Republic Airways, Inc. In addition to the sale, the Company entered into a development and construction management agreement for the development of a corporate campus for Republic Airways. Phase I of the corporate campus was completed in 2023.

*Comparison of Operating Results for the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023*

The following table reflects changes in the components of our consolidated statements of operations for the three months ended June 30, 2024 and 2023 (*in thousands*):

	Three Months Ended June 30,		
	2024	2023	Change
<b>Revenue:</b>			
Rental income	\$ 205,836	\$ 205,836	\$ —
Other property-related revenue	3,146	1,883	1,263
Fee income	3,452	1,040	2,412
<b>Total revenue</b>	<b>212,434</b>	<b>208,759</b>	<b>3,675</b>
<b>Expenses:</b>			
Property operating	28,564	27,232	1,332
Real estate taxes	26,493	26,697	(204)
General, administrative and other	12,966	14,499	(1,533)
Depreciation and amortization	99,291	109,462	(10,171)
Impairment charges	66,201	—	66,201
<b>Total expenses</b>	<b>233,515</b>	<b>177,890</b>	<b>55,625</b>
(Loss) gain on sales of operating properties, net	(1,230)	28,440	(29,670)
Operating (loss) income	(22,311)	59,309	(81,620)
<b>Other (expense) income:</b>			
Interest expense	(30,981)	(27,205)	(3,776)
Income tax expense of taxable REIT subsidiaries	(132)	(45)	(87)
Equity in (loss) earnings of unconsolidated subsidiaries	(174)	118	(292)
Other income, net	4,295	304	3,991
Net (loss) income	(49,303)	32,481	(81,784)
Net loss (income) attributable to noncontrolling interests	665	(423)	1,088
Net (loss) income attributable to common shareholders	<u>\$ (48,638)</u>	<u>\$ 32,058</u>	<u>\$ (80,696)</u>
Property operating expense to total revenue ratio	13.4 %	13.0 %	

Rental income (including tenant reimbursements) did not change for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. Rental income is comprised of the following (*in thousands*):

	Net change Three Months Ended June 30, 2023 to 2024
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (3,866)
Properties under redevelopment or acquired during 2023 and/or 2024	1,646
Properties fully operational during 2023 and 2024 and other	2,220
Total	<u>\$ —</u>

The net increase of \$2.2 million in rental income for properties that were fully operational during 2023 and 2024 is primarily due to increases in the following: (i) tenant reimbursements of \$3.5 million due to higher recoverable common area



maintenance expenses, (ii) base minimum rent of \$2.0 million due to contractual rent changes, (iii) ancillary income of \$0.5 million, and (iv) overage rent of \$0.3 million due to improved tenant performance. These variances were partially offset by a decrease in lease termination income of \$2.8 million and an increase in bad debt expense of \$1.3 million. The occupancy of the fully operational properties decreased from 92.5% for the three months ended June 30, 2023 to 91.3% for the three months ended June 30, 2024.

Other property-related revenue primarily consists of parking revenues, gains on the sale of land and other miscellaneous activity. This revenue increased by \$1.3 million primarily as a result of higher gains on sales of undepreciated assets recognized during the three months ended June 30, 2024, partially offset by a decrease in miscellaneous income of \$0.5 million.

We recorded fee income of \$3.5 million and \$1.0 million during the three months ended June 30, 2024 and 2023, respectively, from property management and development services provided to third parties and unconsolidated joint ventures. The increase in fee income is primarily related to development fees earned related to the development of a hotel on the Pan Am Plaza site during the three months ended June 30, 2024.

Property operating expenses increased \$1.3 million, or 4.9%, due to the following *(in thousands)*:

	<b>Net change Three Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (935)
Properties under redevelopment or acquired during 2023 and/or 2024	217
Properties fully operational during 2023 and 2024 and other	2,050
Total	<u>\$ 1,332</u>

The net increase of \$2.1 million in property operating expenses for properties that were fully operational during 2023 and 2024 is primarily due to increases in the following: (i) \$0.8 million in non-recoverable operating expenses, (ii) \$0.7 million in landscaping and repairs and maintenance expenses, (iii) \$0.5 million in insurance, and (iv) \$0.1 million in security expenses. As a percentage of revenue, property operating expenses increased from 13.0% to 13.4% due to an increase in expenses in 2024.

Real estate taxes decreased \$0.2 million, or 0.8%, due to the following *(in thousands)*:

	<b>Net change Three Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (488)
Properties under redevelopment or acquired during 2023 and/or 2024	(51)
Properties fully operational during 2023 and 2024 and other	335
Total	<u>\$ (204)</u>

The net increase of \$0.3 million in real estate taxes for properties that were fully operational during 2023 and 2024 is primarily due to lower real estate tax refunds received in 2024, partially offset by higher capitalized real estate tax expenses related to signed anchor leases at certain properties in the portfolio in 2024. The majority of real estate tax expense is recoverable from tenants and such recovery is reflected within "Rental income" in the accompanying consolidated statements of operations and comprehensive income.

General, administrative and other expenses decreased \$1.5 million, or 10.6%, primarily due to lower than expected compensation expense.

Depreciation and amortization expense decreased \$10.2 million, or 9.3%, due to the following *(in thousands)*:

	<b>Net change Three Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (2,578)
Properties under redevelopment or acquired during 2023 and/or 2024	1,056
Properties fully operational during 2023 and 2024 and other	(8,649)
Total	<u>\$ (10,171)</u>



The net decrease of \$8.6 million in depreciation and amortization at properties that were fully operational during 2023 and 2024 is primarily due to the timing of placing assets in service and writing-off tenant-related assets as a result of tenant move-outs along with certain assets acquired in the October 2021 merger with RPAI that became fully depreciated during the three months ended June 30, 2024.

Based on a reduction in the expected future hold period (see Note 3 to the accompanying consolidated financial statements), we recognized a \$66.2 million impairment charge during the three months ended June 30, 2024 related to City Center, a retail operating property in the New York MSA. No impairment charges were recorded during the three months ended June 30, 2023.

We recorded a net loss on sales of operating properties of \$1.2 million for the three months ended June 30, 2024 on the sale of Ashland & Roosevelt compared to a net gain of \$28.4 million on the sale of Kingwood Commons and the undeveloped land and related parking garage at Pan Am Plaza for the three months ended June 30, 2023.

Interest expense increased \$3.8 million, or 13.9%, primarily due to interest on the January 2024 public offering of \$350.0 million in aggregate principal amount of 5.50% senior unsecured notes due 2034 (the "Notes Due 2034"), partially offset by favorable interest rate swaps.

Other income, net increased \$4.0 million primarily due to interest income earned on the proceeds from the Notes Due 2034, which were invested in short-term deposits during the three months ended June 30, 2024.

*Comparison of Operating Results for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023*

The following table reflects changes in the components of our consolidated statements of operations for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,		
	2024	2023	Change
<b>Revenue:</b>			
Rental income	\$ 411,649	\$ 408,899	\$ 2,750
Other property-related revenue	4,457	3,799	658
Fee income	3,767	2,811	956
<b>Total revenue</b>	<b>419,873</b>	<b>415,509</b>	<b>4,364</b>
<b>Expenses:</b>			
Property operating	56,645	54,546	2,099
Real estate taxes	53,027	53,880	(853)
General, administrative and other	25,750	27,883	(2,133)
Depreciation and amortization	199,670	217,533	(17,863)
Impairment charges	66,201	—	66,201
<b>Total expenses</b>	<b>401,293</b>	<b>353,842</b>	<b>47,451</b>
(Loss) gain on sales of operating properties, net	(1,466)	28,440	(29,906)
Operating income	17,114	90,107	(72,993)
<b>Other (expense) income:</b>			
Interest expense	(61,345)	(52,630)	(8,715)
Income tax expense of taxable REIT subsidiaries	(290)	(16)	(274)
Equity in loss of unconsolidated subsidiaries	(594)	(126)	(468)
Gain on sale of unconsolidated property, net	2,325	—	2,325
Other income, net	7,923	707	7,216
Net (loss) income	(34,867)	38,042	(72,909)
Net loss (income) attributable to noncontrolling interests	385	(593)	978
Net (loss) income attributable to common shareholders	<u>\$ (34,482)</u>	<u>\$ 37,449</u>	<u>\$ (71,931)</u>
Property operating expense to total revenue ratio	13.5 %	13.1 %	

Rental income (including tenant reimbursements) increased \$2.8 million, or 0.7%, due to the following *(in thousands)*:

	<b>Net change Six Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (8,583)
Properties under redevelopment or acquired during 2023 and/or 2024	4,637
Properties fully operational during 2023 and 2024 and other	6,696
Total	<u>\$ 2,750</u>

The net increase of \$6.7 million in rental income for properties that were fully operational during 2023 and 2024 is primarily due to increases in the following: (i) tenant reimbursements of \$4.3 million due to higher recoverable common area maintenance expenses, (ii) base minimum rent of \$2.6 million due to contractual rent changes, (iii) ancillary income of \$0.9 million, and (iv) overage rent of \$0.2 million due to improved tenant performance. These variances were partially offset by a decrease in lease termination income of \$1.3 million.

Other property-related revenue primarily consists of parking revenues, gains on the sale of land and other miscellaneous activity. This revenue increased by \$0.7 million primarily as a result of higher gains on sales of undepreciated assets recognized during the six months ended June 30, 2024, partially offset by decreases in miscellaneous income of \$0.7 million and parking revenue of \$0.5 million.

We recorded fee income of \$3.8 million and \$2.8 million during the six months ended June 30, 2024 and 2023, respectively, from property management and development services provided to third parties and unconsolidated joint ventures. The increase in fee income is primarily related to development fees earned related to the development of a hotel on the Pan Am Plaza site during 2024, partially offset by a decrease in development fees earned related to the development of a corporate campus for Republic Airways at Hamilton Crossing Centre in 2024 due to the completion of Phase I of the corporate campus in 2023.

Property operating expenses increased \$2.1 million, or 3.8%, due to the following *(in thousands)*:

	<b>Net change Six Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (2,184)
Properties under redevelopment or acquired during 2023 and/or 2024	522
Properties fully operational during 2023 and 2024 and other	3,761
Total	<u>\$ 2,099</u>

The net increase of \$3.8 million in property operating expenses for properties that were fully operational during 2023 and 2024 is primarily due to increases in the following: (i) \$1.4 million in landscaping and repairs and maintenance expenses, (ii) \$1.2 million in non-recoverable operating expenses, (iii) \$1.0 million in insurance, and (iv) \$0.3 million in security expenses. As a percentage of revenue, property operating expenses increased from 13.1% to 13.5% due to an increase in expenses in 2024.

Real estate taxes decreased \$0.9 million, or 1.6%, due to the following *(in thousands)*:

	<b>Net change Six Months Ended June 30, 2023 to 2024</b>
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (1,145)
Properties under redevelopment or acquired during 2023 and/or 2024	300
Properties fully operational during 2023 and 2024 and other	(8)
Total	<u>\$ (853)</u>

There was no change in real estate taxes for properties that were fully operational during 2023 and 2024. The majority of real estate tax expense is recoverable from tenants and such recovery is reflected within "Rental income" in the accompanying consolidated statements of operations and comprehensive income.

General, administrative and other expenses decreased \$2.1 million, or 7.6%, primarily due to lower than expected compensation expense.

Depreciation and amortization expense decreased \$17.9 million, or 8.2%, due to the following *(in thousands)*:

	Net change Six Months Ended June 30, 2023 to 2024
Properties or components of properties sold or held for sale during 2023 and/or 2024	\$ (5,181)
Properties under redevelopment or acquired during 2023 and/or 2024	2,778
Properties fully operational during 2023 and 2024 and other	(15,460)
Total	\$ (17,863)

The net decrease of \$15.5 million in depreciation and amortization at properties that were fully operational during 2023 and 2024 is primarily due to the timing of placing assets in service and writing-off tenant-related assets as a result of tenant move-outs along with certain assets acquired in the October 2021 merger with RPAI that became fully depreciated during the six months ended June 30, 2024.

Based on a reduction in the expected future hold period (see Note 3 to the accompanying consolidated financial statements), we recorded a \$66.2 million impairment charge during the six months ended June 30, 2024 related to City Center, a retail operating property in the New York MSA. No impairment charges were recorded during the six months ended June 30, 2023.

We recorded a net loss on sales of operating properties of \$1.5 million for the six months ended June 30, 2024 primarily on the sale of Ashland & Roosevelt compared to a net gain of \$28.4 million on the sale of Kingwood Commons and the undeveloped land and related parking garage at Pan Am Plaza for the six months ended June 30, 2023.

Interest expense increased \$8.7 million, or 16.6%, primarily due to interest on the Notes Due 2034, partially offset by favorable interest rate swaps.

The \$2.3 million gain on sale of unconsolidated property represents our share of the gain on the sale of Glendale Center Apartments recognized during the six months ended June 30, 2024. No such gain was recorded during the six months ended June 30, 2023.

Other income, net increased \$7.2 million primarily due to interest income earned on the proceeds from the Notes Due 2034, which were invested in short-term deposits during the six months ended June 30, 2024.

#### *Net Operating Income and Same Property Net Operating Income*

We use property net operating income ("NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. We define NOI as income from our real estate, including lease termination fees received from tenants, less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions and certain corporate level expenses, including merger and acquisition costs. We believe that NOI is helpful to investors as a measure of our operating performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as depreciation and amortization, interest expense, and impairment, if any.

We also use same property NOI ("Same Property NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. Same Property NOI is net income excluding properties that have not been owned for the full periods presented. Same Property NOI also excludes (i) net gains from outlot sales, (ii) straight-line rent revenue, (iii) lease termination income in excess of lost rent, (iv) amortization of lease intangibles, and (v) significant prior period expense recoveries and adjustments, if any. When we receive payments in excess of any accounts receivable for terminating a lease, Same Property NOI will include such excess payments as monthly rent until the earlier of the expiration of 12 months or the start date of a replacement tenant. We believe that Same Property NOI is helpful to investors as a measure of our operating performance because it includes only the NOI of properties that have been owned for the full periods presented. We believe such presentation eliminates disparities in net income due to the acquisition or disposition of properties during the particular periods presented, and thus provides a more consistent metric for the comparison of our properties. Same Property NOI includes the results of properties that have been owned for the entire current and prior year reporting periods.

NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of our financial performance. Our computation of NOI and Same Property NOI may differ from the methodology used by other REITs and, therefore, may not be comparable to such other REITs.

When evaluating the properties that are included in the same property pool, we have established specific criteria for determining the inclusion of properties acquired or those recently under development. An acquired property is included in the same property pool when there is a full quarter of operations in both years subsequent to the acquisition date. Development and redevelopment properties are included in the same property pool four full quarters after the properties have been transferred to the operating portfolio. A redevelopment property is first excluded from the same property pool when the execution of a redevelopment plan is likely and we (a) begin recapturing space from tenants or (b) the contemplated plan significantly impacts the operations of the property.

For the three and six months ended June 30, 2024, the same property pool excludes the following:

- properties acquired or placed in service during 2023 and 2024;
- The Landing at Tradition – Phase II, which was reclassified from active redevelopment into our operating portfolio in June 2023;
- our active development and redevelopment projects at Carillon medical office building and The Corner – IN;
- Hamilton Crossing Centre and Edwards Multiplex – Ontario, which were reclassified from our operating portfolio into redevelopment in June 2014 and March 2023, respectively;
- properties sold or classified as held for sale during 2023 and 2024; and
- office properties.

The following table presents Same Property NOI and a reconciliation to net income attributable to common shareholders for the three and six months ended June 30, 2024 and 2023 (*dollars in thousands*):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Number of properties in same property pool for the period <sup>(1)</sup>	177	177		177	177	
Leased percentage at period end	94.8 %	94.5 %		94.8 %	94.5 %	
Economic occupancy percentage at period end <sup>(2)</sup>	91.6 %	92.3 %		91.6 %	92.3 %	
Economic occupancy percentage <sup>(3)</sup>	91.3 %	92.5 %		91.2 %	92.5 %	
<b>Same Property NOI</b>	<b>\$ 142,528</b>	<b>\$ 140,012</b>	<b>1.8 %</b>	<b>\$ 284,801</b>	<b>\$ 278,567</b>	<b>2.2 %</b>
<i>Reconciliation of Same Property NOI to most directly comparable GAAP measure:</i>						
Net operating income – same properties	\$ 142,528	\$ 140,012		\$ 284,801	\$ 278,567	
Net operating income – non-same activity <sup>(4)</sup>	11,397	13,778		21,633	25,705	
<b>Total property NOI</b>	<b>153,925</b>	<b>153,790</b>	<b>0.1 %</b>	<b>306,434</b>	<b>304,272</b>	<b>0.7 %</b>
Other income, net	7,441	1,417		10,806	3,376	
General, administrative and other	(12,966)	(14,499)		(25,750)	(27,883)	
Impairment charges	(66,201)	—		(66,201)	—	
Depreciation and amortization	(99,291)	(109,462)		(199,670)	(217,533)	
Interest expense	(30,981)	(27,205)		(61,345)	(52,630)	
(Loss) gain on sales of operating properties, net	(1,230)	28,440		(1,466)	28,440	
Gain on sale of unconsolidated property, net	—	—		2,325	—	
Net loss (income) attributable to noncontrolling interests	665	(423)		385	(593)	
Net (loss) income attributable to common shareholders	<u>\$ (48,638)</u>	<u>\$ 32,058</u>		<u>\$ (34,482)</u>	<u>\$ 37,449</u>	

(1) Same Property NOI excludes the following: (i) properties acquired or placed in service during 2023 and 2024; (ii) The Landing at Tradition – Phase II, which was reclassified from active redevelopment into our operating portfolio in June 2023; (iii) our active

development and redevelopment projects at Carillon medical office building and The Corner – IN; (iv) Hamilton Crossing Centre and Edwards Multiplex – Ontario, which were reclassified from our operating portfolio into redevelopment in June 2014 and March 2023, respectively; (v) properties sold or classified as held for sale during 2023 and 2024; and (vi) office properties.

- (2) Decrease in the economic occupancy percentage is primarily attributable to the Bed Bath & Beyond Inc. bankruptcy.
- (3) Excludes leases that are signed but for which tenants have not yet commenced the payment of cash rent; calculated as a weighted average based on the timing of cash rent commencement and expiration during the period.
- (4) Includes non-cash activity across the portfolio as well as NOI from properties not included in the same property pool, including properties sold during both periods.

Our Same Property NOI increased 1.8% for the three months ended June 30, 2024 compared to the same period of the prior year primarily due to contractual rent growth, partially offset by higher bad debt expense.

## Funds From Operations

Funds From Operations ("FFO") is a widely used performance measure for real estate companies and is provided here as a supplemental measure of our operating performance. We calculate FFO, a non-GAAP financial measure, in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts ("NAREIT"), as restated in 2018. The NAREIT white paper defines FFO as net income (calculated in accordance with GAAP), excluding (i) depreciation and amortization related to real estate, (ii) gains and losses from the sale of certain real estate assets, (iii) gains and losses from change in control, and (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

Considering the nature of our business as a real estate owner and operator, the Company believes that FFO is helpful to investors in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO (a) should not be considered as an alternative to net income (calculated in accordance with GAAP) for the purpose of measuring our financial performance, (b) is not an alternative to cash flows from operating activities (calculated in accordance with GAAP) as a measure of our liquidity, and (c) is not indicative of funds available to satisfy our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do.

From time to time, the Company may report or provide guidance with respect to "FFO, as adjusted," which removes the impact of certain non-recurring and non-operating transactions or other items the Company does not consider to be representative of its core operating results including, without limitation, (i) gains or losses associated with the early extinguishment of debt, (ii) gains or losses associated with litigation involving the Company that is not in the normal course of business, (iii) merger and acquisition costs, (iv) the impact on earnings from employee severance, (v) the excess of redemption value over carrying value of preferred stock redemption, and (vi) the impact of prior period bad debt or the collection of accounts receivable previously written off ("prior period collection impact") due to the recovery from the COVID-19 pandemic, which are not otherwise adjusted in the Company's calculation of FFO.

Our calculations of FFO and reconciliation to net income for the three and six months ended June 30, 2024 and 2023 (unaudited) are as follows (*dollars in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net (loss) income	\$ (49,303)	\$ 32,481	\$ (34,867)	\$ 38,042
Less: net income attributable to noncontrolling interests in properties	(74)	(30)	(141)	(134)
Add/less: loss (gain) on sales of operating properties, net	1,230	(28,440)	1,466	(28,440)
Less: gain on sale of unconsolidated property, net	—	—	(2,325)	—
Add: impairment charges	66,201	—	66,201	—
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	99,433	109,736	199,993	218,045
<b>FFO of the Operating Partnership<sup>(1)</sup></b>	<b>117,487</b>	<b>113,747</b>	<b>230,327</b>	<b>227,513</b>
Less: Limited Partners' interests in FFO	(1,946)	(1,547)	(3,768)	(3,054)
<b>FFO attributable to common shareholders<sup>(1)</sup></b>	<b>\$ 115,541</b>	<b>\$ 112,200</b>	<b>\$ 226,559</b>	<b>\$ 224,459</b>
FFO per share of the Operating Partnership – diluted	\$ 0.53	\$ 0.51	\$ 1.03	\$ 1.02

(1) "FFO of the Operating Partnership" measures 100% of the operating performance of the Operating Partnership's real estate properties. "FFO attributable to common shareholders" reflects a reduction for the redeemable noncontrolling weighted average diluted interest in the Operating Partnership.

#### Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")

We define EBITDA, a non-GAAP financial measure, as net income before interest expense, income tax expense of the taxable REIT subsidiaries, and depreciation and amortization. For informational purposes, we also provide Adjusted EBITDA, which we define as EBITDA less (i) EBITDA from unconsolidated entities, as adjusted, (ii) gains on sales of operating properties or impairment charges, (iii) merger and acquisition costs, (iv) other income and expense, (v) noncontrolling interest Adjusted EBITDA, and (vi) other non-recurring activity or items impacting comparability from period to period. Annualized Adjusted EBITDA is Adjusted EBITDA for the most recent quarter multiplied by four. Net Debt to Adjusted EBITDA is our share of net debt divided by Annualized Adjusted EBITDA. EBITDA, Adjusted EBITDA, Annualized Adjusted EBITDA and Net Debt to Adjusted EBITDA, as calculated by us, are not comparable to EBITDA and EBITDA-related measures reported by other REITs that do not define EBITDA and EBITDA-related measures exactly as we do. EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA do not represent cash generated from operating activities in accordance with GAAP and should not be considered alternatives to net income as an indicator of performance or as alternatives to cash flows from operating activities as an indicator of liquidity.

Considering the nature of our business as a real estate owner and operator, we believe that EBITDA, Adjusted EBITDA and the ratio of Net Debt to Adjusted EBITDA are helpful to investors in measuring our operational performance because they exclude various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. For informational purposes, we also provide Annualized Adjusted EBITDA, adjusted as described above. We believe this supplemental information provides a meaningful measure of our operating performance. We believe presenting EBITDA and the related measures in this manner allows investors and other interested parties to form a more meaningful assessment of our operating results.

The following table presents a reconciliation of our EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA to net income (the most directly comparable GAAP measure) and a calculation of Net Debt to Adjusted EBITDA (*in thousands*):

	Three Months Ended June 30, 2024
Net loss	\$ (49,303)
Depreciation and amortization	99,291
Interest expense	30,981
Income tax expense of taxable REIT subsidiaries	132
<b>EBITDA</b>	<b>81,101</b>
Unconsolidated Adjusted EBITDA	611
Impairment charges	66,201
Loss on sales of operating properties, net	1,230
Other income and expense, net	(4,121)
Noncontrolling interests	(203)
<b>Adjusted EBITDA</b>	<b>\$ 144,819</b>
<b>Annualized Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 579,276</b>
<b>Company share of Net Debt:</b>	
Mortgage and other indebtedness, net	\$ 3,015,626
Plus: Company share of unconsolidated joint venture debt	56,759
Less: Partner share of consolidated joint venture debt <sup>(2)</sup>	(9,825)
Less: debt discounts, premiums and issuance costs, net	(14,865)
Company's consolidated debt and share of unconsolidated debt	3,047,695
Less: cash, cash equivalents, restricted cash and short-term deposits	(281,737)
Company share of Net Debt	\$ 2,765,958
<b>Net Debt to Adjusted EBITDA</b>	<b>4.8x</b>

- (1) Represents Adjusted EBITDA for the three months ended June 30, 2024 (as shown in the table above) multiplied by four.
- (2) Partner share of consolidated joint venture debt is calculated based upon the partner's pro rata ownership of the joint venture, multiplied by the related secured debt balance.

## Liquidity and Capital Resources

### Overview

Our primary finance and capital strategy is to maintain a strong balance sheet with sufficient flexibility to fund our operating and investment activities in a cost-effective manner. We consider a number of factors when evaluating our level of indebtedness and making decisions regarding additional borrowings or equity offerings, including the interest or dividend rate, the maturity date and the Company's debt maturity ladder, the impact of financial metrics such as overall Company leverage levels and coverage ratios, and the Company's ability to generate cash flow to cover debt service. We continuously monitor the capital markets and may consider raising additional capital through the issuance of our common or preferred shares, unsecured debt securities, or other securities.

As of June 30, 2024, we had approximately \$153.8 million in cash and cash equivalents on hand, \$4.9 million in restricted cash and escrow deposits, \$120.0 million of short-term deposits that were used to repay the \$120.0 million unsecured term loan due July 2024 (the "\$120M Term Loan"), and \$1.1 billion of remaining availability under the Revolving Facility. During the six months ended June 30, 2024, we completed a public offering of the Notes Due 2034, the proceeds of which were used to satisfy all 2024 debt maturities and for general corporate purposes. We believe we will have adequate liquidity over the next 12 months and beyond to operate our business and meet our cash requirements.

We derive the majority of our revenue from tenants who lease space from us under existing lease agreements at each of our properties. Therefore, our ability to generate cash from operations is dependent upon the rents that we are able to charge and collect from our tenants. While we believe that the nature of the properties in which we typically invest—primarily neighborhood and community shopping centers—provides a relatively stable revenue flow, an economic downturn, instability in the banking sector, tenant bankruptcies, inflation, labor shortages, supply chain constraints, and/or increasing energy prices and interest rates, among other events, could adversely affect the ability of some of our tenants to meet their lease obligations.

### Our Principal Capital Resources

For a discussion of cash generated from operations, see "Cash Flows" beginning on page 41. In addition to cash generated from operations, our other principal capital resources are discussed below.

Over the last several years, we have made substantial progress in enhancing our liquidity position and reducing our leverage and borrowing costs. We continue to focus on a balanced approach to growth and staggering debt maturities in order to retain our financial flexibility.

As of June 30, 2024, we had approximately \$1.1 billion available under the Revolving Facility for future borrowings. We also had \$273.8 million in cash, cash equivalents and short-term deposits as of June 30, 2024.

We were in compliance with all applicable financial covenants under the Revolving Facility, unsecured term loans and senior unsecured notes as of June 30, 2024.

On June 7, 2024, the Company filed with the SEC a new shelf registration statement on Form S-3, which is effective for a term of three years, relating to the offer and sale, from time to time, of an indeterminate amount of equity and debt securities. Equity securities may be offered and sold by the Parent Company, and the net proceeds of any such offerings would be contributed to the Operating Partnership in exchange for additional General Partner Units. Debt securities may be offered and sold by the Operating Partnership with the Operating Partnership receiving the proceeds. From time to time, we may issue securities under this shelf registration statement for general corporate purposes, which may include acquisitions of additional properties, repayment of outstanding indebtedness, capital expenditures, the expansion, redevelopment, and/or improvement of properties in our portfolio, working capital and other general purposes.

In the future, we will continue to monitor the capital markets and may consider raising additional capital through the issuance of our common shares, preferred shares or other securities. We may also raise capital by disposing of properties, land parcels or other assets that are no longer core components of our growth strategy. The sale price may differ from our carrying value at the time of sale.

## *Our Principal Liquidity Needs*

### Short-Term Liquidity Needs

*Near-Term Debt Maturities.* As of June 30, 2024, over the next 12 months we have no secured debt, excluding scheduled monthly principal payments, and \$470.0 million of unsecured debt scheduled to mature. Subsequent to June 30, 2024, we repaid the \$120M Term Loan with a portion of the proceeds from the Notes Due 2034, leaving \$350.0 million of unsecured debt scheduled to mature prior to June 30, 2025. We believe we have sufficient liquidity to repay this obligation through a combination of cash flows generated from operations, capital markets transactions, and borrowings on the Revolving Facility.

*Other Short-Term Liquidity Needs.* The requirements for qualifying as a REIT and for a tax deduction for some or all of the dividends paid to shareholders necessitate that we distribute at least 90% of our taxable income on an annual basis. Such requirements cause us to have substantial liquidity needs over both the short and long term. Our short-term liquidity needs consist primarily of funds necessary to pay operating expenses associated with our operating properties, scheduled interest and principal payments on our debt of approximately \$60.0 million and \$2.6 million, respectively, for the remainder of 2024, expected dividend payments to our common shareholders and common unitholders, and recurring capital expenditures.

In April 2024, our Board of Trustees declared a cash distribution of \$0.25 per common share and Common Unit for the second quarter of 2024. This distribution was paid on July 16, 2024 to common shareholders and common unitholders of record as of July 9, 2024. Future distributions, if any, are at the discretion of the Board of Trustees, who will continue to evaluate our sources and uses of capital, liquidity position, operating fundamentals, maintenance of our REIT qualification and other factors they may deem relevant. We believe we have sufficient liquidity to pay any dividend from available cash on hand and borrowings on the Revolving Facility.

Other short-term liquidity needs include expenditures for tenant improvements, external leasing commissions and recurring capital expenditures. During the six months ended June 30, 2024, we incurred \$12.7 million for recurring capital expenditures on operating properties and \$43.6 million for tenant improvements and external leasing commissions, which includes costs to re-lease anchor space at our operating properties related to tenants open and operating as of June 30, 2024 (excluding development and redevelopment properties). We currently anticipate incurring approximately \$100 million of additional major tenant improvement costs related to executed leases for tenants not yet open at a number of our operating properties over the next 12 to 24 months. We believe we have the ability to fund these costs through cash flows from operations or borrowings on the Revolving Facility.

As of June 30, 2024, we had development projects under construction at Carillon medical office building and The Corner – IN. Our share of total estimated costs for these two projects is \$91.6 million, of which our share of the expected funding requirement is estimated to be \$59.7 million. As of June 30, 2024, we have incurred \$33.1 million of these costs. We anticipate incurring the majority of the remaining costs for these projects over the next 12 months and believe we have the ability to fund these projects through cash flows from operations or borrowings on the Revolving Facility.

### Share Repurchase Program

The Company has an existing share repurchase program under which it may repurchase, from time to time, up to a maximum of \$300.0 million of its common shares (the "Share Repurchase Program"). The Company intends to fund any future repurchases under the Share Repurchase Program with cash on hand or availability under the Revolving Facility, subject to any applicable restrictions. The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will depend upon prevailing market conditions, regulatory requirements, and other factors. In February 2024, the Company extended the Share Repurchase Program for an additional year to February 28, 2025, if not terminated or extended prior to that date. As of June 30, 2024, the Company has not repurchased any shares under the Share Repurchase Program.

### Long-Term Liquidity Needs

Our long-term liquidity needs consist primarily of funds necessary to pay for any new development projects, redevelopment of existing properties, non-recurring capital expenditures, acquisitions of properties, payment of indebtedness at maturity and obligations under ground leases.

*Selective Acquisitions, Developments and Joint Ventures.* We may selectively pursue the acquisition, development and redevelopment of other properties, which would require additional capital. It is unlikely that we would have sufficient funds on hand to meet these long-term capital requirements; therefore, we would have to satisfy these needs through additional



borrowings, sales of common or preferred shares, issuance of Operating Partnership units, cash generated through property dispositions and/or participation in joint venture arrangements. We cannot be certain that we would have access to these sources of capital on satisfactory terms, if at all, to fund our long-term liquidity requirements. We evaluate all future opportunities against pre-established criteria including, but not limited to, location, demographics, expected return, tenant credit quality, tenant relationships, and the amount of existing retail space. Our ability to access the capital markets will depend on a number of factors, including general capital market conditions.

**Potential Debt Repurchases.** We may from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity and other factors, seek to repurchase our senior unsecured notes maturing at various dates through March 2034 in open-market transactions, by tender offer or otherwise, as market conditions warrant.

**Commitments under Ground Leases.** We are obligated under 12 ground leases for approximately 98 acres of land as of June 30, 2024. Most of these ground leases require fixed annual rent payments and the expiration dates of the remaining initial terms of these ground leases range from 2025 to 2092. Assuming we exercise all available options to extend the terms of our ground leases, our ground leases will expire between 2043 and 2115.

#### Capital Expenditures on Consolidated Properties

The following table summarizes cash capital expenditures for our development and redevelopment projects and other capital expenditures for the six months ended June 30, 2024 (*in thousands*):

	<b>Six Months Ended June 30, 2024</b>
Active development and redevelopment projects	\$ 6,692
Recurring operating capital expenditures (primarily tenant improvements) and other	60,439
<b>Total</b>	<b>\$ 67,131</b>

We capitalize certain indirect costs such as interest, payroll, and other general and administrative costs related to these development activities. If we had experienced a 10% reduction in development and redevelopment activities without a corresponding decrease in indirect project costs, we would have recorded additional expense of \$0.2 million for the six months ended June 30, 2024.

#### Debt Maturities

The following table summarizes the scheduled maturities and principal amortization of the Company's indebtedness as of June 30, 2024, presented on a calendar year basis (*in thousands*):

	<b>Secured Debt</b>		<b>Unsecured Debt</b>	<b>Total</b>
	<b>Scheduled Principal Payments</b>	<b>Term Maturities</b>		
2024	\$ 2,576	\$ —	\$ 120,000 <sup>(1)</sup>	\$ 122,576
2025	5,248	—	680,000	685,248
2026	4,581	10,600	550,000	565,181
2027	3,120	—	250,000	253,120
2028	3,757	—	100,000	103,757
Thereafter	28,091	92,788	1,150,000	1,270,879
	<b>\$ 47,373</b>	<b>\$ 103,388</b>	<b>\$ 2,850,000</b>	<b>\$ 3,000,761</b>
Debt discounts, premiums and issuance costs, net				14,865
<b>Total</b>				<b>\$ 3,015,626</b>

(1) Subsequent to June 30, 2024, the \$120M Term Loan was repaid with a portion of the proceeds from the Notes Due 2034.

Failure to comply with the obligations under our debt agreements, including payment obligations, could cause an event of default under such debt, which, among other things, could result in the loss of title to the assets securing the debt, acceleration of the payment of all principal and interest and/or termination of the agreements, or exposure to the risk of foreclosure. In addition, certain of our variable rate loans contain cross-default provisions whereby a violation by the Company of any financial covenant set forth in the Revolving Facility will constitute an "Event of Default" under the loans, which could allow the lenders to accelerate the amounts due under our debt agreements if we fail to satisfy these financial covenants. See Item 1A.

"Risk Factors – Risks Related to Our Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023 for more information related to the risks associated with our indebtedness.

#### *Impact of Changes in Credit Ratings on Our Liquidity*

We have received investment grade corporate credit ratings from three nationally recognized credit rating agencies. During the six months ended June 30, 2024, we received a credit rating upgrade with a stable outlook from two of the rating agencies and a positive credit rating outlook from the third rating agency.

In the future, these ratings could change based upon, among other things, the impact that prevailing economic conditions may have on our results of operations and financial condition. Credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources, the cost and other terms of obtaining funding, as well as our overall financial condition, operating results and cash flow.

#### *Cash Flows*

As of June 30, 2024, we had cash, cash equivalents and restricted cash of \$158.8 million. We may be subject to concentrations of credit risk with regard to our cash and cash equivalents. We place our cash and short-term investments with highly rated financial institutions. While we attempt to limit our exposure at any point in time, occasionally such cash and investments may temporarily exceed the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation ("SIPC") insurance limits. We also maintain certain compensating balances in several financial institutions in support of borrowings from those institutions. Such compensating balances were not material to the accompanying consolidated balance sheets.

#### *Comparison of the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023*

Our cash flow activities are summarized as follows *(in thousands)*:

	Six Months Ended June 30,		Change
	2024	2023	
Net cash provided by operating activities	\$ 195,686	\$ 180,425	\$ 15,261
Net cash (used in) provided by investing activities	(154,601)	8,013	(162,614)
Net cash provided by (used in) financing activities	76,480	(175,454)	251,934
Increase in cash, cash equivalents and restricted cash	117,565	12,984	104,581
Cash, cash equivalents and restricted cash, at beginning of period	41,430	121,970	
Cash, cash equivalents and restricted cash, at end of period	<u>\$ 158,995</u>	<u>\$ 134,954</u>	

Cash provided by operating activities was \$195.7 million for the six months ended June 30, 2024 and \$180.4 million for the same period of 2023. The cash flows were positively impacted by an increase in net operating income and interest income received from the short-term certificates of deposit.

Cash used in investing activities was \$154.6 million for the six months ended June 30, 2024 compared to cash provided by investing activities of \$8.0 million for the same period of 2023. Highlights of significant cash sources and uses in investing activities are as follows:

- We invested \$265.0 million of proceeds from the Notes Due 2034 in short-term certificates of deposit and received \$145.0 million upon maturity of the certificate of deposit that matured in June 2024;
- We received net proceeds of \$34.7 million from the sale of Ashland & Roosevelt and four parcels of land during the six months ended June 30, 2024 compared to net proceeds of \$79.5 million from the sale of Kingwood Commons, the undeveloped land and related parking garage at Pan Am Plaza, and two parcels of land during the six months ended June 30, 2023;
- Capital expenditures decreased by \$0.6 million primarily related to the timing of capital projects along with a change in construction payables of \$2.8 million for the six months ended June 30, 2024; and
- We received a \$1.6 million distribution upon the joint venture's disposition of Glendale Center Apartments, of which we own an 11.5% interest, to a third party during the six months ended June 30, 2024.

Cash provided by financing activities was \$76.5 million for the six months ended June 30, 2024 compared to cash used in financing activities of \$175.5 million for the same period of 2023. Highlights of significant cash sources and uses in financing activities are as follows:

- We received \$345.3 million of proceeds from the Notes Due 2034 and borrowed \$40.0 million on the Revolving Facility during the six months ended June 30, 2024 compared to borrowings of \$198.0 million on the Revolving Facility and proceeds of \$95.1 million from the origination of a mortgage payable during the six months ended June 30, 2023;
- We repaid the \$149.6 million principal balance of the 4.58% senior unsecured notes that matured on June 30, 2024, \$40.0 million of borrowings on the Revolving Facility, and \$2.6 million of mortgages payable during the six months ended June 30, 2024 compared to repayments of \$198.0 million of borrowings on the Revolving Facility and \$163.2 million of mortgages payable during the six months ended June 30, 2023; and
- We made distributions to common shareholders and holders of common partnership interests in the Operating Partnership of \$111.5 million during the six months ended June 30, 2024 compared to distributions of \$106.6 million during the six months ended June 30, 2023.

### **Critical Accounting Estimates**

We based the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. There were no changes made by management to the critical accounting policies in the three months ended June 30, 2024. We discuss the most critical estimates in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### *Market Risk Related to Fixed and Variable Rate Debt*

As of June 30, 2024, we had \$3.0 billion of outstanding consolidated indebtedness (inclusive of net unamortized debt discounts, premiums and issuance costs of \$14.9 million). In addition, we were party to various consolidated interest rate hedge agreements totaling \$975.0 million with maturities over various terms through 2026. Reflecting the effects of these hedge agreements, our fixed and variable rate debt would have been \$2.8 billion (94%) and \$170.8 million (6%), respectively, of our total consolidated indebtedness as of June 30, 2024.

As of June 30, 2024, we had \$470.0 million of fixed rate debt scheduled to mature within the next 12 months. A 100-basis point change in interest rates on this debt as of June 30, 2024 would change our annual cash flow by \$4.7 million. A 100-basis point change in interest rates on our unhedged variable rate debt as of June 30, 2024 would change our annual cash flow by \$1.7 million. Based upon the terms of our variable rate debt, we are most vulnerable to a change in short-term Secured Overnight Financing Rate ("SOFR") interest rates.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Kite Realty Group Trust**

#### *Evaluation of Disclosure Controls and Procedures*

An evaluation was performed under the supervision and with the participation of the Parent Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Parent Company's Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective.

#### *Changes in Internal Control Over Financial Reporting*

There has been no change in the Parent Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(b) under the Securities Exchange Act of 1934 of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e))

under the Securities Exchange Act of 1934) as of June 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Kite Realty Group, L.P.**

*Evaluation of Disclosure Controls and Procedures*

An evaluation was performed under the supervision and with the participation of the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of Kite Realty Group Trust (the sole general partner of Kite Realty Group, L.P.), of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Operating Partnership's Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective.

*Changes in Internal Control Over Financial Reporting*

There has been no change in the Operating Partnership's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(b) under the Securities Exchange Act of 1934 of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of June 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II — OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

We are not subject to any material litigation nor, to management's knowledge, is any material litigation currently threatened against us. We are parties to routine litigation, claims, and administrative proceedings arising in the ordinary course of business. Management believes that such matters will not have a material adverse impact on our consolidated financial condition, results of operations or cash flows taken as a whole.

### **ITEM 1A. RISK FACTORS**

There have been no material changes from the risk factors previously disclosed in response to Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 filed on February 20, 2024.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

#### *Issuer Purchases of Equity Securities*

From time to time, certain of our employees surrender Common Shares owned by them to satisfy their statutory minimum U.S. federal and state tax obligations associated with the vesting of restricted common shares of beneficial interest issued under the Company's 2013 Equity Incentive Plan, as amended and restated as of May 11, 2022. These shares are repurchased by the Company. There were no shares of common stock surrendered or repurchased during the three months ended June 30, 2024.

As of June 30, 2024, \$300.0 million remained available for repurchases under the Company's authorized Share Repurchase Program, which was announced in February 2021. In April 2022, the Company's Board of Trustees increased the size of the program from \$150.0 million to \$300.0 million and in February 2024, extended the program for an additional year. The program may be suspended or terminated at any time by the Company and will terminate on February 28, 2025, if not terminated or extended prior to that date.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

#### *Trading Arrangements*

During the three months ended June 30, 2024, none of our officers or trustees adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

## ITEM 6. EXHIBITS

Exhibit No.	Description	Location
3.1	<a href="#"><u>Articles of Amendment and Restatement of Declaration of Trust of the Kite Realty Group Trust, as supplemented and amended</u></a>	Incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K of Kite Realty Group Trust filed with the SEC on February 28, 2022
3.2	<a href="#"><u>Third Amended and Restated Bylaws of Kite Realty Group Trust, effective November 8, 2023</u></a>	Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Kite Realty Group Trust filed with the SEC on November 9, 2023
31.1	<a href="#"><u>Certification of principal executive officer of the Parent Company required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
31.2	<a href="#"><u>Certification of principal financial officer of the Parent Company required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
31.3	<a href="#"><u>Certification of principal executive officer of the Operating Partnership required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
31.4	<a href="#"><u>Certification of principal financial officer of the Operating Partnership required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
32.1	<a href="#"><u>Certification of Chief Executive Officer and Chief Financial Officer of the Parent Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
32.2	<a href="#"><u>Certification of Chief Executive Officer and Chief Financial Officer of the Operating Partnership pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### KITE REALTY GROUP TRUST

Date: July 31, 2024

By: /s/ JOHN A. KITE

John A. Kite  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

Date: July 31, 2024

By: /s/ HEATH R. FEAR

Heath R. Fear  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

### KITE REALTY GROUP, L.P.

By: Kite Realty Group Trust, its sole general partner

Date: July 31, 2024

By: /s/ JOHN A. KITE

John A. Kite  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

Date: July 31, 2024

By: /s/ HEATH R. FEAR

Heath R. Fear  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

## KITE REALTY GROUP TRUST

## CERTIFICATION

I, John A. Kite, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

By: /s/ JOHN A. KITE

John A. Kite  
Chairman and Chief Executive Officer



## KITE REALTY GROUP TRUST

## CERTIFICATION

I, Heath R. Fear, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

By: /s/ HEATH R. FEAR

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Heath R. Fear

Executive Vice President and Chief Financial Officer

## KITE REALTY GROUP, L.P.

## CERTIFICATION

I, John A. Kite, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

By: /s/ JOHN A. KITE

John A. Kite  
Chief Executive Officer  
Kite Realty Group Trust, sole general partner of  
Kite Realty Group, L.P.

## KITE REALTY GROUP, L.P.

## CERTIFICATION

I, Heath R. Fear, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

By: /s/ HEATH R. FEAR

Heath R. Fear  
Chief Financial Officer  
Kite Realty Group Trust, sole general partner of  
Kite Realty Group, L.P.

**Certification of Chief Executive Officer and Chief Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350, As Adopted**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, John A. Kite, Chairman and Chief Executive Officer of Kite Realty Group Trust (the "Parent Company"), and Heath R. Fear, Chief Financial Officer of the Parent Company, each hereby certifies based on his knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) The Quarterly Report on Form 10-Q of the Parent Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Parent Company.

Date: July 31, 2024

By: /s/ JOHN A. KITE

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John A. Kite  
Chairman and Chief Executive Officer

Date: July 31, 2024

By: /s/ HEATH R. FEAR

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Heath R. Fear  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Parent Company and will be retained by the Parent Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Executive Officer and Chief Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350, As Adopted**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, John A. Kite, Chief Executive Officer of Kite Realty Group Trust in its capacity as the sole general partner of Kite Realty Group, L.P. (the "Operating Partnership"), and Heath R. Fear, Chief Financial Officer of Kite Realty Group Trust in its capacity as the sole general partner of the Operating Partnership, each hereby certifies based on his knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) The Quarterly Report on Form 10-Q of the Operating Partnership for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: July 31, 2024

By: /s/ JOHN A. KITE

\_\_\_\_\_  
John A. Kite  
Chief Executive Officer  
Kite Realty Group Trust, sole general partner of  
Kite Realty Group, L.P.

Date: July 31, 2024

By: /s/ HEATH R. FEAR

\_\_\_\_\_  
Heath R. Fear  
Chief Financial Officer  
Kite Realty Group Trust, sole general partner of  
Kite Realty Group, L.P.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.