



2021 ANNUAL REPORT | FORM 10-K

DIRECTORS

Peggy Alford

Executive Vice President, Global Sales of PayPal

John H. Alschuler

Executive Chairman, Therme North America

Eric K. Brandt

Retired Executive Vice President and Chief Financial Officer of Broadcom Corporation

Edward C. Coppola

President of The Macerich Company

Steven R. Hash

Retired President and Chief Operating Officer of Renaissance Macro Research, LLC

Daniel J. Hirsch

Chief Operating Officer and Chief Financial Officer of Cascade Acquisition Corporation

Diana M. Laing

Retired Interim Chief Financial Officer and Executive Vice President of Alexander & Baldwin, Inc.

Thomas E. O'Hern

Chief Executive Officer of The Macerich Company

Steven L. Soboroff

Managing Partner of Soboroff Partners

Andrea M. Stephen

Retired Executive Vice President, Investments of The Cadillac Fairview Corporation Limited

EXECUTIVE OFFICERS

Thomas E. O'Hern

Chief Executive Officer

Edward C. Coppola

President

Douglas J. Healey

Senior Executive Vice President,
Head of Leasing

Scott W. Kingsmore

Senior Executive Vice President, Chief Financial Officer and Treasurer

Ann C. Menard

Senior Executive Vice President, Chief Legal Officer and Secretary

Kenneth L. Volk

Executive Vice President, Business Development



A YEAR OF RESURGENCE

DEAR FELLOW STOCKHOLDERS:

It's clear to us that, for all the ways Covid reshaped how we live and work, it also launched a renaissance for physical retail in 2021.

In every community where Macerich operates, we saw people hungry for the in-person experiences they missed during two long years of the pandemic. Fresh data from the U.S. Commerce Department confirms this view: Sales growth at physical stores outpaced the growth of online shopping in 2021.

The big takeaway about Macerich is that our A-quality properties succeed because they are essential places for people to connect and return to, which makes our centers even more robust platforms for retailers and brands.

As people increasingly prioritize the “best” in-person experiences, from dining to travel to where they shop, our outstanding regional town centers should only benefit. This marked realignment of consumer preferences and behaviors is accelerating the swing to fewer, better properties that retailers see as must-have locations.

We believe that Macerich's high-quality assets in top markets are the critical differentiator for our company driving long-term value and success.

We know that value is also derived from owning properties with purpose. We are focused on the protection of natural resources and ensuring our spaces are gathering places for everyone. We continue to work toward our goal of achieving carbon neutrality by 2030, two decades ahead of the Paris Climate Agreement, and our ongoing commitment to waste diversion and responsible water usage. We value GRESB, CDP and other industry awards that recognize our accomplishments, but are even prouder that our properties - from our town centers to our regional offices - welcome all people, whether to be part of a vibrant workplace or to explore, shop, enjoy and make memories.

SHOPPERS AND SALES COME ROARING BACK

Our momentum is evident in virtually all of our operating metrics for 2021. Same-center net operating income (NOI) grew 7.3% in 2021 compared to 2020 and a dramatic 36% in the fourth quarter year over year. Shoppers have come roaring back to our centers to shop with a purpose, with strong customer conversion rates throughout our portfolio.

We want to underscore a key achievement: Macerich finished 2021 with tenant sales exceeding pre-pandemic levels. The trendline is terrific. In fact, fourth-quarter tenant sales were up 12% over fourth quarter 2019, despite the surge from the Omicron variant during the middle of this peak retail season. This follows robust tenant sales growth of 14% in both the second and third quarters of 2021 over the second and third quarters of 2019. Most importantly, retailer margins and profitability are generally well beyond pre-pandemic levels.

LEASING DEMAND SETS STAGE FOR MORE GROWTH

Leasing demand is back. In line with growing sales, leasing across our portfolio was exceptionally strong in 2021. For the full year, we signed 833 leases for 3.5 million square feet, which represents the highest square footage leasing volume on a same-center basis since 2015, and nearly represents an all-time company record. Importantly, these leases include 99 new-to-Macerich tenants, spanning 88 different brands for over 840,000 square feet.

In terms of store openings during the year, we introduced 900,000 square feet of new stores, or about 2% more square footage than in 2019. This is a particularly strong accomplishment because many of these leases were signed during the height of the pandemic. During 2021, notable openings included Aritzia, Fabletics and Lucid Motors at Tysons Corner Center; Dior, ALO Yoga, FORWARD, Lucid Motors, Buck Mason, Blue Nile and Marc Jacobs at Scottsdale Fashion Square; Tenshoppe and Tonal at Santa Monica Place; lululemon, Gucci, Saint Laurent and Versace at Fashion Outlets of Chicago; Chanel Fragrance & Beauty Boutique and Free People Movement at Kierland Commons;

Rodd & Gunn New Zealand and Marine Layer at Broadway Plaza; Fabletics, Sim Golf, Peloton and Warby Parker at Washington Square; and Faherty, Up West and Polestar at The Village at Corte Madera. Overall, occupancy continues to improve. At year-end, occupancy was 91.5% as we moved toward pre-Covid levels. Since the low occupancy point in the first quarter of 2021, this metric has moved up by 300 basis points. Our common area and ancillary business has also recovered considerably and is set to surpass pre-pandemic levels in 2022. During 2021, we experienced our lowest volume of tenant bankruptcies since 2015, and based on our tenant watchlist, we anticipate that trend to continue.

In another key indicator of retailer demand, leasing spreads in 2021 were positive at 4.9% for the trailing 12 months. Broadly, this demand is coming from a wide range of categories, including digitally native and emerging brands, health and fitness, grocery, home furnishings, food and beverage, electric vehicles, entertainment, sports, office, including coworking, hotels and multi-family residences. We continue to realize our town center strategy adds more uses for more people. We are attracting everyday, high-traffic services such as the Department of Motor Vehicles at Valley River Center in Eugene, OR; The Veterinary Emergency Group at Twenty Ninth Street in Boulder, CO; and the first location with us for Lidl, an international grocer from Germany opening at Freehold Raceway Mall in northern New Jersey in summer 2023.

Given these positive sales and leasing trends, our 2022 FFO guidance assumes a very robust estimated same-center NOI growth range of 4.0% to 5.5%, and we anticipate healthy NOI and operating cash flow growth beyond 2022 as we emerge from the pandemic.

OUR IMPROVING BALANCE SHEET

Throughout 2021, Macerich continued to improve our balance sheet. We worked diligently to complete advantageous refinancings, secure appropriate extensions for loan maturities, and most critically, renew our corporate line of credit.

Last year, we reduced our net debt obligations by \$1.7 billion, or 20%, supported by the issuance of \$850 million of common equity and from capital raised through dispositions of two non-core properties, Paradise Valley Mall and La Encantada, and land parcels throughout the portfolio, as well as significant free cash flow generated by operations after payment of dividends and recurring capital expenditures. We expect continued cash flow growth over the coming years as our business continues to positively rebound post Covid and grow. With what we believe is a very clear view to future operating cash flow and NOI growth, we are well on our way to continued healthy improvement in leverage reduction. As of year-end, we had approximately \$622 million of total liquidity available including cash and credit line availability.

RAMPING UP REDEVELOPMENT

We continued to ramp up redevelopment in 2021 as the economy began to move on from Covid. During the fourth quarter, our joint venture project One Westside in Los Angeles delivered a 584,000 square-foot, three-level creative office space to Google. The project remains ahead of schedule and on budget, and is fully funded with a construction loan. We anticipate Google will open in the summer of 2022. We continue to secure entitlements and/or plan transformative projects to redevelop:

i) the former Bloomingdale's and ArcLight Cinemas spaces at Santa Monica Place with retail, entertainment and office uses, ii) the former Lord & Taylor parcel at Tysons Corner Center with office and/or residential and possibly flagship retail uses, iii) the former Sears parcels at both Washington Square and Los Cerritos Center with mixed-use densification expansions, iv) FlatIron Crossing with a multi-phased, mixed-use densification expansion for which we secured entitlements in late 2021, and v) Kierland Commons for an expansion to add multi-family and office buildings to this highly prosperous, amenity-rich lifestyle property in northeast Phoenix.

Prominent, large-format names in an exciting and diverse variety of categories are a significant part of the redevelopment mix across our portfolio, funded primarily by excess cash flow from operations. Among near-term openings are SCHEELS All Sports at Chandler Fashion Center; Caesars Republic Hotel at Scottsdale Fashion Square; Target at Kings Plaza; Life Time Athletic at both Broadway Plaza and Scottsdale Fashion Square; Pinstripes at Broadway Plaza; Dave & Busters at Vintage Faire and Primark at both Green Acres Mall and Tysons Corner Center. In most cases, these pending new tenancies are anticipated to be vastly more productive than the uses that preceded them. Leases with many more influential and traffic-generating uses are expected during 2022 and beyond.

LOOKING FORWARD WITH CONFIDENCE

As the world begins to reach beyond Covid, Macerich is looking ahead with confidence. We are capitalizing on the renewed appreciation among consumers and brands for the high-quality, in-person experiences our properties uniquely offer. We believe the resurgence of physical retail that began in 2021 has real staying power, especially as our regional town centers add new uses and new reasons for people to spend time with us.

We are strategically positioned in 2022 and the years to come, to grow NOI, occupancy and overall value, as we shape the future of our A-quality real estate.

We are proud that Macerich continues to evolve our culture of belonging to respond to the needs of our employees and our communities, as well as maintains our longstanding industry leadership in sustainability. This robust commitment to ESG underpins a company that works to succeed on every important level.

This year, we are thankful once again for the incredible dedication of our talented teams across the country. Their resilience and tenacity give us a competitive edge. We also want to express appreciation to our Board of Directors for their ongoing guidance as Macerich makes the most of this renaissance for physical retail.

Sincerely,



Thomas E. O'Hern
Chief Executive Officer and Director



Steven R. Hash
Chairman of the Board

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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 No. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

95-4448705

(I.R.S. Employer
Identification Number)

401 Wilshire Boulevard, Suite 700, Santa Monica, California

(Address of principal executive office, including zip code)

90401

(Zip Code)

(310) 394-6000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	MAC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes No

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. Yes No

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). Yes No

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:

Large accelerated filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company
Emerging Growth Company

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 pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately \$3.8 billion as of the last business day of the registrant's most recently completed second fiscal quarter based upon the price at which the common stock was last sold on that day.

Number of shares outstanding of the registrant's common stock, as of February 24, 2022: 214,519,464 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held in 2022 are incorporated by reference into Part III of this Form 10-K.

THE MACERICH COMPANY
ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2021
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PART I

IMPORTANT FACTORS RELATED TO FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K of The Macerich Company (the “Company”) contains or incorporates statements that constitute forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify some of the forward-looking statements by the use of forward-looking words, such as “may,” “will,” “could,” “should,” “expects,” “anticipates,” “intends,” “projects,” “predicts,” “plans,” “believes,” “seeks,” “estimates,” “scheduled” and variations of these words and similar expressions. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions. Forward-looking statements appear in a number of places in this Form 10-K and include statements regarding, among other matters:

- expectations regarding the Company’s growth;
- the Company’s beliefs regarding its acquisition, redevelopment, development, leasing and operational activities and opportunities, including the performance and financial stability of its retailers;
- the Company’s acquisition, disposition and other strategies;
- regulatory matters pertaining to compliance with governmental regulations;
- the Company’s capital expenditure plans and expectations for obtaining capital for expenditures;
- the Company’s expectations regarding income tax benefits;
- the Company’s expectations regarding its financial condition or results of operations; and
- the Company’s expectations for refinancing its indebtedness, entering into and servicing debt obligations and entering into joint venture arrangements.

Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or the industry to differ materially from the Company’s future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include, among others, general industry, as well as national, regional and local economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates, terms and payments, interest rate fluctuations, availability, terms and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, acquisitions and dispositions; the continuing adverse impact of the coronavirus (“COVID-19”) on the U.S., regional and global economies and the financial condition and results of operations of the Company and its tenants; the liquidity of real estate investments, governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities or other acts of violence which could adversely affect all of the above factors. You are urged to carefully review the disclosures we make concerning these risks and other factors that may affect our business and operating results, including those made in “Item 1A. Risk Factors” of this Annual Report on Form 10-K, as well as our other reports filed with the Securities and Exchange Commission (“SEC”), which disclosures are incorporated herein by reference. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, unless required by law to do so.

ITEM 1. BUSINESS

General

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”). As of December 31, 2021, the Operating Partnership owned or had an ownership interest in 44 regional town centers and five community/power shopping centers. These 49 regional town centers and community/power shopping centers (which include any adjoining mixed-use improvements) consist of approximately 48 million square feet of gross leasable area (“GLA”) and are referred to herein as the “Centers”. The Centers consist of consolidated Centers (“Consolidated Centers”) and unconsolidated joint venture Centers (“Unconsolidated Joint Venture Centers”), as set forth in “Item 2. Properties,” unless the context otherwise requires.

The Company is a self-administered and self-managed real estate investment trust (“REIT”) and conducts all of its operations through the Operating Partnership and the Company’s management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Macerich Arizona Partners LLC, a single member Arizona limited liability company, Macerich Arizona Management LLC, a single member Delaware limited liability company, Macerich Partners of Colorado LLC, a single member Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are owned by the Company and are collectively referred to herein as the “Management Companies.”

The Company was organized as a Maryland corporation in September 1993. All references to the Company in this Annual Report on Form 10-K include the Company, those entities owned or controlled by the Company and predecessors of the Company, unless the context indicates otherwise.

Financial information regarding the Company for each of the last three fiscal years is contained in the Company’s Consolidated Financial Statements included in “Item 15. Exhibits and Financial Statement Schedules.”

Recent Developments

Dispositions:

On March 29, 2021, the Company sold Paradise Valley Mall in Phoenix, Arizona to a newly formed joint venture for \$100 million, resulting in a gain on sale of assets of approximately \$5.6 million. Concurrent with the sale, the Company elected to reinvest into the new joint venture at a 5% ownership interest. The Company used the \$95.3 million of net proceeds from the sale to pay down its line of credit (See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”).

On September 17, 2021, the Company sold Tucson La Encantada in Tucson, Arizona for \$165.3 million, resulting in a gain on sale of assets of approximately \$117.2 million. The Company used the net cash proceeds of approximately \$100.1 million to pay down debt (See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”).

On December 31, 2021, the Company assigned its joint venture interest in The Shops at North Bridge in Chicago, Illinois to its partner in the joint venture. The assignment included the assumption by the joint

venture partner of the Company's share of the debt owed by the joint venture and no cash consideration was received by the Company. The Company recognized a loss of approximately \$28.3 million in connection with the assignment.

On December 31, 2021, the Company sold its joint venture interest in the undeveloped property at 443 North Wabash Avenue in Chicago, Illinois to its partner in the joint venture for \$21.0 million. The Company recognized an immaterial gain in connection with the sale.

For the twelve months ended December 31, 2021, the Company and certain joint venture partners sold various land parcels in separate transactions, resulting in the Company's share of the gain on sale of land of \$19.6 million. The Company used its share of the proceeds from these sales of \$46.5 million to pay down debt and for other general corporate purposes.

Financing Activities:

On January 22, 2021, the Company closed on a one-year extension for the Green Acres Mall \$258.2 million loan to February 3, 2022, which also included a one-year extension option to February 3, 2023 which has been exercised. The interest rate remained unchanged, and the Company repaid \$9 million of the outstanding loan balance at closing.

On March 25, 2021, the Company closed on a two-year extension for the Green Acres Commons \$124.6 million loan to March 29, 2023. The interest rate is LIBOR plus 2.75% and the Company repaid \$4.7 million of the outstanding loan balance at closing.

On April 14, 2021, the Company terminated its existing credit facility and entered into a new credit agreement, which provides for an aggregate \$700 million facility, including a \$525 million revolving loan facility that matures on April 14, 2023, with a one-year extension option, and a \$175 million term loan facility that matures on April 14, 2024 (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources").

On October 26, 2021, the Company's joint venture in The Shops at Atlas Park replaced the existing loan on the property with a new \$65 million loan that bears interest at a floating rate of LIBOR plus 4.15% and matures on November 9, 2026, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 3.0% through November 7, 2023.

On February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197 million loan on the property with a new \$175 million loan that bears interest at SOFR plus 3.45% and matures on February 9, 2027, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents SOFR from exceeding 4.0% through February 15, 2024.

Redevelopment and Development Activities:

The Company's joint venture with Hudson Pacific Properties is redeveloping One Westside into 584,000 square feet of creative office space and 96,000 square feet of dining and entertainment space. The entire creative office space has been leased to Google and is expected to be completed in 2022. During the fourth quarter of 2021, the joint venture delivered the office space to Google for tenant improvement work, which Google has commenced. The total cost of the project is estimated to be between \$500.0 million and \$550.0 million, with \$125.0 million to \$137.5 million estimated to be the Company's pro rata share. The Company has incurred \$106.9 million of the total \$427.7 million incurred by the joint venture as of December 31, 2021. The joint venture expects to fund the remaining costs of the development with its \$414.6 million construction loan.

The Company has a 50/50 joint venture with Simon Property Group, which was initially formed to develop Los Angeles Premium Outlets, a premium outlet center in Carson, California. The Company has funded \$41.4 million of the total \$82.8 million incurred by the joint venture as of December 31, 2021.

In connection with the closures and lease rejections of several Sears stores owned or partially owned by the Company, the Company anticipates spending between \$130.0 million to \$160.0 million at the Company's pro rata share to redevelop the Sears stores. The anticipated openings of such redevelopments are expected to occur over several years. The estimated range of redevelopment costs could increase if the Company or its joint venture decides to expand the scope of the redevelopments. The Company has funded \$40.9 million at its pro rata share as of December 31, 2021.

Other Transactions and Events:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As a result, all of the markets that the Company operates in were subject to stay-at-home orders, and the majority of its properties were temporarily closed in part or completely. Following staggered re-openings during 2020, all Centers have been open and operating since October 7, 2020. As of the date of this Annual Report on Form 10-K, government-imposed capacity restrictions resulting from COVID-19 have been essentially eliminated across the Company's markets. Although overall fundamentals at the Centers continued to improve during 2021, the Company expects that the COVID-19 pandemic, including the emergence of new variants, will continue to negatively impact its results for 2022 due, in part, to reduced occupancy relative to pre-COVID levels and additional Anchor closures, among other factors. See "Outlook" in Results of Operations for a further discussion of the forward-looking impact of COVID-19 and the Company's strategic plan to mitigate the anticipated negative impact on its financial condition and results of operations.

The Company declared a cash dividend of \$0.15 per share of its common stock for each quarter in the year ended December 31, 2021. On January 27, 2022, the Company declared a first quarter cash dividend of \$0.15 per share of its common stock, which will be paid on March 3, 2022 to stockholders of record on February 18, 2022. The dividend amount will be reviewed by the Board on a quarterly basis.

In connection with the commencement of separate "at the market" offering programs, on each of February 1, 2021 and March 26, 2021, which are referred to as the "February 2021 ATM Program" and the "March 2021 ATM Program," respectively, and collectively as the "ATM Programs," the Company entered into separate equity distribution agreements with certain sales agents pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$500 million under each of the February 2021 ATM Program and the March 2021 ATM Program, or a total of \$1 billion under the ATM Programs. As of December 31, 2021, the Company had approximately \$151.7 million of gross sales of its common stock available under the March 2021 ATM Program. The February 2021 ATM Program was fully utilized as of June 30, 2021 and is no longer active.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for a further discussion of the Company's anticipated liquidity needs, and the measures taken by the Company to meet those needs.

The Shopping Center Industry

General:

There are several types of retail shopping centers, which are differentiated primarily based on size and marketing strategy. Regional shopping centers generally contain in excess of 400,000 square feet of GLA and are typically anchored by two or more department or large retail stores ("Anchors") and are referred to as "Regional Town Centers" or "Malls." Regional Town Centers also typically contain numerous diversified retail stores ("Mall Stores"), most of which are national or regional retailers typically located along corridors connecting the Anchors. "Strip centers", "urban villages" or "specialty centers" ("Community/Power Shopping Centers") are retail shopping centers that are designed to attract local or neighborhood customers and are typically anchored by one or more supermarkets, discount department

stores and/or drug stores. Community/Power Shopping Centers typically contain 100,000 to 400,000 square feet of GLA. Outlet Centers generally contain a wide variety of designer and manufacturer stores, often located in an open-air center, and typically range in size from 200,000 to 850,000 square feet of GLA (“Outlet Centers”). In addition, freestanding retail stores are located along the perimeter of the shopping centers (“Freestanding Stores”). Mall Stores and Freestanding Stores over 10,000 square feet of GLA are also referred to as “Big Box.” Anchors, Mall Stores, Freestanding Stores and other tenants typically contribute funds for the maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operation of the shopping center.

Regional Town Centers:

A Regional Town Center draws from its trade area by offering a variety of fashion merchandise, hard goods and services and entertainment, often in an enclosed, climate controlled environment with convenient parking. Regional Town Centers provide an array of retail shops and entertainment facilities and often serve as the town center and a gathering place for community, charity and promotional events.

Regional Town Centers have generally provided owners with relatively stable income despite the cyclical nature of the retail business. This stability is due both to the diversity of tenants and to the typical dominance of Regional Town Centers in their trade areas.

Regional Town Centers have different strategies with regard to price, merchandise offered and tenant mix, and are generally tailored to meet the needs of their trade areas. Anchors are located along common areas in a configuration designed to maximize consumer traffic for the benefit of the Mall Stores. Mall GLA, which generally refers to GLA contiguous to the Anchors for tenants other than Anchors, is leased to a wide variety of smaller retailers. Mall Stores typically account for the majority of the revenues of a Regional Town Center.

Business of the Company

Strategy:

The Company has a long-term four-pronged business strategy that focuses on the acquisition, leasing and management, redevelopment and development of Regional Town Centers.

Acquisitions. The Company principally focuses on well-located, quality Regional Town Centers that can be dominant in their trade area and have strong revenue enhancement potential. In addition, the Company pursues other opportunistic acquisitions of property that include retail and will complement the Company’s portfolio such as Outlet Centers. The Company subsequently seeks to improve operating performance and returns from these properties through leasing, management and redevelopment. Since its initial public offering, the Company has acquired interests in shopping centers nationwide. The Company believes that it is geographically well positioned to cultivate and maintain ongoing relationships with potential sellers and financial institutions and to act quickly when acquisition opportunities arise.

Leasing and Management. The Company believes that the shopping center business requires specialized skills across a broad array of disciplines for effective and profitable operations. For this reason, the Company has developed a fully integrated real estate organization with in-house acquisition, accounting, development, finance, information technology, leasing, legal, marketing, property management and redevelopment expertise. In addition, the Company emphasizes a philosophy of decentralized property management, leasing and marketing performed by on-site professionals. The Company believes that this strategy results in the optimal operation, tenant mix and drawing power of each Center, as well as the ability to quickly respond to changing competitive conditions of the Center’s trade area.

The Company believes that on-site property managers can most effectively operate the Centers. Each Center’s property manager is responsible for overseeing the operations, marketing, maintenance and

security functions at the Center. Property managers focus special attention on controlling operating costs, a key element in the profitability of the Centers, and seek to develop strong relationships with, and be responsive to, the needs of retailers.

The Company generally utilizes regionally located leasing managers to better understand the market and the community in which a Center is located. The Company continually assesses and fine tunes each Center's tenant mix, identifies and replaces underperforming tenants and seeks to optimize existing tenant sizes and configurations.

On a selective basis, the Company provides property management and leasing services for third parties. The Company currently manages two regional town centers and two community centers for third party owners on a fee basis.

Redevelopment. One of the major components of the Company's growth strategy is its ability to redevelop acquired properties. On a selective basis, the Company's business strategy may include mixed-use densification to maximize space at the Company's Regional Town Centers, including by developing available land at the Regional Town Centers or by demolishing underperforming department store boxes and redeveloping the land. For this reason, the Company has built a staff of redevelopment professionals who have primary responsibility for identifying redevelopment opportunities that they believe will result in enhanced long-term financial returns and market position for the Centers. The redevelopment professionals oversee the design and construction of the projects in addition to obtaining required governmental approvals (See "Redevelopment and Development Activities" in Recent Developments).

Development. The Company pursues ground-up development projects on a selective basis. The Company has supplemented its strong acquisition, operations and redevelopment skills with its ground-up development expertise to further increase growth opportunities.

The Centers:

As of December 31, 2021, the Centers primarily included 44 Regional Town Centers and five Community/Power Shopping Centers totaling approximately 48 million square feet of GLA. These 49 Centers average approximately 911,000 square feet of GLA and range in size from 3.3 million square feet of GLA at Tysons Corner Center to 185,000 square feet of GLA at Boulevard Shops. As of December 31, 2021, the Centers primarily included 163 Anchors totaling approximately 21.8 million square feet of GLA and approximately 5,000 Mall Stores and Freestanding Stores totaling approximately 23.6 million square feet of GLA.

Competition:

Numerous owners, developers and managers of malls, shopping centers and other retail-oriented real estate compete with the Company for the acquisition of properties and in attracting tenants or Anchors to occupy space. There are a number of other publicly traded mall companies and several large private mall companies in the United States, any of which under certain circumstances could compete against the Company for an Anchor or a tenant. In addition, these companies, as well as other REITs, private real estate companies or investors compete with the Company in terms of property acquisitions. This results in competition both for the acquisition of properties or centers and for tenants or Anchors to occupy space. Competition for property acquisitions may result in increased purchase prices and may adversely affect the Company's ability to make suitable property acquisitions on favorable terms. The existence of competing shopping centers could have a material adverse impact on the Company's ability to lease space and on the level of rents that can be achieved. There is also increasing competition from other retail formats and technologies, such as lifestyle centers, power centers, outlet centers and online retail shopping that could adversely affect the Company's revenues.

In making leasing decisions, the Company believes that retailers consider the following material factors relating to a center: quality, design and location, including consumer demographics; rental rates; type and quality of Anchors and retailers at the center; and management and operational experience and strategy of the center. The Company believes it is able to compete effectively for retail tenants in its local markets based on these criteria in light of the overall size, quality and diversity of its Centers.

Major Tenants:

For the year ended December 31, 2021, the Centers derived approximately 72% of their total rents from Mall Stores and Freestanding Stores under 10,000 square feet and 28% of their total rents from Big Box and Anchor tenants. Total rents as set forth in “Item 1. Business” include minimum rents and percentage rents.

The following retailers (including their subsidiaries) represent the 10 largest tenants in the Centers based upon total rents in place as of December 31, 2021:

Tenant	Primary DBAs	Number of Locations in the Portfolio	% of Total Rents
Best Buy Co., Inc.	Best Buy	7	2.4 %
H & M Hennes & Mauritz L.P.	H&M	27	2.4 %
Foot Locker, Inc.	Champs Sports, Foot Locker, Kids Foot Locker, Lady Foot Locker, Foot Action, House of Hoops, and others	71	2.3 %
SPARC Group	Aeropostale, Brooks Brothers, Eddie Bauer, Forever 21, Lucky Brands, Nautica	72	2.1 %
Victoria’s Secret & Co.	Victoria’s Secret, PINK	48	2.1 %
Gap, Inc., The	Athleta, Banana Republic, Gap, Gap Kids, Old Navy, and others	41	1.9 %
Signet Jewelers Limited	Kay Jewelers, Jared, Piercing Pagoda, Zales, and others	94	1.8 %
Dick’s Sporting Goods, Inc.	Dick’s Sporting Goods	17	1.7 %
American Eagle Outfitters, Inc.	American Eagle Outfitters, Aerie	37	1.4 %
Abercrombie & Fitch Co.	Abercrombie & Fitch, Hollister Co.	44	1.2 %

Mall Stores and Freestanding Stores:

Mall Store and Freestanding Store leases generally provide for tenants to pay rent comprised of a base (or “minimum”) rent and a percentage rent based on sales. In some cases, tenants pay only minimum rent, and in other cases, tenants pay only percentage rent. The Company generally enters into leases for Mall Stores and Freestanding Stores that also require tenants to pay a stated amount for operating expenses, generally excluding property taxes, regardless of the expenses the Company actually incurs at any Center. However, certain leases for Mall Stores and Freestanding Stores contain provisions that only require tenants to pay their pro rata share of maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operations of the Center.

Tenant space of 10,000 square feet and under in the Company’s portfolio at December 31, 2021 comprises approximately 63% of all Mall Store and Freestanding Store space. The Company uses tenant

spaces of 10,000 square feet and under for comparing rental rate activity because this space is more consistent in terms of shape and configuration and, as such, the Company is able to provide a meaningful comparison of rental rate activity for this space. Mall Store and Freestanding Store space greater than 10,000 square feet is inconsistent in size and configuration throughout the Company's portfolio and as a result does not lend itself to a meaningful comparison of rental rate activity with the Company's other space. Much of the non-Anchor space over 10,000 square feet is not physically connected to the mall, does not share the same common area amenities and does not benefit from the foot traffic in the mall. As a result, space greater than 10,000 square feet has a unique rent structure that is inconsistent with mall space under 10,000 square feet.

The following tables set forth the average base rent per square foot for the Centers, as of December 31 for each of the past five years:

Mall Stores and Freestanding Stores under 10,000 square feet:

<u>For the Years Ended December 31,</u>	<u>Avg. Base Rent Per Sq. Ft.(1)(2)</u>	<u>Avg. Base Rent Per Sq. Ft. on Leases Executed During the Year(2)(3)</u>	<u>Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(2)(4)</u>
Consolidated Centers (at the Company's pro rata share):			
2021	\$59.86	\$56.39	\$55.91
2020	\$59.63	\$48.06	\$52.60
2019	\$58.76	\$53.29	\$53.20
2018	\$56.82	\$54.00	\$49.07
2017	\$55.08	\$57.36	\$49.61
Unconsolidated Joint Venture Centers (at the Company's pro rata share):			
2021	\$66.12	\$66.98	\$60.48
2020	\$66.34	\$57.23	\$52.62
2019	\$65.67	\$73.05	\$65.22
2018	\$63.84	\$66.95	\$59.49
2017	\$60.99	\$63.50	\$55.50

Big Box and Anchors:

<u>For the Years Ended December 31,</u>	<u>Avg. Base Rent Per Sq. Ft.(1)(2)</u>	<u>Avg. Base Rent Per Sq. Ft. on Leases Executed During the Year(2)(3)</u>	<u>Number of Leases Executed During the Year</u>	<u>Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(2)(4)</u>	<u>Number of Leases Expiring During the Year</u>
Consolidated Centers (at the Company's pro rata share):					
2021	\$17.26	\$11.08	15	\$ 8.57	15
2020	\$17.58	\$24.14	8	\$11.03	10
2019	\$16.51	\$15.47	24	\$10.37	11
2018	\$15.29	\$14.03	23	\$16.83	13
2017	\$14.13	\$18.19	24	\$14.85	21
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2021	\$16.72	\$27.71	11	\$37.45	15
2020	\$17.18	\$39.81	10	\$27.31	15
2019	\$17.20	\$25.62	13	\$19.28	8
2018	\$17.40	\$38.98	11	\$38.20	7
2017	\$16.87	\$26.33	15	\$33.25	8

- (1) Average base rent per square foot is based on spaces occupied as of December 31 for each of the Centers and gives effect to the terms of each lease in effect, as of such date, including any concessions, abatements and other adjustments or allowances that have been granted to the tenants.
- (2) Centers under development and redevelopment are excluded from average base rents. As a result, the leases for Fashion District Philadelphia, Paradise Valley Mall and One Westside are excluded for the years ended December 31, 2020, 2019, 2018 and 2017. Also, the leases for Paradise Valley Mall and One Westside are excluded for the year ended December 31, 2021.
- (3) The average base rent per square foot on leases executed during the year represents the actual rent paid on a per square foot basis during the first twelve months of the lease.
- (4) The average base rent per square foot on leases expiring during the year represents the actual rent to be paid on a per square foot basis during the final twelve months of the lease.

Lease Expirations:

The following tables show scheduled lease expirations for Centers owned as of December 31, 2021 for the next ten years, assuming that none of the tenants exercise renewal options:

Mall Stores and Freestanding Stores under 10,000 square feet:

<u>Year Ending December 31,</u>	<u>Number of Leases Expiring</u>	<u>Approximate GLA of Leases Expiring(1)</u>	<u>% of Total Leased GLA Represented by Expiring Leases(1)</u>	<u>Ending Base Rent per Square Foot of Expiring Leases(1)</u>	<u>% of Base Rent Represented by Expiring Leases(1)</u>
Consolidated Centers (at the Company's pro rata share):					
2022	367	695,067	18.39 %	\$57.87	16.21 %
2023	295	592,688	15.68 %	\$53.98	12.89 %
2024	278	612,556	16.20 %	\$65.95	16.28 %
2025	188	407,217	10.77 %	\$73.48	12.06 %
2026	156	437,482	11.57 %	\$71.20	12.55 %
2027	108	259,836	6.87 %	\$76.32	7.99 %
2028	74	191,970	5.08 %	\$73.06	5.65 %
2029	93	253,132	6.70 %	\$72.63	7.41 %
2030	73	187,583	4.96 %	\$60.89	4.60 %
2031	39	94,495	2.50 %	\$63.14	2.40 %
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2022	233	263,995	14.00 %	\$63.61	12.06 %
2023	179	276,752	14.68 %	\$60.31	11.99 %
2024	188	252,397	13.39 %	\$69.24	12.55 %
2025	156	215,375	11.42 %	\$74.89	11.58 %
2026	176	250,251	13.27 %	\$79.86	14.35 %
2027	111	177,893	9.44 %	\$80.52	10.29 %
2028	103	166,510	8.83 %	\$85.76	10.26 %
2029	72	89,764	4.76 %	\$83.41	5.38 %
2030	59	80,683	4.28 %	\$91.83	5.32 %
2031	45	68,514	3.63 %	\$73.26	3.61 %

Big Boxes and Anchors:

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
Consolidated Centers (at the Company's pro rata share):					
2022	14	413,323	5.05 %	\$32.15	8.58 %
2023	26	648,519	7.92 %	\$18.65	7.81 %
2024	28	673,305	8.22 %	\$25.45	11.06 %
2025	32	1,154,741	14.10 %	\$13.38	9.98 %
2026	28	1,573,930	19.21 %	\$10.66	10.83 %
2027	26	892,515	10.90 %	\$24.72	14.24 %
2028	15	794,611	9.70 %	\$16.67	8.55 %
2029	11	199,553	2.44 %	\$23.11	2.98 %
2030	11	291,507	3.56 %	\$19.24	3.62 %
2031	9	411,117	5.02 %	\$22.39	5.94 %
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2022	12	311,535	8.57 %	\$15.81	7.40 %
2023	21	239,180	6.58 %	\$27.50	9.88 %
2024	23	297,123	8.17 %	\$36.03	16.08 %
2025	22	747,922	20.57 %	\$10.92	12.27 %
2026	19	324,360	8.92 %	\$30.82	15.02 %
2027	13	222,406	6.12 %	\$25.71	8.59 %
2028	11	462,853	12.73 %	\$12.34	8.58 %
2029	8	284,559	7.82 %	\$13.07	5.59 %
2030	5	251,601	6.92 %	\$ 5.60	2.12 %
2031	6	295,933	8.14 %	\$11.21	4.98 %

- (1) The ending base rent per square foot on leases expiring during the period represents the final year minimum rent, on a cash basis, for tenant leases expiring during the year.

Anchors:

Anchors have traditionally been a major factor in the public's identification with Regional Town Centers. Anchors are generally department stores whose merchandise appeals to a broad range of shoppers. Although the Centers receive a smaller percentage of their operating income from Anchors than from Mall Stores and Freestanding Stores, strong Anchors play an important part in maintaining customer traffic and making the Centers desirable locations for Mall Store and Freestanding Store tenants.

Anchors either own their stores, the land under them and in some cases adjacent parking areas, or enter into long-term leases with an owner at rates that are lower than the rents charged to tenants of Mall Stores and Freestanding Stores. Each Anchor that owns its own store and certain Anchors that lease their stores enter into reciprocal easement agreements with the owner of the Center covering, among other things, operational matters, initial construction and future expansion.

Anchors accounted for approximately 6.4% of the Company's total rents for the year ended December 31, 2021.

The following table identifies each Anchor, each parent company that owns multiple Anchors and the number of square feet owned or leased by each such Anchor or parent company in the Company's portfolio at December 31, 2021.

Name	Number of Anchor Stores	GLA Owned by Anchor	GLA Leased by Anchor	Total GLA Occupied by Anchor
Macy's Inc.				
Macy's	34	4,402,000	1,931,000	6,333,000
Bloomingdale's	1	—	253,000	253,000
	35	4,402,000	2,184,000	6,586,000
JCPenney	25	1,641,000	2,090,000	3,731,000
Dillard's	12	1,915,000	257,000	2,172,000
Nordstrom	8	267,000	1,079,000	1,346,000
Dick's Sporting Goods	16	—	1,048,000	1,048,000
Target(1)	5	304,000	368,000	672,000
Forever 21	5	—	469,000	469,000
Home Depot	3	—	395,000	395,000
Primark(2)	6	—	348,000	348,000
Burlington	4	187,000	140,000	327,000
Costco	2	—	321,000	321,000
Von Maur	2	187,000	—	187,000
Walmart	1	—	173,000	173,000
Shoppers World	2	—	170,000	170,000
La Curacao	1	—	165,000	165,000
Boscov's	1	—	161,000	161,000
Scheels All Sports(3)	1	144,000	—	144,000
Belk	2	—	139,000	139,000
BJ's Wholesale Club	1	—	123,000	123,000
Lowe's	1	—	114,000	114,000
Neiman Marcus	1	—	100,000	100,000
Hudson Bay Company				
Saks Fifth Avenue	1	—	92,000	92,000
Kohl's	1	—	84,000	84,000
Mercado de los Cielos	1	—	78,000	78,000
Best Buy	1	66,000	—	66,000
Des Moines Area Community College	1	64,000	—	64,000
Vacant Anchors(4)	23	149,000	2,249,000	2,398,000
	162	9,326,000	12,347,000	21,673,000
Anchors at Centers not owned by the Company(5):				
Kohl's	1	—	83,000	83,000
Total	163	9,326,000	12,430,000	21,756,000

(1) Target has announced plans to open a three-level 90,000 square foot store at Kings Plaza.

(2) Primark has announced plans to open two new two-level stores at Green Acres Mall and Tysons Corner Center.

- (3) Scheels All Sports has announced plans to expand and build a two-level, 222,000 square foot store at Chandler Fashion Center utilizing the vacant 144,000 square foot location formerly occupied by Nordstrom. The store is anticipated to open in fall 2023.
- (4) The Company is actively seeking replacement tenants or has entered into replacement leases for many of these vacant sites and/or is currently executing on or considering redevelopment opportunities for these locations. The Company continues to collect rent under the terms of an agreement regarding four of these vacant Anchors.
- (5) The Company owns an office building and four stores located at shopping centers not owned by the Company. Of these four stores, one is leased to Kohl's, and three have been leased for non-Anchor usage.

Governmental Regulations

Compliance with various governmental regulations has an impact on the Company's business, including its capital expenditures, earnings and competitive position, which can be material. The Company incurs costs to monitor, and takes actions to comply with, governmental regulations that are applicable to its business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, REIT and other tax laws and regulations, environmental and health and safety laws and regulations, local zoning, usage and other regulations relating to real property, the Americans with Disabilities Act of 1990 (the "ADA") and related laws and regulations.

See "Item 1A. Risk Factors" for a discussion of material risks to the Company, including, to the extent material, to its competitive position, relating to governmental regulations, and see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" together with the Company's Consolidated Financial Statements, including the related notes included therein, for a discussion of material information relevant to an assessment of the Company's financial condition and results of operations, including, to the extent material, the effects that compliance with governmental regulations may have upon its capital expenditures and earnings.

Insurance

Each of the Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. The Company does not insure certain types of losses (such as losses from wars), because they are either uninsurable or not economically insurable. In addition, while the Company or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a \$148,000 per occurrence minimum and a combined annual aggregate loss limit of \$100 million on these Centers. The Company or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in the Pacific Northwest and in the New Madrid Seismic Zone. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a \$114,000 per occurrence minimum and a combined annual aggregate loss limit of \$100 million on these Centers. While the Company or the relevant joint venture also carry standalone terrorism insurance on the Centers, the policies are subject to a \$25,000 deductible and a combined annual aggregate loss limit of \$1.0 billion. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a \$100,000 retention and a \$50 million three-year aggregate loss limit, with the exception of one Center, which has a \$5 million ten-year aggregate loss limit and another Center, which has a \$20 million ten-year aggregate loss limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, the Company carries title insurance on substantially all of the Centers for generally less than their full value.

Qualification as a Real Estate Investment Trust

The Company elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its first taxable year ended December 31, 1994, and intends to conduct its operations so as to continue to qualify as a REIT under the Code. As a REIT, the Company generally will not be subject to federal and state income taxes on its net taxable income that it currently distributes to stockholders. Qualification and taxation as a REIT depends on the Company’s ability to meet certain dividend distribution tests, share ownership requirements and various qualification tests prescribed in the Code.

Employees and Human Capital

As of December 31, 2021, the Company had approximately 640 employees, of which 639 were full-time and one was part-time. The Company believes that relations with its employees are good.

The Company, with oversight from senior management and its Board of Directors, puts great effort into cultivating an inclusive company culture that attracts top talent and creates an environment that fosters collaboration, innovation and diversity, while providing professional development opportunities and training. The Company’s human capital objectives include, as applicable, identifying, recruiting, retaining, developing, incentivizing and integrating the Company’s existing and prospective employees. To further these objectives, the Company has established a number of policies and programs and undertaken various initiatives, including:

Diversity and Inclusion: The Company recognizes the value in strengthening its workforce with diverse thought, ideas and people and maintains employment policies that comply with federal, state and local labor laws. As an equal opportunity employer, it is committed to diversity, recognition and inclusion and rewards its employees based on merit and their contributions in accordance with the principles and requirements of the Equal Employment Opportunities Commission and the principles and requirements of the ADA. The Company’s policies set forth its commitment to provide equal employment opportunity and to recruit, hire and promote at all levels without regard to race, national origin, religion, age, color, sex, sexual orientation, gender identity, disability, protected veteran status or any other characteristic protected by local, state or federal laws. As of December 31, 2021, approximately 58% and 28% of the Company’s employees were female and non-white, respectively.

Employee Compensation and Benefits: The Company maintains cash- and equity-based compensation programs designed to attract, retain and motivate its employees. The Company offers full-time employees a strong benefits package, including:

- Company-matched retirement savings through tax-advantaged 401(k) plans;
- basic life and long-term disability insurance, as well as medical, dental and vision insurance;
- critical illness coverage and supplemental accident insurance;
- paid vacation, sick time and company observed holidays;
- healthcare and dependent care flexible spending accounts;
- referral bonus awards;
- financial, legal, family or personal assistance through the employee assistance program;
- an employee stock purchase program;
- a tax-advantaged 529 educational savings program;
- scholarship program to help fund post high-school education for dependents of employees;

- Company-sponsored donor advised fund to support philanthropic efforts of employees, which provides a Company matching program and paid time off program for philanthropic volunteerism;
- paid time off for volunteer efforts; and
- paid time off for employees to bond with a new child.

Employee Training and Professional Development: The Company values the professional development of its employees and seeks to foster their talent and growth by providing training and education at all levels. In addition to training programs geared towards specific job functions, the Company offers training related to company policies, diversity, skill development, privacy and cybersecurity. In 2020, the Company launched its first-ever diversity, equity and inclusion (“DE&I”) training module designed to broaden employee understanding of DE&I and how embracing of diversity furthers organizational goals. The Company believes these training and development opportunities support workforce retention. As of December 31, 2021, the average tenure of the Company’s employees is approximately 11.6 years and that of the Company’s senior management is 20 years. In 2021, the Company’s workforce turnover rate was 13%, which includes all employees.

Employee Health and Safety: The Company is also committed to ensuring that the operations at all of its Centers and corporate offices are conducted in a manner that safeguards the health and safety of employees, tenants, contractors, customers and members of the public who are either present at, or affected by, its operations. This commitment became supremely important as a result of the unique challenges posed by the COVID-19 pandemic and the Company continues to work with all stakeholders to mitigate the pandemic’s impact. The Company has developed and implemented a long list of operational protocols at each of its Centers and its offices that meet or exceed recommendations from the Centers for Disease Control and Prevention and are designed to ensure the safety of its employees, tenants, service providers and shoppers. All of the Company’s retail properties achieved SafeGuard certification from Bureau Veritas, an internationally recognized testing and certification board. This program is considered to be the gold standard audit for disinfection, cleaning and COVID-19 safety protocols. See “Item 7. Management’s Discussion And Analysis of Financial Condition And Results of Operations—Management’s Overview and Summary—Other Transactions and Events.”

Seasonality

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season when retailer occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season and the majority of percentage rent is recognized in the fourth quarter. As a result of the above, earnings are generally higher in the fourth quarter.

Sustainability

A recognized leader in sustainability, the Company has achieved the #1 GRESB ranking in the North American Retail Sector for seven straight years 2015 – 2021. Additional information about the Company’s Environmental, Social and Governance programs can be obtained from the Company’s website at www.macerich.com. Information provided on the Company’s website is not incorporated by reference into this Form 10-K.

Available Information; Website Disclosure; Corporate Governance Documents

The Company’s corporate website address is www.macerich.com. The Company makes available free-of-charge through this website its reports on Forms 10-K, 10-Q and 8-K and all amendments thereto, as soon as reasonably practicable after the reports have been filed with, or furnished to, the SEC. These

reports are available under the heading “Investors—Financial Information—SEC Filings”, through a free hyperlink to a third-party service. Information provided on the Company’s website is not incorporated by reference into this Form 10-K. The following documents relating to Corporate Governance are available on the Company’s website at www.macerich.com under “Investors—Corporate Governance”:

- Guidelines on Corporate Governance
- Code of Business Conduct and Ethics
- Code of Ethics for CEO and Senior Financial Officers
- Audit Committee Charter
- Compensation Committee Charter
- Executive Committee Charter
- Nominating and Corporate Governance Committee Charter

You may also request copies of any of these documents by writing to:

- Attention: Corporate Secretary
- The Macerich Company
- 401 Wilshire Blvd., Suite 700
- Santa Monica, CA 90401

ITEM 1A. RISK FACTORS

Set forth below are the risks that we believe are material to our investors and they should be carefully considered. Those risks are not all of the risks we face, and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur. This section contains forward-looking statements. You should refer to the explanation of the qualifications and limitations on forward-looking statements in “Important Factors Related To Forward-Looking Statements.” For purposes of this “Risk Factor” section, Centers wholly owned by us are referred to as “Wholly Owned Centers” and Centers that are partly but not wholly owned by us are referred to as “Joint Venture Centers.”

RISKS RELATED TO OUR BUSINESS AND PROPERTIES

The novel coronavirus (“COVID-19”) has caused, and could continue to cause, disruptions in the U.S., regional and global economies and has impacted, and could continue to materially and adversely impact, the Company’s financial condition and results of operations and the financial condition and results of operations of its tenants.

The COVID-19 pandemic, including the emergence of various variants, has caused, and could continue to cause, widespread disruptions to the United States and global economy and has contributed, and may continue to contribute, to significant volatility and negative pressure in financial markets. The extent to which COVID-19, or any future pandemic, epidemic or outbreak of any other highly infectious disease, impacts the Company’s operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of such pandemic, the emergence and characteristics of new variants, the actions taken to contain the pandemic or mitigate its impact, including the adoption, administration and effectiveness of available COVID-19 vaccines, and the direct and indirect economic effects of the pandemic and containment measures, among others. Nevertheless, COVID-19 has, and may continue to, adversely affect our business, financial condition and results of operations, and it may also have the effect of heightening many of the risks described in this “Risk Factors” section, including:

- a complete or partial closure of, or other operational issues at, one or more of our Centers resulting from government or tenant action, which has caused or could continue to cause subsequent closures of previously re-opened Centers, which has adversely affected, and could continue to adversely effect, our operations and those of our tenants;
- reduced economic activity impacting the businesses, financial condition and liquidity of our tenants, which has caused and could continue to cause, one or more of our tenants, including one or more of our Anchors, to be unable to meet their obligations to us in full, or at all, to otherwise seek modifications of such obligations, including, deferrals or reductions of rental payments, or to declare bankruptcy;
- decreased levels of consumer spending and consumer confidence during the pandemic, as well as a decrease in traffic at our Centers, which has affected, and could continue to affect, the ability of the Centers to generate sufficient revenues to meet operating and other expenses in the short-term and could also accelerate a shift to online retail shopping, which, if sustained could result in prolonged decreases in revenue at the Centers even after the immediate impact of the pandemic is resolved;
- inability to renew leases, lease vacant space, including vacant space from tenant bankruptcies and defaults, or re-let space as leases expire on favorable terms, or at all, which could result in lower rental payments or reduced occupancy levels, or could cause interruptions or delays in the receipt of rental payments;
- the closure of Anchors at one or more of our properties, has triggered, and future closures could trigger, co-tenancy lease clauses within one or more of our leases at such properties and any future closures could potentially lead to a decline in revenue and occupancy;
- state, local or industry-initiated efforts, such as a rent freeze for tenants or a suspension of a landlord’s ability to enforce evictions, which has affected, and could continue to affect, our ability to collect rent or enforce remedies for the failure to pay rent;

- disruption and instability in the global financial markets or deteriorations in credit and financing conditions, which has made, and could continue to make, it difficult for us to access debt and equity capital on attractive terms, or at all, and could also impact our ability to fund business activities, repay debt on a timely basis and renew, extend or replace our credit facility prior to its maturity date at all or on terms that are favorable to us;
- a potential negative impact on our financial results could adversely impact our compliance with the financial covenants within our credit facility and other debt agreements or cause a failure to meet certain of these financial covenants, which could cause an event of default, which, if not cured or waived, could accelerate some or all of such indebtedness and could have a material adverse effect on us;
- a potential decline in asset values at one or more of our properties encumbered by mortgage debt, which could inhibit our ability to successfully refinance one or more such properties, result in a default under the applicable mortgage debt agreement and potentially cause the acceleration of such indebtedness;
- a general decline in business activity and demand for real estate transactions, which could adversely affect our ability or desire to make strategic acquisitions or dispositions; and
- uncertainty as to whether government authorities will maintain the relaxation of current restrictions on businesses in the regions in which our properties are located, if such restrictions have been relaxed at all, and whether government authorities will impose (or suggest) requirements on landlords, such as us, to further enhance health and safety protocols, or whether we will voluntarily adopt any such requirements ourselves, which could result in increased operating costs and demands on our property management teams to ensure compliance with any such requirements.

If these and potential other disruptions caused by COVID-19 continue, our business could continue to be adversely affected.

We invest primarily in shopping centers, which are subject to a number of significant risks that are beyond our control.

Real property investments are subject to varying degrees of risk that may affect the ability of our Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to us and our stockholders. A number of factors, some of which may be heightened as a result of the COVID-19 pandemic, as further discussed in the risk factor above, may decrease the income generated by the Centers, including:

- the national economic climate;
- the regional and local economy (which may be negatively impacted by rising unemployment, declining real estate values, increased foreclosures, higher taxes, plant closings, industry slowdowns, union activity, adverse weather conditions, natural disasters and other factors);
- local real estate conditions (such as an oversupply of, or a reduction in demand for, retail space or retail goods, decreases in rental rates, declining real estate values and the availability and creditworthiness of current and prospective tenants);
- decreased levels of consumer spending, consumer confidence, and seasonal spending (especially during the holiday season when many retailers generate a disproportionate amount of their annual sales);
- increasing use by customers of e-commerce and online store sites and the impact of internet sales on the demand for retail space;
- negative perceptions by retailers or shoppers of the safety, convenience and attractiveness of a Center;
- acts of violence, including terrorist activities; and
- increased costs of maintenance, insurance and operations (including real estate taxes).

Income from shopping center properties and shopping center values are also affected by applicable laws and regulations, including tax, environmental, safety and zoning laws.

A significant percentage of our Centers are geographically concentrated and, as a result, are sensitive to local economic and real estate conditions.

A significant percentage of our Centers are located in California, New York and Arizona. To the extent that weak economic or real estate conditions or other factors affect California, New York and Arizona or any region in which we have a high concentration of properties more severely than other areas of the country, our financial performance could be negatively impacted.

We are in a competitive business.

Numerous owners, developers and managers of malls, shopping centers and other retail-oriented real estate compete with us for the acquisition of properties and in attracting tenants or Anchors to occupy space. There are a number of other publicly traded mall companies and several large private mall companies in the United States, any of which under certain circumstances could compete against us for an Anchor or a tenant. In addition, these companies, as well as other REITs, private real estate companies or investors compete with us in terms of property acquisitions. This results in competition both for the acquisition of properties or centers and for tenants or Anchors to occupy space. Competition for property acquisitions may result in increased purchase prices and may adversely affect our ability to make suitable property acquisitions on favorable terms or at all. The existence of competing shopping centers could have a material adverse impact on our ability to lease space and on the rental rates that can be achieved.

There is also increasing competition for tenants and shoppers from other retail formats and technologies, such as lifestyle centers, power centers, outlet centers and online retail shopping that could adversely affect our revenues. The increased popularity of digital and mobile technologies has accelerated the transition of a percentage of market share from shopping at physical stores to web-based shopping, and the ongoing COVID-19 pandemic and restrictions intended to prevent its spread have significantly increased the utilization of e-commerce and may, particularly in certain market segments, accelerate the sustained shift to online retail shopping. If we are unsuccessful in adapting our business to evolving consumer purchasing habits it may have a material adverse impact on our financial condition and results of operations. Further, the increased utilization of online retail shopping, if sustained, may lead to the closure of underperforming stores by retailers, which could impact our occupancy levels and the rates that tenants are willing to pay to lease our space.

We may be unable to renew leases, lease vacant space or re-let space as leases expire on favorable terms or at all, or to the appropriate mix of tenants for the Centers, which could adversely affect our financial condition and results of operations.

There are no assurances that our leases will be renewed or that vacant space in our Centers will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. If the rental rates at our Centers decrease, if our existing tenants do not renew their leases or if we do not re-let a significant portion of our available space and space for which leases will expire, our financial condition and results of operations could be adversely affected.

Additionally, if we fail to identify and secure the right blend of tenants at our retail and mixed-use properties, including our properties under development or redevelopment, our Centers may not appeal to the communities they are intended to serve, which could reduce customer traffic and the operations of our tenants and adversely affect our financial condition and results of operations.

If Anchors or other significant tenants experience a downturn in their business, close or sell stores or declare bankruptcy, our financial condition and results of operations could be adversely affected.

Our financial condition and results of operations could be adversely affected if a downturn in the business of, or the bankruptcy or insolvency of, an Anchor or other significant tenant leads them to close retail stores or terminate their leases after seeking protection under the bankruptcy laws from their creditors, including us as lessor. In recent years, including as a result of the general conditions caused by COVID-19, a number of companies in the retail industry, including some of our tenants, have declared bankruptcy, have gone out of

business, have significantly reduced their brick-and-mortar presence or failed to comply with their contractual obligations to us and others. If one of our tenants files for bankruptcy, we may not be able to collect amounts owed by that party prior to filing for bankruptcy. We may make lease modifications either pre- or post-bankruptcy for certain tenants undergoing significant financial distress in order for them to continue as a going concern. In addition, after filing for bankruptcy, a tenant may terminate any or all of its leases with us, in which event we would have a general unsecured claim against such tenant that would likely be worth less than the full amount owed to us for the remainder of the lease term. Furthermore, we may be required to incur significant expense in re-letting the space vacated by a bankrupt tenant and may not be able to release the space on similar terms or at all. The bankruptcy of a tenant, particularly an Anchor, may require a substantial redevelopment of their space, the success of which cannot be assured, and may make the re-letting of their space difficult and costly, and it may also be difficult to lease the remainder of the space at the affected property.

Furthermore, certain department stores and other national retailers have experienced, and may continue to experience, decreases in customer traffic in their retail stores, increased competition from alternative retail options such as e-commerce and other forms of pressure on their business models. If the in-store sales of retailers operating at our Centers decline significantly due to adverse economic conditions or for any other reason, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of a default by a lessee, the affected Center may experience delays and costs in enforcing its rights as lessor.

Anchors and/or tenants at one or more Centers might also terminate their leases as a result of mergers, acquisitions, consolidations or dispositions in the retail industry. The sale of an Anchor or store to a less desirable retailer may reduce occupancy levels, customer traffic and rental income. Depending on economic conditions, there is also a risk that Anchors or other significant tenants may sell stores operating in our Centers or consolidate duplicate or geographically overlapping store locations. Store closures by an Anchor and/or a significant number of tenants may allow other Anchors and/or certain other tenants to terminate their leases, receive reduced rent and/or cease operating their stores at the Center or otherwise adversely affect occupancy at the Center.

Our real estate acquisition, development and redevelopment strategies may not be successful.

Our historical growth in revenues, net income and funds from operations has been in part tied to the acquisition, development and redevelopment of shopping centers. Many factors, including the availability and cost of capital, our total amount of debt outstanding, our ability to obtain financing on attractive terms, if at all, interest rates and the availability of attractive acquisition targets, among others, will affect our ability to acquire, develop and redevelop additional properties in the future. We may not be successful in pursuing acquisition opportunities, and newly acquired properties may not perform as well as expected. Expenses arising from our efforts to complete acquisitions, develop and redevelop properties or increase our market penetration may have a material adverse effect on our business, financial condition and results of operations. We face competition for acquisitions primarily from other REITs, as well as from private real estate companies or investors. Some of our competitors have greater financial and other resources. Increased competition for shopping center acquisitions may result in increased purchase prices and may impact adversely our ability to acquire additional properties on favorable terms. We cannot guarantee that we will be able to implement our growth strategy successfully or manage our expanded operations effectively and profitably.

We may not be able to achieve the anticipated financial and operating results from newly acquired assets. Some of the factors that could affect anticipated results are:

- our ability to integrate and manage new properties, including increasing occupancy rates and rents at such properties;
- the disposal of non-core assets within an expected time frame; and
- our ability to raise long-term financing to implement a capital structure at a cost of capital consistent with our business strategy.

Our business strategy also includes the selective development and construction of retail properties. On a selective basis, our business strategy may include mixed-use densification to maximize space at our Regional

Town Centers, including by developing available land at our Regional Town Centers or by demolishing underperforming department store boxes and redeveloping the land. Any development, redevelopment and construction activities that we may undertake will be subject to the risks of real estate development, including lack of financing, construction delays, environmental requirements, budget overruns, sunk costs and lease-up. Furthermore, occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable. Real estate development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, and occupancy and other required governmental permits and authorizations. Additionally, if we elect to pursue a “mixed-use” redevelopment, we expose ourselves to risks associated with each non-retail use (e.g., office, residential, hotel and entertainment). If any of the above events occur, our ability to pay dividends to our stockholders and service our indebtedness could be adversely affected.

Excess space at our properties could materially and adversely affect us.

Certain of our properties have had excess space available for prospective tenants, and those properties may continue to experience, and other properties may commence experiencing, such oversupply in the future. Among other causes, (1) there has been an increased number of bankruptcies of Anchors and other national retailers, as well as store closures, and (2) there has been lower demand from retail tenants for space, due to certain retailers increasing their use of e-commerce websites to distribute their merchandise. As a result of the increased bargaining power of creditworthy retail tenants, there is a downward pressure on our rental rates and occupancy levels, and this increased bargaining power may also result in us having to increase our spend on tenant improvements and potentially make other lease modifications in order to attract or retain tenants, any of which, in the aggregate, could materially and adversely affect us.

Real estate investments are relatively illiquid and we may be unable to sell properties at the time we desire and on favorable terms.

Investments in real estate are relatively illiquid, which limits our ability to adjust our portfolio in response to changes in economic, market or other conditions. Moreover, there are some limitations under federal income tax laws applicable to REITs that limit our ability to sell assets. In addition, because our properties are generally mortgaged to secure our debts, we may not be able to obtain a release of a lien on a mortgaged property without the payment of the associated debt and/or a substantial prepayment penalty, which restricts our ability to dispose of a property, even though the sale might otherwise be desirable. Furthermore, the number of prospective buyers interested in purchasing shopping centers is limited. Therefore, if we want to sell one or more of our Centers, we may not be able to dispose of it in the desired time period and may receive less consideration than we originally invested in the Center.

Our real estate assets may be subject to impairment charges.

We periodically assess whether there are any indicators, including property operating performance, changes in anticipated holding period and general market conditions, that the value of our real estate assets and other investments may be impaired. A property’s value is considered to be impaired only if the estimated aggregate future undiscounted and unleveraged property cash flows, taking into account the anticipated probability weighted average holding period, are less than the carrying value of the property. In our estimate of cash flows, we consider trends and prospects for a property and the effects of demand and competition on expected future operating income. If we are evaluating the potential sale of an asset or redevelopment alternatives, the undiscounted future cash flows consider the most likely course of action as of the balance sheet date based on current plans, intended holding periods and available market information. We are required to make subjective assessments as to whether there are impairments in the value of our real estate assets and other investments. Impairment charges have an immediate direct impact on our earnings. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our operating results in the period in which the charge is recognized.

Possible environmental liabilities could adversely affect us.

Each of the Centers have undergone Environmental Site Assessment-Phase I studies conducted by an environmental consultant. As a result of these assessments and other information, we are aware of certain environmental issues present at certain Centers or at properties neighboring certain Centers, such as asbestos containing materials (“ACMs”) (some of which may ultimately require removal under certain conditions, though the company has developed an operations and maintenance plan to manage ACMs), underground storage tanks (which are often present at or near Centers in connection with gasoline stations or automotive tire, battery and accessory services centers, and some of which may have leaked or are suspected to have leaked) and chlorinated hydrocarbons (such as perchloroethylene and its degradation byproducts, which have been detected at certain Centers and are often present in connection with tenant dry cleaning operations). These issues may result in potential environmental liability and cause us to incur costs in responding to these liabilities or in other costs associated with future investigation or remediation.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in that real property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances. The costs of investigation, removal or remediation of hazardous or toxic substances may be substantial. In addition, the presence of hazardous or toxic substances, or the failure to remedy environmental hazards properly, may adversely affect the owner’s or operator’s ability to sell or rent affected real property or to borrow money using affected real property as collateral.

Persons or entities that arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of hazardous or toxic substances at the disposal or treatment facility, whether or not that facility is owned or operated by the person or entity arranging for the disposal or treatment of hazardous or toxic substances. For example, laws exist that impose liability for release of ACMs into the air, and third parties may seek recovery from owners or operators of real property for personal injury associated with exposure to ACMs. In connection with our ownership, operation, management, development and redevelopment of the Centers, or any other centers or properties we acquire in the future, we may be potentially liable under these laws and may incur costs in responding to these liabilities.

We face risks associated with climate change.

Due to changes in weather patterns caused by climate change, our properties in certain markets could experience increases in storm intensity and rising sea levels. Over time, climate change could result in volatile or decreased demand for retail space at some of our Centers or, in extreme cases, our inability to operate the properties at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) insurance on favorable terms, or at all, increasing the cost of energy at our properties or requiring us to spend funds to repair and protect our properties against such risks.

Some of our properties are subject to potential natural or other disasters.

Some of our Centers are located in areas that are subject to natural disasters, including our Centers in California or in other areas with higher risk of earthquakes, our Centers in flood plains or in areas that may be adversely affected by tornadoes, as well as our Centers in coastal regions that may be adversely affected by increases in sea levels or in the frequency or severity of hurricanes, tropical storms or other severe weather conditions. The occurrence of natural disasters can delay redevelopment or development projects, increase investment costs to repair or replace damaged properties, increase future property insurance costs and negatively impact the tenant demand for lease space. If insurance is unavailable to us or is unavailable on acceptable terms, or our insurance is not adequate to cover losses from these events, our financial condition and results of operations could be adversely affected.

Uninsured or underinsured losses could adversely affect our financial condition.

Each of our Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. We do not insure certain types of losses (such as losses

from wars), because they are either uninsurable or not economically insurable, and our insurance coverage may have certain exclusions (such as pandemics) that prevent us from collecting on certain claims under our policies. In addition, while we or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a \$148,000 per occurrence minimum and a combined annual aggregate loss limit of \$100 million on these Centers. We or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in the Pacific Northwest and in the New Madrid Seismic Zone. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a \$114,000 per occurrence minimum and a combined annual aggregate loss limit of \$100 million on these Centers. While we or the relevant joint venture also carry standalone terrorism insurance on the Centers, the policies are subject to a \$25,000 deductible and a combined annual aggregate loss limit of \$1.0 billion. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a \$100,000 retention and a \$50 million three-year aggregate loss limit, with the exception of one Center, which has a \$5 million ten-year aggregate loss limit and another Center has a \$20 million ten-year aggregate loss limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, we carry title insurance on substantially all of the Centers for generally less than their full value.

If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property, but may remain obligated for any mortgage debt or other financial obligations related to the property.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make expenditures that could adversely affect our cash flows.

All of the properties in our portfolio are required to comply with the Americans with Disabilities Act (“ADA”). The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in the imposition of fines by the United States government or an award of damages to private litigants, or both. While the tenants to whom our portfolio is leased are obligated to comply with ADA provisions, within their leased premises, if required changes within their leased premises involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of tenants to cover costs could be adversely affected. Furthermore, we are required to comply with ADA requirements within the common areas of the properties in our portfolio and we may not be able to pass on to our tenants any costs necessary to remediate any common area ADA issues. As a result, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our financial condition and operating results. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our portfolio. We may be required to make substantial capital expenditures to comply with, and we may be restricted in our ability to renovate or redevelop the properties subject to, those requirements. The resulting expenditures and restrictions could have a material adverse effect on our ability to meet our financial obligations.

Possible terrorist activity or other acts or threats of violence and threats to public safety could adversely affect our financial condition and results of operations.

Terrorist attacks and threats of terrorist attacks in the United States or other acts or threats of violence may result in declining economic activity, which could harm the demand for goods and services offered by our tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult for us to renew or re-lease our properties.

Terrorist activities or violence also could result in decreased traffic at our properties due to a heightened level of concern for safety in public places or directly affect the value of our properties through damage,

destruction or loss. Further, the availability of insurance for such acts, or of insurance generally, might be reduced or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that our tenants are affected by such attacks and threats of attacks, their businesses similarly could be adversely affected, including their ability to continue to meet obligations under their existing leases. These acts and threats might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our new or redeveloped properties, and limit our access to capital or increase our cost of raising capital.

Inflation may adversely affect our financial condition and results of operations.

If inflation increases in the future, we may experience any or all of the following:

- Difficulty in replacing or renewing expiring leases with new leases at higher rents; and
- Decreasing tenant sales as a result of decreased consumer spending which could adversely affect the ability of our tenants to meet their rent obligations and/or result in lower percentage rents.

Inflation also poses a risk to us due to the possibility of future increases in interest rates. Such increases would adversely impact us due to our outstanding floating-rate debt as well as result in higher interest rates on new fixed-rate debt. In certain cases, we may limit our exposure to interest rate fluctuations related to a portion of our floating-rate debt by the use of interest rate cap and swap agreements. Such agreements, subject to current market conditions, allow us to replace floating-rate debt with fixed-rate debt in order to achieve our desired ratio of floating-rate to fixed-rate debt. However, in an increasing interest rate environment the fixed rates we can obtain with such replacement fixed-rate cap and swap agreements or the fixed-rate on new debt will also continue to increase.

We have substantial debt that could affect our future operations.

Our total outstanding loan indebtedness at December 31, 2021 was \$6.98 billion (consisting of \$4.53 billion of consolidated debt, less \$0.46 billion attributable to noncontrolling interests, plus \$2.91 billion of our pro rata share of mortgages and other notes payable on unconsolidated joint ventures). As a result of this substantial indebtedness, we are required to use a material portion of our cash flow to service principal and interest on our debt, which limits the amount of cash available for other business opportunities. We are also subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service and that rising interest rates could adversely affect our debt service costs. In addition, our use of interest rate hedging arrangements may expose us to additional risks, including that the counterparty to the arrangement may fail to honor its obligations and that termination of these arrangements typically involves costs such as transaction fees or breakage costs. There can be no assurance that our hedging activities will have the desired impact on our results of operations, liquidity or financial condition. Furthermore, most of our Centers are mortgaged to secure payment of indebtedness, and if income from the Center is insufficient to pay that indebtedness, the Center could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value. Certain Centers also have debt that could become recourse debt to us if the Center is unable to discharge such debt obligation and, in certain circumstances, we may incur liability with respect to such debt greater than our legal ownership.

We are obligated to comply with financial and other covenants that could affect our operating activities.

Our unsecured credit facilities contain financial covenants, including interest coverage requirements, as well as limitations on our ability to incur debt, make dividend payments and make certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain transactions that might otherwise be advantageous. In addition, failure to meet certain of these financial covenants could cause an event of default, which, if not cured or waived, could accelerate some or all of such indebtedness which could have a material adverse effect on us.

We depend on external financings for our growth and ongoing debt service requirements.

We depend primarily on external financings, principally debt financings and, in more limited circumstances, equity financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on the willingness of banks, lenders and other institutions to lend to us based on their underwriting criteria which can fluctuate with market conditions and on conditions in the capital markets in general. In addition, levels of market disruption and volatility could materially adversely impact our ability to access the capital markets for equity financings.

There are no assurances that we will continue to be able to obtain the financing we need for future growth or to meet our debt service as obligations mature, or that the financing will be available to us on acceptable terms, or at all. Any debt refinancing could also impose more restrictive terms.

The discontinuation of LIBOR and the replacement of LIBOR with an alternative reference rate may adversely affect our borrowing costs and could impact our business and results of operations.

The LIBOR benchmark has been the subject of national, international and other regulatory guidance and proposals for reform and replacement, with most LIBOR settings not expected to be published after June 30, 2023. In the United States, the Alternative Reference Rates Committee (“AARC”), which was convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate (“SOFR”) plus a recommended spread adjustment as its preferred alternative to USD-LIBOR. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities.

We expect that all LIBOR settings relevant to us will cease to be published or will no longer be representative after June 30, 2023. As a result, any of our LIBOR-based borrowings that extend beyond such date will need to be converted to a replacement rate. Certain risks may arise in connection with transitioning contracts to SOFR or any other alternative variable rate, including any resulting value transfer that may occur. The value of loans, securities, or derivative instruments tied to LIBOR could also be impacted. If a contract is not transitioned to an alternative variable rate and LIBOR is discontinued, the impact is likely to vary by contract. As of December 31, 2021, each of the agreements governing our variable rate debt provides for the replacement of LIBOR if it becomes unavailable during the term of such agreement.

The discontinuation of LIBOR will not affect our ability to borrow or maintain already outstanding borrowings or swaps, but if our contracts indexed to LIBOR, including certain contracts governing our variable rate debt, the variable rate debt of our joint ventures and our interest rate swaps, are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available. Additionally, although SOFR is the AARC’s recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in ways that would result in higher interest costs for us. It is not yet possible to predict the magnitude of LIBOR’s end on our borrowing costs given the remaining uncertainty about which rates will replace LIBOR.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE

Certain individuals have substantial influence over the management of both us and the Operating Partnership, which may create conflicts of interest.

Under the limited partnership agreement of the Operating Partnership, we, as the sole general partner, are responsible for the management of the Operating Partnership’s business and affairs. Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any of its partners, on the other. Our directors and officers have duties to our Company under Maryland law in connection with their management of our Company. At the same time, we have duties and obligations to our Operating Partnership and its limited partners under Delaware law as modified by the partnership agreement of our Operating Partnership in connection with the management of our

Operating Partnership as the sole general partner. Our duties and obligations as the general partner of our Operating Partnership may come into conflict with the duties of our directors and officers to our Company and our stockholders.

Outside partners in Joint Venture Centers result in additional risks to our stockholders.

We own partial interests in property partnerships that own 22 Joint Venture Centers as well as several development sites. We may acquire partial interests in additional properties through joint venture arrangements. Investments in Joint Venture Centers involve risks different from those of investments in Wholly Owned Centers.

We have fiduciary responsibilities to our joint venture partners that could affect decisions concerning the Joint Venture Centers. Our partners in certain Joint Venture Centers (notwithstanding our majority legal ownership) share control of major decisions relating to the Joint Venture Centers, including decisions with respect to sales, refinancings and the timing and amount of additional capital contributions, as well as decisions that could have an adverse impact on us.

In addition, we may lose our management and other rights relating to the Joint Venture Centers if:

- we fail to contribute our share of additional capital needed by the property partnerships; or
- we default under a partnership agreement for a property partnership or other agreements relating to the property partnerships or the Joint Venture Centers.

Furthermore, the bankruptcy of one of the other investors in our Joint Venture Centers could materially and adversely affect the respective property or properties. Pursuant to the bankruptcy code, we could be precluded from taking some actions affecting the estate of the other investor without prior court approval which would, in most cases, entail prior notice to other parties and a hearing. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a Joint Venture Center has incurred recourse obligations, the discharge in bankruptcy of one of the other investors might result in our ultimate liability for a greater portion of those obligations than would otherwise be required.

Our legal ownership interest in a joint venture vehicle may, at times, not equal our economic interest in the entity because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, our actual economic interest (as distinct from our legal ownership interest) in certain of the Joint Venture Centers could fluctuate from time to time and may not wholly align with our legal ownership interests. Substantially all of our joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds.

Our holding company structure makes us dependent on distributions from the Operating Partnership.

Because we conduct our operations through the Operating Partnership, our ability to service our debt obligations and pay dividends to our stockholders is strictly dependent upon the earnings and cash flows of the Operating Partnership and the ability of the Operating Partnership to make distributions to us. Under the Delaware Revised Uniform Limited Partnership Act, the Operating Partnership is prohibited from making any distribution to us to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Operating Partnership (other than some non-recourse liabilities and some liabilities to the partners) exceed the fair value of the assets of the Operating Partnership. An inability to make cash distributions from the Operating Partnership could jeopardize our ability to maintain qualification as a REIT.

An ownership limit and certain of our Charter and bylaw provisions could inhibit a change of control or reduce the value of our common stock.

The Ownership Limit. In order for us to maintain our qualification as a REIT, not more than 50% in value of our outstanding stock (after taking into account certain options to acquire stock) may be owned, directly or

indirectly or through the application of certain attribution rules, by five or fewer individuals (as defined in the Internal Revenue Code of 1986, as amended (the “Code”), to include some entities that would not ordinarily be considered “individuals”) at any time during the last half of a taxable year. To assist us in maintaining our qualification as a REIT, among other purposes, our Charter restricts ownership of more than 5% (the “Ownership Limit”) of the lesser of the number or value of our outstanding shares of stock by any single stockholder or a group of stockholders (with limited exceptions). In addition to enhancing preservation of our status as a REIT, the Ownership Limit may:

- have the effect of delaying, deferring or preventing a change in control of us or other transaction without the approval of our board of directors, even if the change in control or other transaction is in the best interests of our stockholders; and
- limit the opportunity for our stockholders to receive a premium for their common stock or preferred stock that they might otherwise receive if an investor were attempting to acquire a block of stock in excess of the Ownership Limit or otherwise effect a change in control of us.

Our board of directors, in its sole discretion, may waive or modify (subject to limitations and upon any conditions as it may direct) the Ownership Limit with respect to one or more of our stockholders, if it is satisfied that ownership in excess of this limit will not jeopardize our status as a REIT.

Selected Provisions of our Charter and bylaws. Some of the provisions of our Charter and bylaws may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us and may inhibit a change in control that holders of some, or a majority, of our shares might believe to be in their best interests or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for our shares. These provisions include the following:

- advance notice requirements for stockholder nominations of directors and stockholder proposals to be considered at stockholder meetings;
- the obligation of our directors to consider a variety of factors with respect to a proposed business combination or other change of control transaction;
- the authority of our directors to classify or reclassify unissued shares and cause the Company to issue shares of one or more classes or series of common stock or preferred stock;
- the authority of our directors to create and cause the Company to issue rights entitling the holders thereof to purchase shares of stock or other securities from us; and
- limitations on the amendment of our Charter, the change in control of us, and the liability of our directors and officers.

Certain provisions of Maryland law could inhibit a change in control or reduce the value of our common stock.

Certain provisions of the Maryland General Corporation Law (the “MGCL”) may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us and may inhibit a change in control that holders of some, or a majority, of our shares might believe to be in their best interests or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for our shares, including:

- “Business Combination” provisions that, subject to limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or an affiliate or associate of ours who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of our then outstanding stock) or an affiliate of an interested stockholder for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter may impose special appraisal rights and special stockholder voting requirements on these combinations; and

- “Control Share” provisions that provide that holders of “control shares” of our Company (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of “control shares”) have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

As permitted by the MGCL, our Charter exempts from the “business combination” provisions any business combination between us and the principals and their respective affiliates and related persons. The MGCL also allows the board of directors to exempt particular business combinations before the interested stockholder becomes an interested stockholder. Furthermore, a person is not an interested stockholder if the transaction by which he or she would otherwise have become an interested stockholder is approved in advance by the board of directors.

Additionally, pursuant to a provision in our bylaws, we have opted out of the “control share” acquisition provisions of the MGCL. However, in the future, we may, without the approval of our stockholders, by amendment to our bylaws, opt in to the control share provisions of the MGCL. The MGCL and our Charter also contain supermajority voting requirements with respect to our ability to amend certain provisions of our Charter, merge, or sell all or substantially all of our assets.

Furthermore, our board of directors has adopted a resolution prohibiting us from electing to be subject to the provisions of Title 3, Subtitle 8 of the MGCL that would, among other things, permit our board of directors to classify the board without stockholder approval. Such provisions of Title 3, Subtitle 8 of the MGCL could have an anti-takeover effect. We may only elect to be subject to the classified board provisions of Title 3, Subtitle 8 after first obtaining the approval of our stockholders.

FEDERAL INCOME TAX RISKS

The tax consequences of the sale of some of the Centers and certain holdings of the principals may create conflicts of interest.

The principals will experience negative tax consequences if some of the Centers are sold. As a result, the principals may not favor a sale of these Centers even though such a sale may benefit our other stockholders. In addition, the principals may have different interests than our stockholders because they are significant holders of limited partnership units in the Operating Partnership.

If we were to fail to qualify as a REIT, we would have reduced funds available for distributions to our stockholders.

We believe that we currently qualify as a REIT. No assurance can be given that we will remain qualified as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations. The complexity of these provisions and of the applicable income tax regulations is greater in the case of a REIT structure like ours that holds assets through the Operating Partnership and joint ventures. The determination of various factual matters and circumstances not entirely within our control, including determinations by our partners in the Joint Venture Centers, may affect our continued qualification as a REIT. In addition, legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to our qualification as a REIT or the U.S. federal income tax consequences of that qualification.

In addition, we currently hold certain of our properties through subsidiaries that have elected to be taxed as REITs and we may in the future determine that it is in our best interests to hold one or more of our other properties through one or more subsidiaries that elect to be taxed as REITs. If any of these subsidiaries fails to qualify as a REIT for U.S. federal income tax purposes, then we may also fail to qualify as a REIT for U.S. federal income tax purposes.

If in any taxable year we were to fail to qualify as a REIT, we will suffer the following negative results:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income; and
- we will be subject to U.S. federal and state income tax on our taxable income at regular corporate rates.

In addition, if we were to lose our REIT status, we would be prohibited from qualifying as a REIT for the four taxable years following the year during which the qualification was lost, absent relief under statutory provisions. As a result, net income and the funds available for distributions to our stockholders would be reduced for at least five years and the fair market value of our shares could be materially adversely affected. Furthermore, the Internal Revenue Service could challenge our REIT status for past periods. Such a challenge, if successful, could result in us owing a material amount of tax, interest and penalties for prior periods. It is possible that future economic, market, legal, tax or other considerations might cause our board of directors to revoke our REIT election.

Even if we remain qualified as a REIT, we might face other tax liabilities that reduce our cash flow. Further, we might be subject to federal, state and local taxes on our income and property. Any of these taxes would decrease cash available for distributions to stockholders.

Complying with REIT requirements might cause us to forego otherwise attractive opportunities.

In order to qualify as a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, our sources of income, the nature of our assets, the amounts we distribute to our stockholders and the ownership of our stock. We may also be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with REIT requirements may cause us to forego opportunities we would otherwise pursue.

In addition, the REIT provisions of the Code impose a 100% tax on income from “prohibited transactions.” Prohibited transactions generally include sales of assets that do not qualify for a statutory safe harbor if such assets constitute inventory or other property held for sale in the ordinary course of business, other than foreclosure property. This 100% tax could impact our desire to sell assets and other investments at otherwise opportune times if we believe such sales could be considered prohibited transactions.

Complying with REIT requirements may force us to borrow or take other measures to make distributions to our stockholders.

As a REIT, we generally must distribute 90% of our annual taxable income (subject to certain adjustments) to our stockholders. From time to time, we might generate taxable income greater than our net income for financial reporting purposes, or our taxable income might be greater than our cash flow available for distributions to our stockholders. If we do not have other funds available in these situations, we might be unable to distribute 90% of our taxable income as required by the REIT rules. In that case, we would need to borrow funds, liquidate or sell a portion of our properties or investments (potentially at disadvantageous or unfavorable prices), in certain limited cases distribute a combination of cash and stock (at our stockholders’ election but subject to an aggregate cash limit established by the Company) or find another alternative source of funds. These alternatives could increase our costs or reduce our equity. In addition, to the extent we borrow funds to pay distributions, the amount of cash available to us in future periods will be decreased by the amount of cash flow we will need to service principal and interest on the amounts we borrow, which will limit cash flow available to us for other investments or business opportunities.

We may face risks in connection with Section 1031 Exchanges.

If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties on a tax deferred basis. Section 1031 Exchanges now only apply to real property and do not apply to any related personal property transferred with the real property. As a result, any appreciated personal property that is transferred in connection with a Section 1031 Exchange of real property

will cause gain to be recognized, and such gain is generally treated as non-qualifying income for the 95% and 75% gross income tests. Any such non-qualifying income could have an adverse effect on our REIT status.

If our Operating Partnership fails to maintain its status as a partnership for tax purposes, we would face adverse tax consequences.

We intend to maintain the status of the Operating Partnership as a partnership for federal income tax purposes. However, if the Internal Revenue Service were to successfully challenge the status of the Operating Partnership as an entity taxable as a partnership, the Operating Partnership would be taxable as a corporation. This would reduce the amount of distributions that the Operating Partnership could make to us. This could also result in our losing REIT status, with the consequences described above. This would substantially reduce the cash available to us to make distributions and the return on your investment. In addition, if any of the partnerships or limited liability companies through which the Operating Partnership owns its property, in whole or in part, loses its characterization as a partnership or disregarded entity for federal income tax purposes, it would be subject to taxation as a corporation, thereby reducing distributions to the Operating Partnership. Such a recharacterization of an underlying entity could also threaten our ability to maintain REIT status.

Legislative or regulatory action could adversely affect our stockholders.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments similar to an investment in our stock. Additional changes to tax laws are likely to continue in the future, and we cannot assure you that any such changes will not adversely affect the taxation of us or our stockholders. Any such changes could have an adverse effect on an investment in our stock or on the market value or the resale potential of our properties.

GENERAL RISK FACTORS

Our success depends, in part, on our ability to attract and retain talented employees, and the loss of any one of our key personnel could adversely impact our business.

The success of our business depends, in part, on the leadership and performance of our executive management team and key employees, and our ability to attract, retain and motivate talented employees could significantly impact our future performance. Competition for these individuals is intense, and we cannot assure you that we will retain our executive management team and key employees or that we will be able to attract and retain other highly qualified individuals for these positions in the future. Losing any one or more of these persons could have a material adverse effect on our results of operations, financial condition and cash flows.

The price of our common stock has and may continue to fluctuate significantly, which may make it difficult for our stockholders to resell their shares when they want or at prices they find attractive.

The price of our common stock on the NYSE constantly changes and has been subject to significant price fluctuations. For example, between January 1, 2021 and March 22, 2021, the highest intra-day sale price of our common stock on the NYSE was \$25.99 per share and the lowest intra-day sale price of our common stock on the NYSE was \$10.31 per share. The high of \$25.99 occurred on January 27, 2021 when approximately 58,466,600 shares were traded. Our average daily trading volume between January 1, 2021 and March 22, 2021 was approximately 9,464,650 shares per day. We did not experience any material changes in our financial condition or results of operations during that time that explained such price volatility or trading volume. Accordingly, the market price of our common stock may fluctuate dramatically, and may decline rapidly, irrespective of any key developments in our business.

Our stock price can fluctuate as a result of a variety of factors, many of which are beyond our control. These factors may include, but are not limited to, actual or anticipated variations in our operating results or dividends; general market fluctuations, including potentially extreme increases or decreases in the market prices of certain of our publicly traded tenants, industry factors and general economic and geopolitical conditions and events, such as economic slowdowns or recessions, consumer confidence in the economy, ongoing military conflicts and terrorist attacks; technical factors in the public trading market for our stock that may produce price

movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our securities and the potential for a “short squeeze” whereby short sellers are forced to cover their open positions, access to margin debt, trading in options and other derivatives on our common stock and other technical trading factors; changes in our funds from operations or earnings estimates; changes in the ability of our shopping centers to generate sufficient revenues to meet operating and other expenses; anchor or tenant bankruptcies, closures, mergers or consolidations; local economic and real estate conditions in geographic locations where we have a high concentration of Centers; competition by public or private mall companies or others, including competition for both acquisition of Centers and for tenants to occupy space; the ability of our tenants to pay rent and meet their other obligations to us under current lease terms and our ability to lease space on favorable terms; the success of our acquisition and real estate development strategy; our ability to comply with the financial covenants in our debt agreements and the impact of restrictive covenants in our debt agreements; our access to financing; inflation and increases in interest rates; the risk of our failure to qualify or maintain our status as a REIT; our ability to comply with our joint venture agreements and other risks associated with our joint venture investments; possible uninsured losses, including losses from casualty events or natural disasters, and possible environmental liabilities; the continued adverse impact of COVID-19 on the U.S., regional and global economies and on our financial condition and results of operations and the financial condition and results of operations of our tenants; a decision by any of our significant stockholders to sell substantial amounts of our common stock; any future issuances of equity securities; and the realization of any of the other risk factors included in this Annual Report on Form 10-K.

We face risks associated with and have been the target of security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems.

We face risks associated with and have been the target of security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons inside our organization or persons with access to systems inside our organization, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. A security breach or other significant disruption involving our IT networks and related systems could disrupt the proper functioning of our networks and systems; result in misstated financial reports, violations of loan covenants and/or missed reporting deadlines; result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes; require significant management attention and resources to remedy any damages that result; subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or damage our reputation among our tenants and investors generally. Moreover, cyber attacks perpetrated against our Anchors and tenants, including unauthorized access to customers’ credit card data and other confidential information, could diminish consumer confidence and consumer spending and negatively impact our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table sets forth certain information regarding the Centers and other locations that are wholly owned or partly owned by the Company as of December 31, 2021.

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors (3)	Company-Owned Anchors(3)
CONSOLIDATED CENTERS:									
1	50.1%	Chandler Fashion Center(4) Chandler, Arizona	2001/2002	—	1,319,000	633,000	95.3%	Dillard's, Macy's, Scheels All Sports(5)	—
2	100%	Danbury Fair Mall(4) Danbury, Connecticut	1986/2005	2016	1,224,000	540,000	90.1%	JCPenney, Macy's	Dick's Sporting Goods, Primark
3	100%	Desert Sky Mall Phoenix, Arizona	1981/2002	2007	720,000	254,000	97.7%	Burlington, Dillard's	La Curacao, Mercado de los Cielos
4	100%	Eastland Mall(6) Evansville, Indiana	1978/1998	1996	1,017,000	528,000	88.9%	Dillard's, Macy's	JCPenney
5	50%	Fashion District Philadelphia Philadelphia, Pennsylvania	1977/2014	2019	801,000	573,000	83.2%	—	Burlington, Primark, Shoppers World
6	100%	Fashion Outlets of Chicago Rosemont, Illinois	2013/—	—	527,000	527,000	97.9%	—	—
7	100%	Fashion Outlets of Niagara Falls USA Niagara Falls, New York	1982/2011	2014	689,000	689,000	82.8%	—	—
8	50.1%	Freehold Raceway Mall(4) Freehold, New Jersey	1990/2005	2007	1,553,000	771,000	91.7%	JCPenney, Macy's	Dick's Sporting Goods, Primark
9	100%	Fresno Fashion Fair Fresno, California	1970/1996	2006	973,000	418,000	93.4%	Macy's	Forever 21, JCPenney, Macy's
10	100%	Green Acres Mall(4)(6) Valley Stream, New York	1956/2013	2016	2,057,000	919,000	93.2%	—	BJ's Wholesale Club, Dick's Sporting Goods, Macy's (two), Primark(7), Shoppers World
11	100%	Inland Center San Bernardino, California	1966/2004	2016	630,000	230,000	97.1%	Macy's	Forever 21, JCPenney
12	100%	Kings Plaza Shopping Center(6) Brooklyn, New York	1971/2012	2018	1,146,000	445,000	98.9%	Macy's	Burlington, Lowe's, Primark, Target(8)
13	100%	La Cumbre Plaza(4)(6) Santa Barbara, California	1967/2004	1989	473,000	173,000	90.6%	Macy's	—
14	100%	NorthPark Mall(4) Davenport, Iowa	1973/1998	2001	929,000	394,000	88.8%	Dillard's, JCPenney, Von Maur	—
15	100%	Oaks, The Thousand Oaks, California	1978/2002	2009	1,205,000	603,000	85.8%	JCPenney, Macy's (two)	Dick's Sporting Goods, Nordstrom
16	100%	Pacific View Ventura, California	1965/1996	2001	886,000	401,000	78.0%	JCPenney, Target	Macy's
17	100%	Queens Center(6) Queens, New York	1973/1995	2004	967,000	411,000	97.6%	JCPenney, Macy's	—
18	100%	Santa Monica Place(4) Santa Monica, California	1980/1999	2015	479,000	255,000	85.4%	—	Nordstrom
19	84.9%	SanTan Village Regional Center Gilbert, Arizona	2007/—	2018	1,161,000	754,000	93.8%	Dillard's, Macy's	Dick's Sporting Goods
20	100%	SouthPark Mall(4) Moline, Illinois	1974/1998	2015	855,000	290,000	69.3%	Dillard's, Von Maur	Dick's Sporting Goods, JCPenney
21	100%	Stonewood Center(4)(6) Downey, California	1953/1997	1991	929,000	358,000	88.5%	—	JCPenney, Kohl's, Macy's
22	100%	Superstition Springs Center(4) Mesa, Arizona	1990/2002	2002	912,000	380,000	97.1%	Dillard's, JCPenney, Macy's	—
23	100%	Towne Mall(4) Elizabethtown, Kentucky	1985/2005	1989	350,000	179,000	79.8%	—	Belk, JCPenney
24	100%	Valley Mall Harrisonburg, Virginia	1978/1998	1992	502,000	187,000	75.3%	Target	Belk, Dick's Sporting Goods, JCPenney
25	100%	Valley River Center Eugene, Oregon	1969/2006	2007	813,000	413,000	94.4%	Macy's	JCPenney
26	100%	Victor Valley, Mall of(4) Victorville, California	1986/2004	2012	577,000	259,000	98.8%	Macy's	Dick's Sporting Goods, JCPenney
27	100%	Vintage Faire Mall Modesto, California	1977/1996	2008	915,000	471,000	95.7%	Macy's	Dick's Sporting Goods, JCPenney, Macy's
28	100%	Wilton Mall(4) Saratoga Springs, New York	1990/2005	1998	708,000	505,000	93.2%	JCPenney	Dick's Sporting Goods
Total Consolidated Centers					25,317,000	12,560,000	90.7%		

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors(3)	Company-Owned Anchors(3)
UNCONSOLIDATED JOINT VENTURE CENTERS:									
29	60%	Arrowhead Towne Center(4) Glendale, Arizona	1993/2002	2015	1,073,000	386,000	96.2%	Dillard's, JCPenney, Macy's	Dick's Sporting Goods
30	50%	Biltmore Fashion Park Phoenix, Arizona	1963/2003	2020	597,000	292,000	92.3%	—	Macy's, Saks Fifth Avenue
31	50%	Broadway Plaza(4) Walnut Creek, California	1951/1985	2016	990,000	445,000	96.8%	Macy's	Nordstrom
32	50.1%	Corte Madera, The Village at Corte Madera, California	1985/1998	2020	501,000	265,000	94.5%	Macy's, Nordstrom	—
33	50%	Country Club Plaza Kansas City, Missouri	1922/2016	2015	947,000	947,000	84.9%	—	—
34	51%	Deptford Mall Deptford, New Jersey	1975/2006	2020	1,000,000	428,000	95.1%	JCPenney, Macy's	Boscov's, Dick's Sporting Goods
35	51%	FlatIron Crossing(4) Broomfield, Colorado	2000/2002	2009	1,426,000	727,000	92.7%	Dillard's, Macy's	Dick's Sporting Goods, Forever 21
36	50%	Kierland Commons Phoenix, Arizona	1999/2005	2003	437,000	437,000	89.4%	—	—
37	60%	Lakewood Center Lakewood, California	1953/1975	2008	1,981,000	916,000	89.2%	—	Costco, Forever 21, Home Depot, JCPenney, Macy's, Target
38	60%	Los Cerritos Center(9) Cerritos, California	1971/1999	2016	1,012,000	537,000	90.8%	Macy's, Nordstrom	Dick's Sporting Goods, Forever 21
39	50%	Scottsdale Fashion Square Scottsdale, Arizona	1961/2002	2020	1,883,000	922,000	95.2%	Dillard's	Dick's Sporting Goods, Macy's, Neiman Marcus, Nordstrom
40	60%	South Plains Mall(4) Lubbock, Texas	1972/1998	2017	1,136,000	494,000	90.3%	—	Dillard's (two), JCPenney
41	51%	Twenty Ninth Street(6) Boulder, Colorado	1963/1979	2007	703,000	561,000	92.3%	Macy's	Home Depot
42	50%	Tyson's Corner Center(9) Tyson's Corner, Virginia	1968/2005	2014	1,827,000	1,087,000	89.0%	—	Bloomingdale's, Macy's, Nordstrom, Primark(7)
43	60%	Washington Square(9) Portland, Oregon	1974/1999	2005	1,300,000	577,000	93.9%	Macy's	Dick's Sporting Goods, JCPenney, Nordstrom
44	19%	West Acres Fargo, North Dakota	1972/1986	2001	692,000	426,000	94.7%	Macy's	JCPenney
		Total Unconsolidated Joint Ventures			<u>17,505,000</u>	<u>9,447,000</u>	92.4%		
44		Total Regional Town Centers			<u>42,822,000</u>	<u>22,007,000</u>	91.5%		
COMMUNITY/POWER SHOPPING CENTERS									
1	50%	Atlas Park, The Shops at(11) Queens, New York	2006/2011	2013	373,000	373,000	90.1%	—	—
2	50%	Boulevard Shops(11) Chandler, Arizona	2001/2002	2004	185,000	185,000	94.8%	—	—
3	100%	Southridge Center(4)(10) Des Moines, Iowa	1975/1998	2013	801,000	520,000	77.6%	Des Moines Area Community College	Target
4	100%	Superstition Springs Power Center(10) Mesa, Arizona	1990/2002	—	206,000	53,000	95.9%	Best Buy, Burlington	—
5	100%	The Marketplace at Flagstaff(6)(10) Flagstaff, Arizona	2007/—	—	268,000	147,000	100.0%	—	Home Depot
5		Total Community/Power Shopping Centers			<u>1,833,000</u>	<u>1,278,000</u>	85.9%		
49		Total before Other Assets			<u>44,655,000</u>	<u>23,285,000</u>			
OTHER ASSETS:									
100%		Various(10)(12)	—	—	348,000	265,000	—	—	Kohl's
50%		Scottsdale Fashion Square-Office(11) Scottsdale, Arizona	1984/2002	2016	127,000	—	—	—	—
50%		Tyson's Corner Center-Office(11) Tyson's Corner, Virginia	1999/2005	2012	174,000	—	—	—	—
50%		Hyatt Regency Tyson's Corner Center(11) Tyson's Corner, Virginia	2015	2015	290,000	—	—	—	—

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors(3)	Company-Owned Anchors(3)
	50%	VITA Tysons Corner Center(11) Tysons Corner, Virginia	2015	2015	510,000	—	—	—	—
	50%	Tysons Tower(11) Tysons Corner, Virginia	2014	2014	529,000	—	—	—	—
OTHER ASSETS UNDER DEVELOPMENT:									
	25%	One Westside(11)(13) Los Angeles, California	1985/1998	Ongoing	680,000	—	—	—	—
	5%	Paradise Valley Mall(11)(14) Phoenix, Arizona	1979/2002	Ongoing	303,000	—	—	JCPenney	Costco
Total Other Assets					<u>2,961,000</u>	<u>265,000</u>			
Grand Total					<u><u>47,616,000</u></u>	<u><u>23,550,000</u></u>			

- (1) The Company's ownership interest in this table reflects its direct or indirect legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, the Company's actual economic interest (as distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests. Substantially all of the Company's joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds. See "Item 1A.—Risks Related to Our Organizational Structure—Outside partners in Joint Venture Centers result in additional risks to our stockholders."
- (2) The Company owned or had an ownership interest in 44 regional town centers, five community/power shopping centers and office, hotel and residential space adjacent to these shopping centers. With the exception of the eight Centers indicated with footnote (6) in the table above, the underlying land controlled by the Company is owned in fee entirely by the Company or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company. With respect to these eight Centers, portions of the underlying land controlled by the Company are owned by third parties and leased to the Company, or the joint venture property partnership or limited liability company, pursuant to long-term ground leases. Under the terms of a typical ground lease, the Company, or the joint venture property partnership or limited liability company, has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2028 to 2098.
- (3) Total GLA includes GLA attributable to Anchors (whether owned or non-owned) and Mall and Freestanding Stores as of December 31, 2021. "Non-owned Anchors" is space not owned by the Company (or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company) which is occupied by Anchor tenants. "Company-owned Anchors" is space owned (or leased) by the Company (or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company) and leased (or subleased) to Anchor.
- (4) These Centers have vacant Anchor locations. The Company is actively seeking replacement tenants or has entered into replacement leases for many of these vacant sites and/or is currently executing or considering redevelopment opportunities for these locations. The Company continues to collect rent under the terms of an agreement regarding four of these vacant Anchors.
- (5) Scheels All Sports has announced plans to expand and build a two-level 222,000 square foot store at Chandler Fashion Center utilizing the vacant 144,000 square foot location formerly occupied by Nordstrom. The store is anticipated to open in fall 2023.
- (6) Portions of the land on which the Center is situated are subject to one or more long-term ground leases.
- (7) Primark has announced plans to open two new two-level stores at Green Acres Mall and Tysons Corner Center.
- (8) Target has announced plans to open a three-level, 90,000 square foot store at Kings Plaza.
- (9) The Center has a vacant former anchor store to be demolished for redevelopment.
- (10) Included in Consolidated Centers.
- (11) Included in Unconsolidated Joint Venture Centers.
- (12) The Company owns an office building and four stores located at shopping centers not owned by the Company. Of the four stores, one has been leased to Kohl's and three have been leased for non-Anchor uses. With respect to the office building and two of the four stores, the underlying land is owned in fee entirely by the Company. With respect to the remaining two stores, the underlying land is owned by third parties and leased to the Company pursuant to long-term building or ground leases. Under the terms of a typical building or ground lease, the Company pays rent for the use of the building or land and is generally responsible for all costs and expenses associated with the building and improvements. In some cases, the Company has an option or right of first refusal to purchase the land. The two ground leases terminate in years 2026 and 2027.
- (13) One Westside, formerly known as Westside Pavilion, was a regional town center that closed in January 2019. This property is under redevelopment into 584,000 square feet of creative office leased entirely to Google, along with 96,000 square feet of existing entertainment and retail space.
- (14) Construction started in summer 2021 on the first phase of a multi-phase, multi-year project to convert the former regional town center Paradise Valley Mall into a mixed-used development with high-end grocery, restaurants, multi-family residences, offices, retail shops and other elements on the 92-acre site. The existing Costco and JCPenney stores remain open, while all of the other stores at the property have closed.

Mortgage Debt

The following table sets forth certain information regarding the mortgages encumbering the Centers, including those Centers in which the Company has less than a 100% interest. The information set forth below is as of December 31, 2021 (dollars in thousands):

<u>Property Pledged as Collateral</u>	<u>Fixed or Floating</u>	<u>Carrying Amount(1)</u>	<u>Effective Interest Rate(2)</u>	<u>Annual Debt Service(3)</u>	<u>Maturity Date(4)</u>	<u>Balance Due on Maturity</u>	<u>Earliest Date Notes Can Be Defeased or Be Prepaid</u>
Consolidated Centers:							
Chandler Fashion Center(5)	Fixed	\$ 255,548	4.18%	\$10,496	7/5/24	\$256,000	Any Time
Danbury Fair Mall	Fixed	168,037	5.71%	18,451	7/1/22	163,677	Any Time
Fashion District Philadelphia	Floating	194,602	4.00%	7,784	1/22/24	184,602	Any Time
Fashion Outlets of Chicago	Fixed	299,274	4.61%	13,740	2/1/31	300,000	Any Time
Fashion Outlets of Niagara Falls USA	Fixed	95,329	6.45%	8,719	10/6/23	91,135	Any Time
Freehold Raceway Mall(5)	Fixed	398,711	3.94%	15,600	11/1/29	386,013	11/1/22
Fresno Fashion Fair	Fixed	324,056	3.67%	11,658	11/1/26	325,000	Any Time
Green Acres Commons(6)	Floating	124,875	3.12%	3,571	3/29/23	125,320	Any Time
Green Acres Mall(7)	Fixed	246,061	3.94%	17,366	2/3/23	236,628	Any Time
Kings Plaza Shopping Center	Fixed	535,928	3.71%	19,543	1/1/30	540,000	2/1/2023
Oaks, The	Fixed	176,721	4.14%	12,772	6/5/22	174,433	Any Time
Pacific View	Fixed	111,481	4.08%	8,021	4/1/22	110,597	Any Time
Queens Center	Fixed	600,000	3.49%	20,922	1/1/25	600,000	Any Time
Santa Monica Place(8)	Floating	299,314	1.84%	4,755	12/9/22	300,000	Any Time
SanTan Village Regional Center	Fixed	219,323	4.34%	9,460	7/1/29	220,000	7/1/2023
Towne Mall	Fixed	19,320	4.48%	1,404	11/1/22	18,886	Any Time
Victor Valley, Mall of	Fixed	114,850	4.00%	4,560	9/1/24	115,000	Any Time
Vintage Faire Mall	Fixed	240,124	3.55%	15,069	3/6/26	211,507	Any Time
		<u>\$4,423,554</u>					

<u>Property Pledged as Collateral</u>	<u>Fixed or Floating</u>	<u>Carrying Amount(1)</u>	<u>Effective Interest Rate(2)</u>	<u>Annual Debt Service(3)</u>	<u>Maturity Date(4)</u>	<u>Balance Due on Maturity</u>	<u>Earliest Date Notes Can Be Defeased or Be Prepaid</u>
Unconsolidated Joint Venture Centers (at the Company's Pro Rata Share):							
Arrowhead Towne Center(60%)	Fixed	\$ 240,000	4.05%	\$13,147	2/1/28	\$212,555	2/1/22
Atlas Park, The Shops at(50%)(9)	Floating	31,525	4.92%	1,398	11/9/26	32,500	Any Time
Boulevard Shops(50%)(10)	Floating	11,428	2.28%	225	12/5/23	11,500	Any Time
Broadway Plaza(50%)	Fixed	224,568	4.19%	12,230	4/1/30	189,724	4/1/22
Corte Madera, The Village at(50.1%)	Fixed	112,465	3.53%	4,478	9/1/28	98,753	Any Time
Country Club Plaza(50%)	Fixed	151,833	3.88%	9,001	4/1/26	137,525	Any Time
Deptford Mall(51%)	Fixed	85,251	3.55%	5,795	4/3/23	81,750	Any Time
FlatIron Crossing(51%)(11)	Fixed	100,476	4.38%	6,585	2/4/22	100,270	Any Time
Kierland Commons(50%)	Fixed	102,350	3.98%	6,407	4/1/27	88,724	Any Time
Lakewood Center(60%)	Fixed	206,434	4.15%	13,144	6/1/26	185,306	Any Time
Los Cerritos Center(60%)	Fixed	314,546	4.00%	18,046	11/1/27	278,711	Any Time
One Westside(25%)(12)	Floating	59,646	2.13%	1,086	12/18/24	60,349	Any Time
Paradise Valley(5%)	Fixed	3,116	5.00%	156	9/29/24	3,116	Any Time
Scottsdale Fashion Square(50%)	Fixed	210,021	3.02%	13,281	4/3/23	201,331	Any Time
South Plains Mall(60%)	Fixed	120,000	4.22%	5,065	11/6/25	120,000	Any Time
Twenty Ninth Street(51%)	Fixed	76,500	4.10%	3,137	2/6/26	76,500	Any Time
Tysons Corner Center(50%)	Fixed	353,963	4.13%	24,643	1/1/24	333,233	Any Time
Tysons Tower(50%)	Fixed	94,506	3.38%	3,164	10/11/29	95,000	Any Time
Tysons Vita(50%)	Fixed	44,475	3.43%	1,485	12/1/30	45,000	1/1/24
Washington Square(60%)	Fixed	316,881	3.65%	18,115	11/1/22	311,348	Any Time
West Acres—Development(19%)	Fixed	430	3.72%	16	10/10/29	436	Any Time
West Acres(19%)	Fixed	13,432	4.61%	1,025	3/1/32	8,256	Any Time
		<u>\$2,873,846</u>					

- (1) The mortgage notes payable balances include the unamortized debt premiums (discounts). Debt premiums (discounts) represent the excess (deficiency) of the fair value of debt over (under) the principal value of debt assumed in various acquisitions. The debt premiums (discounts) are being amortized into interest expense over the term of the related debt in a manner which approximates the effective interest method.

The debt premiums (discounts) as of December 31, 2021 consisted of the following:

Property Pledged as Collateral

Unconsolidated Joint Venture Centers (at the Company's Pro Rata Share):

Deptford Mall	\$ 194
Lakewood Center	(6,249)
	<u>\$(6,055)</u>

The mortgage notes payable balances also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs at December 31, 2021 were \$11.9 million for Consolidated Centers and \$4.2 million for Unconsolidated Joint Venture Centers (at the Company's pro rata share).

- (2) The interest rate disclosed represents the effective interest rate, including the debt premiums (discounts) and deferred finance costs.
- (3) The annual debt service represents the annual payment of principal and interest.
- (4) The maturity date assumes that all extension options are fully exercised and that the Company does not opt to refinance the debt prior to these dates. These extension options are at the Company's discretion, subject to certain conditions, which the Company believes will be met.

- (5) A 49.9% interest in the loan has been assumed by a third party in connection with a financing arrangement.
- (6) On March 25, 2021, the Company closed on a two-year extension of the loan to March 29, 2023. The interest rate is LIBOR plus 2.75% and the Company repaid \$4.7 million of the outstanding loan balance at closing.
- (7) On January 22, 2021, the Company closed on a one-year extension of the loan to February 3, 2022, which also included a one-year extension option to February 3, 2023 which has been exercised. The interest rate remained unchanged, and the Company repaid \$9 million of the outstanding loan balance at closing.
- (8) The loan bears interest at LIBOR plus 1.48%. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.0% during the period ending December 9, 2022.
- (9) On October 26, 2021, the Company's joint venture in The Shops at Atlas Park replaced the existing loan on the property with a new \$65 million loan that bears interest at a floating rate of LIBOR plus 4.15% and matures on November 9, 2026, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 3.0% through November 7, 2023.
- (10) The loan bears interest at LIBOR plus 1.85% and matures on December 5, 2023.
- (11) On February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197 million loan on the property with a new \$175 million loan that bears interest at SOFR plus 3.45% and matures on February 9, 2027, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents SOFR from exceeding 4.0% through February 15, 2024.
- (12) On December 18, 2019, the Company's joint venture in One Westside placed a construction loan on the property that allows for borrowing of up to \$414.6 million, bears interest at LIBOR plus 1.70%, which can be reduced to LIBOR plus 1.50% upon the completion of certain conditions, and matures on December 18, 2024.

ITEM 3. LEGAL PROCEEDINGS

None of the Company, the Operating Partnership, the Management Companies or their respective affiliates is currently involved in any material legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common stock of the Company is listed and traded on the New York Stock Exchange under the symbol "MAC". The common stock began trading on March 10, 1994 at a price of \$19 per share. As of February 22, 2022, there were approximately 590 stockholders of record.

To maintain its qualification as a REIT, the Company is required each year to distribute to stockholders at least 90% of its net taxable income after certain adjustments. During 2020, the Company took numerous measures to preserve its liquidity, including paying a reduced dividend in the second, third and fourth quarters. Other than its dividend declared in March 2020 and paid in June 2020, which was paid in a combination of cash and shares of its common stock, the Company paid all of its 2021 and 2020 quarterly dividends in cash. The timing, amount and composition of future dividends will be determined in the sole discretion of the Company's board of directors and will depend on actual and projected cash flow, financial condition, funds from operations, earnings, capital requirements, annual REIT distribution requirements, contractual prohibitions or other restrictions, applicable law and such other factors as the board of directors deems relevant. For example, under the Company's existing financing arrangements, the Company may pay cash dividends and make other distributions based on a formula derived from funds from operations (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Funds From Operations ("FFO")") and only if no default under the financing agreements has occurred, unless, under certain circumstances, payment of the distribution is necessary to enable the Company to continue to qualify as a REIT under the Code.

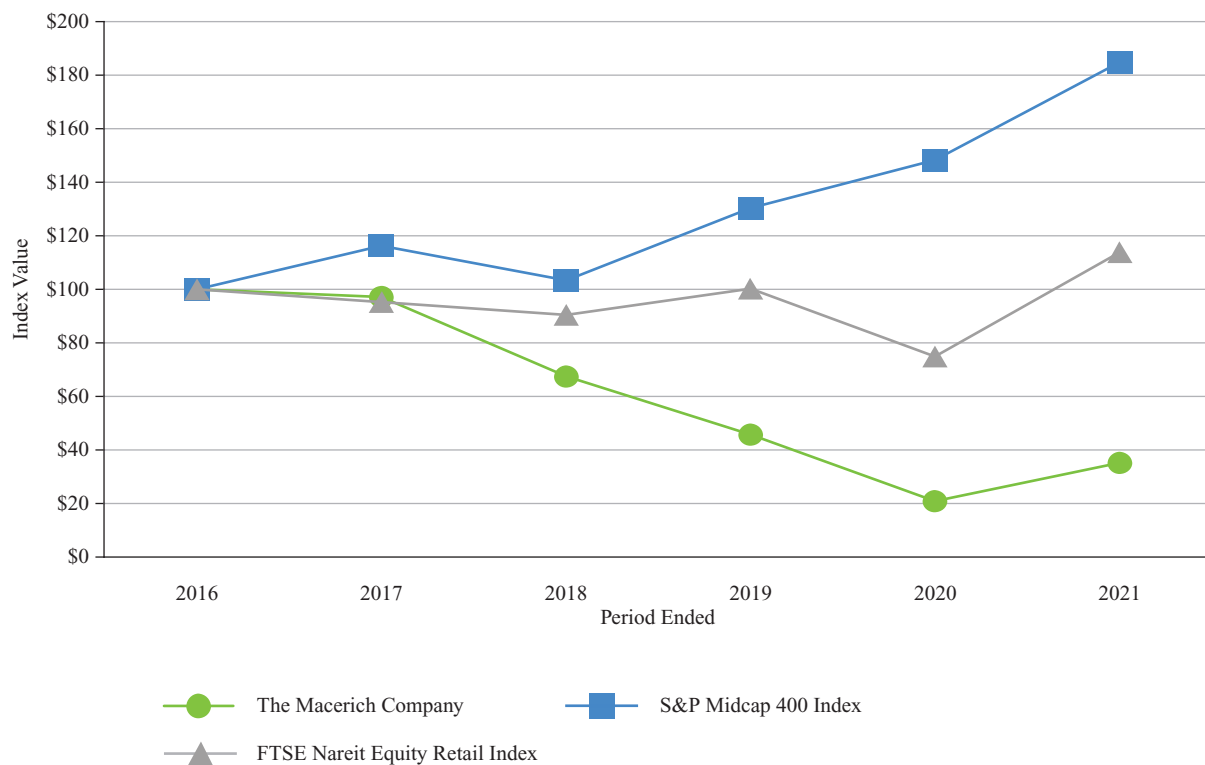
Stock Performance Graph

The following graph provides a comparison, from December 31, 2016 through December 31, 2021, of the yearly percentage change in the cumulative total stockholder return (assuming reinvestment of dividends) of the Company, the Standard & Poors ("S&P") Midcap 400 Index, and the FTSE Nareit Equity Retail Index. The FTSE Nareit Equity Retail Index is an industry index of publicly-traded REITs that include the Company.

The graph assumes that the value of the investment in each of the Company's common stock and the indices was \$100 at the close of the market on December 31, 2016.

Upon written request directed to the Secretary of the Company, the Company will provide any stockholder with a list of the REITs included in the FTSE Nareit Equity Retail Index. The historical information set forth below is not necessarily indicative of future performance.

Data for the S&P Midcap 400 Index and the FTSE Nareit Equity Retail Index were provided by Research Data Group.



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	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
The Macerich Company	100.00	97.14	67.46	45.76	20.91	35.24
S&P Midcap 400 Index	100.00	116.24	103.36	130.44	148.26	184.96
FTSE Nareit Equity Retail Index	100.00	95.23	90.51	100.14	74.92	113.82

Recent Sales of Unregistered Securities

On November 29, 2021, the Company, as general partner of the Operating Partnership, issued 1,407,366 shares of common stock of the Company upon the redemption of 1,407,366 common partnership units of the Operating Partnership. These shares of common stock were issued in a private placement to a limited partner of the Operating Partnership, who is an accredited investor, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
October 1, 2021 to October 31, 2021	—	\$ —	—	\$278,707,048
November 1, 2021 to November 30, 2021	—	—	—	\$278,707,048
December 1, 2021 to December 31, 2021	—	—	—	\$278,707,048
	—	\$ —	—	
	<u>—</u>		<u>—</u>	

(1) On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to \$500.0 million of the Company's outstanding common shares from time to time as market conditions warrant.

ITEM 6. RESERVED

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Overview and Summary

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, the Operating Partnership. As of December 31, 2021, the Operating Partnership owned or had an ownership interest in 44 regional town centers and five community/power shopping centers. These 49 regional town centers and community/power shopping centers (which include any adjoining mixed-use improvements) consist of approximately 48 million square feet of gross leasable area ("GLA") and are referred to herein as the "Centers". The Centers consist of consolidated Centers ("Consolidated Centers") and unconsolidated joint venture Centers ("Unconsolidated Joint Venture Centers") as set forth in "Item 2. Properties," unless the context otherwise requires. The Company is a self-administered and self-managed REIT and conducts all of its operations through the Operating Partnership and the Management Companies.

The following discussion is based primarily on the consolidated financial statements of the Company for the years ended December 31, 2021, 2020 and 2019. It compares the results of operations and cash flows for the year ended December 31, 2021 to the results of operations and cash flows for the year ended December 31, 2020. Also included is a comparison of the results of operations and cash flows for the year ended December 31, 2020 to the results of operations and cash flows for the year ended December 31, 2019. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Dispositions:

The financial statements reflect the following dispositions and changes in ownership subsequent to the occurrence of each transaction.

On March 29, 2021, the Company sold Paradise Valley Mall in Phoenix, Arizona to a newly formed joint venture for \$100.0 million, resulting in a gain on sale of assets of approximately \$5.6 million. Concurrent with the sale, the Company elected to reinvest into the new joint venture at a 5% ownership interest. The Company used the \$95.3 million of net proceeds from the sale to pay down its line of credit (See "Liquidity and Capital Resources").

On September 17, 2021, the Company sold Tucson La Encantada in Tucson, Arizona for \$165.3 million, resulting in a gain on sale of assets of approximately \$117.2 million. The Company used the net cash proceeds of approximately \$100.1 million to pay down debt (See "Liquidity and Capital Resources").

On December 31, 2021, the Company assigned its joint venture interest in The Shops at North Bridge in Chicago, Illinois to its partner in the joint venture. The assignment included the assumption by the joint venture partner of the Company's share of the debt owed by the joint venture and no cash consideration was received by the Company. The Company recognized a loss of approximately \$28.3 million in connection with the assignment.

On December 31, 2021, the Company sold its joint venture interest in the undeveloped property at 443 North Wabash Avenue in Chicago, Illinois to its partner in the joint venture for \$21.0 million. The Company recognized an immaterial gain in connection with the sale.

For the twelve months ended December 31, 2021, the Company and certain joint venture partners sold various land parcels in separate transactions, resulting in the Company's share of the gain on sale of land of \$19.6 million. The Company used its share of the proceeds from these sales of \$46.5 million to pay down debt and for other general corporate purposes.

Financing Activities:

On January 10, 2019, the Company replaced the existing loan on Fashion Outlets of Chicago with a new \$300.0 million loan that bears interest at an effective rate of 4.61% and matures on February 1, 2031. The Company used the net proceeds to pay down its line of credit and for general corporate purposes.

On February 22, 2019, the Company's joint venture in The Shops at Atlas Park entered into an agreement to increase the total borrowing capacity of the existing loan on the property from \$57.8 million to \$80.0 million, and to extend the maturity date to October 28, 2021, including extension options. Concurrent with the loan modification, the joint venture borrowed an additional \$18.4 million. The Company used its \$9.2 million share of the additional proceeds to pay down its line of credit and for general corporate purposes. As discussed below, the Company's joint venture replaced this loan with a new loan prior to its maturity date in October 2021.

On June 3, 2019, the Company's joint venture in SanTan Village Regional Center replaced the existing loan on the property with a new \$220.0 million loan that bears interest at an effective rate of 4.34% and matures on July 1, 2029. The Company used its share of the additional proceeds to pay down its line of credit and for general corporate purposes.

On June 27, 2019, the Company replaced the existing loan on Chandler Fashion Center with a new \$256.0 million loan that bears interest at an effective rate of 4.18% and matures on July 5, 2024. The Company used its share of the additional proceeds to pay down its line of credit and for general corporate purposes.

On July 25, 2019, the Company's previously unconsolidated joint venture in Fashion District Philadelphia amended the existing term loan on the joint venture to allow for additional borrowings up to \$100.0 million at LIBOR plus 2.00%. Concurrent with the amendment, the joint venture borrowed an additional \$26.0 million. On August 16, 2019, the joint venture borrowed an additional \$25.0 million. The Company used its share of the additional proceeds to pay down its line of credit and for general corporate purposes.

On September 12, 2019, the Company's joint venture in Tysons Tower placed a new \$190.0 million loan on the property that bears interest at an effective rate of 3.38% and matures on October 11, 2029. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On October 17, 2019, the Company's joint venture in West Acres placed a construction loan on the property that allows for borrowing of up to \$6.5 million, bears interest at an effective rate of 3.72% and matures on October 10, 2029. The joint venture intends to use the proceeds from the loan to fund the expansion of the property.

On December 3, 2019, the Company replaced the existing loan on Kings Plaza Shopping Center with a new \$540.0 million loan that bears interest at an effective rate of 3.71% and matures on January 1, 2030. The Company used the additional proceeds to pay down its line of credit and for general corporate purposes.

On December 18, 2019, the Company's joint venture in One Westside placed a \$414.6 million construction loan on the redevelopment project (See "—Redevelopment and Development Activities"). The loan bears interest at LIBOR plus 1.70%, which can be reduced to LIBOR plus 1.50% upon the completion of certain conditions and matures on December 18, 2024. The joint venture intends to use the loan proceeds to fund the completion of the project.

On September 15, 2020, the Company closed on a loan extension agreement for the \$191.0 million loan on Danbury Fair Mall. Under the extension agreement, the original loan maturity date of October 1, 2020 was extended to April 1, 2021 and subsequently to October 1, 2021. The loan amount and interest rate were unchanged following these extensions. On September 15, 2021, the Company further extended

the loan maturity to July 1, 2022. The interest rate remained unchanged, and the Company repaid \$10.0 million of the outstanding loan balance at closing.

On November 17, 2020, the Company's joint venture in Tysons VITA, the residential tower at Tysons Corner Center, placed a new \$95.0 million loan on the property that bears interest at an effective rate of 3.43% and matures on December 1, 2030. Initial loan funding for the Company's joint venture was \$90.0 million with future advance potential of up to \$5.0 million. The Company used its share of the initial proceeds of \$45.0 million for general corporate purposes.

On December 10, 2020, the Company made a loan (the "Partnership Loan") to the Company's previously unconsolidated joint venture in Fashion District Philadelphia to fund the entirety of a \$100.0 million repayment to reduce the mortgage loan on Fashion District Philadelphia from \$301.0 million to \$201.0 million. This mortgage loan now matures on January 22, 2024, assuming exercise of a one-year extension option, and bears interest at LIBOR plus 3.5%, with a LIBOR floor of 0.50%. The partnership agreement for the joint venture was amended in connection with the Partnership Loan, and pursuant to the amended agreement, the Partnership Loan plus 15% accrued interest must be repaid prior to the resumption of 50/50 cash distributions to the Company and its joint venture partner (See Note 15—Consolidated Joint Venture and Acquisitions of the Company's Consolidated Financial Statements).

On December 15, 2020, the Company closed on a loan extension agreement for the \$101.5 million loan on Fashion Outlets of Niagara. Under the extension agreement the original loan maturity date of October 6, 2020 was extended to October 6, 2023. The loan amount and interest rate were unchanged following the extension.

On December 29, 2020, the Company's joint venture closed on a one-year maturity date extension for the FlatIron Crossing loan to January 5, 2022. The interest rate increased from 3.85% to 4.10%, and the Company's joint venture repaid \$15.0 million, \$7.6 million at the Company's pro rata share, of the outstanding loan balance at closing. As discussed below, the Company's joint venture replaced this loan with a new loan prior to its maturity date that was further extended to February 2022.

On January 22, 2021, the Company closed on a one-year extension for the Green Acres Mall \$258.2 million loan to February 3, 2022, which also included a one-year extension option to February 3, 2023 which has been exercised. The interest rate remained unchanged, and the Company repaid \$9 million of the outstanding loan balance at closing.

On March 25, 2021, the Company closed on a two-year extension for the Green Acres Commons \$124.6 million loan to March 29, 2023. The interest rate is LIBOR plus 2.75% and the Company repaid \$4.7 million of the outstanding loan balance at closing.

On April 14, 2021, the Company terminated its existing credit facility and entered into a new credit agreement, which provides for an aggregate \$700 million facility, including a \$525 million revolving loan facility that matures on April 14, 2023, with a one-year extension option, and a \$175 million term loan facility that matures on April 14, 2024 (See "—Liquidity and Capital Resources").

On October 26, 2021, the Company's joint venture in The Shops at Atlas Park replaced the existing loan on the property with a new \$65 million loan that bears interest at a floating rate of LIBOR plus 4.15% and matures on November 9, 2026, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 3.0% through November 7, 2023.

On February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197 million loan on the property with a new \$175 million loan that bears interest at SOFR plus 3.45% and matures on February 9, 2027, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents SOFR from exceeding 4.0% through February 15, 2024.

During the second quarter of 2020 and in July 2020, the Company secured agreements with its mortgage lenders on 19 mortgage loans to defer approximately \$47.2 million of both second and third

quarter of 2020 debt service payments at the Company's pro rata share during the COVID-19 pandemic. Of the deferred payments, \$28.1 million and \$36.9 million was repaid in the three months and twelve months ended December 31, 2020, respectively; and the remaining balance was fully repaid during the first quarter of 2021.

Redevelopment and Development Activities:

The Company's joint venture with Hudson Pacific Properties is redeveloping One Westside into 584,000 square feet of creative office space and 96,000 square feet of dining and entertainment space. The entire creative office space has been leased to Google and is expected to be completed in 2022. During the fourth quarter of 2021, the joint venture delivered the office space to Google for tenant improvement work, which Google has commenced. The total cost of the project is estimated to be between \$500.0 million and \$550.0 million, with \$125.0 million to \$137.5 million estimated to be the Company's pro rata share. The Company has incurred \$106.9 million of the total \$427.7 million incurred by the joint venture as of December 31, 2021. The joint venture expects to fund the remaining costs of the development with its new \$414.6 million construction loan (See "—Financing Activities").

The Company has a 50/50 joint venture with Simon Property Group, which was initially formed to develop Los Angeles Premium Outlets, a premium outlet center in Carson, California. The Company has funded \$41.4 million of the total \$82.8 million incurred by the joint venture as of December 31, 2021.

In connection with the closures and lease rejections of several Sears stores owned or partially owned by the Company, the Company anticipates spending between \$130.0 million to \$160.0 million at the Company's pro rata share to redevelop the Sears stores. The anticipated openings of such redevelopments are expected to occur over several years. The estimated range of redevelopment costs could increase if the Company or its joint venture decides to expand the scope of the redevelopments. The Company has funded \$40.9 million at its pro rata share as of December 31, 2021.

Other Transactions and Events:

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842 "Leases", under the modified retrospective method. The new standard amended the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of the new lease standard, the Company elected to use the transition packages of practical expedients for implementation provided by the Financial Accounting Standards Board ("FASB"), which included (i) relief from re-assessing whether an expired or existing contract meets the definition of a lease, (ii) relief from re-assessing the classification of expired or existing leases at the adoption date, (iii) allowing previously capitalized initial direct leasing costs to continue to be amortized, and (iv) application of the standard as of the adoption date rather than to all periods presented.

Upon adoption of the new standard, the Company has presented all revenues associated with leases as leasing revenue on its consolidated statements of operations. The new standard requires the Company to reduce leasing revenue for credit losses associated with lease receivables. In addition, straight-line rent receivables are written off when the Company believes there is reasonable uncertainty regarding a tenant's ability to complete the term of the lease. As a result, the Company recognized a cumulative effect adjustment of \$2.2 million upon adoption for the write off of straight-line rent receivables of tenants that were in litigation or bankruptcy.

The new standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Initial direct costs include the salaries and related costs for employees directly working on leasing activities. Prior to January 1, 2019, these costs were capitalizable and therefore the new lease standard resulted in certain of these costs being expensed as incurred.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As a result, all of the markets that the Company operates in were subject to stay-at-home orders, and the majority of its properties were temporarily closed in part or completely. Following staggered re-openings during 2020, all Centers have been open and operating since October 7, 2020. As of the date of this Annual Report on Form 10-K, government-imposed capacity restrictions resulting from COVID-19 have been essentially eliminated across the Company's markets. Although overall fundamentals at the Centers continued to improve during 2021, the Company expects that the COVID-19 pandemic, including the emergence of new variants, will continue to negatively impact its results for 2022 due, in part, to reduced occupancy relative to pre-COVID levels and additional Anchor closures, among other factors.

The Company continues to work with all of its stakeholders to mitigate the impact of COVID-19. The Company has developed and implemented a long list of operational protocols based on Centers for Disease Control and Prevention recommendations designed to ensure the safety of its employees, tenants, service providers and shoppers. Those measures include among others: the use of sophisticated air filtration systems to increase air circulation and outside air flow and ventilation, significantly intensified cleaning and sanitizing procedures with special focus on high-touch and traffic areas, highly visible and accessible self-service sanitizing stations, providing masks at all properties as needed and requiring mask-wearing at nearly all properties in compliance with state and local requirements, touchless entries, social distance queuing including the use of digital technologies, path of travel guidelines including vertical transportation and deliveries, furniture placement and the use of sophisticated traffic-counting technology to ensure that its properties adhere to any relevant regulatory capacity constraints. The Company's indoor properties feature vast interior common areas, most with two to three story ceiling clearances, ample floor space and a comfortable environment to practice effective social distancing even during peak retail periods. The Company provides round-the-clock security to enforce policies and regulations, to discourage congregation and to encourage proper distancing. Each property deploys robust messaging to inform all of the Company's stakeholders of its operating standards and requirements within a multi-media platform that includes abundant on premise signage, digital and social messaging, and information within its property and corporate websites. The Company believes that, due to the quality of design and construction of its malls, it will be able to continue to provide a safe indoor environment for its employees, tenants, service providers and shoppers. Although the Company has incurred, and will continue to incur, some incremental costs associated with COVID-19 operating protocols and programs, these costs have not been, and are not anticipated to be, significant.

See "Outlook" in Results of Operations for a further discussion of the forward-looking impact of COVID-19 and the Company's strategic plan to mitigate the anticipated negative impact on its financial condition and results of operations.

In March 2020, the Company declared a reduced second quarter dividend of \$0.50 per share of its common stock, which was paid on June 3, 2020 in a combination of cash and shares of common stock, at the election of the stockholder, subject to a limitation that the aggregate amount of cash payable to holders of the Company's common stock would not exceed 20% of the aggregate amount of the dividend, or \$0.10 per share, for all stockholders of record on April 22, 2020. The amount of the dividend represented a reduction from the Company's first quarter 2020 dividend, and was paid in a combination of cash and shares of common stock to preserve liquidity in light of the impact and uncertainty arising out of the COVID-19 pandemic. The Company declared a further reduced cash dividend of \$0.15 per share of its common stock for the third and fourth quarters of 2020 and for the first, second and third quarters of 2021. On October 28, 2021, the Company declared a fourth quarter cash dividend of \$0.15 per share of its common stock, which was paid on December 3, 2021 to stockholders of record on November 9, 2021. On January 27, 2022, the Company declared a fourth quarter cash dividend of \$0.15 per share of its common stock, which will be paid on March 3, 2022 to stockholders of record on February 18, 2022. The dividend amount will be reviewed by the Board on a quarterly basis. See "—Liquidity and Capital Resources" for a

further discussion of the Company’s anticipated liquidity needs, and the measures taken by the Company to meet those needs.

On December 31, 2020, the Company and its joint venture partner, Seritage Growth Properties (“Seritage”), entered into a distribution agreement. The joint venture owned nine properties, including the former Sears parcels at the South Plains Mall and the Arrowhead Towne Center. The joint venture distributed the former Sears parcel at South Plains Mall to the Company and the former Sears parcel at Arrowhead Towne Center to Seritage. The joint venture partners agreed that the distributed properties were of equal value. The Company now owns 100% of the former Sears parcel at South Plains Mall. Effective December 31, 2020, the Company consolidates its 100% interest in the Sears parcel at South Plains Mall in the Company’s consolidated financial statements (See Note 15—Consolidated Joint Venture and Acquisitions of the Company’s Consolidated Financial Statements).

In connection with the commencement of separate “at the market” offering programs, on each of February 1, 2021 and March 26, 2021, which are referred to as the “February 2021 ATM Program” and the “March 2021 ATM Program,” respectively, and collectively as the “ATM Programs,” the Company entered into separate equity distribution agreements with certain sales agents pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$500 million under each of the February 2021 ATM Program and the March 2021 ATM Program, or a total of \$1 billion under the ATM Programs. As of December 31, 2021, the Company had approximately \$151.7 million of gross sales of its common stock available under the March 2021 ATM Program. The February 2021 ATM Program was fully utilized as of June 30, 2021 and is no longer active.

See “—Liquidity and Capital Resources” for a further discussion of the Company’s anticipated liquidity needs, and the measures taken by the Company to meet those needs.

Inflation:

In the last five years, inflation has not had a significant impact on the Company. Most of the leases at the Centers have rent adjustments periodically throughout the lease term. These rent increases are either in fixed increments or based on using an annual multiple of increases in the Consumer Price Index. In addition, the routine expiration of leases for spaces 10,000 square feet and under each year (See “Item I. Business of the Company—Lease Expirations”), enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. The Company has generally entered into leases that require tenants to pay a stated amount for operating expenses, generally excluding property taxes, regardless of the expenses actually incurred at any Center, which places the burden of cost control on the Company. Additionally, most leases require the tenants to pay their pro rata share of property taxes and utilities.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company’s significant accounting policies and estimates are described in more detail in Note 2—Summary of Significant Accounting Policies in the Company’s Notes to the Consolidated Financial Statements.

Some of these estimates and assumptions include judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectible accounts, impairment of long-lived assets, the allocation of purchase price between tangible and intangible assets, capitalization of costs and fair value measurements. The Company believes the following are its critical accounting estimates:

Acquisitions:

Upon the acquisition of real estate properties, the Company evaluates whether the acquisition is a business combination or asset acquisition. For both business combinations and asset acquisitions, the Company allocates the purchase price of properties to acquired tangible assets and intangible assets and liabilities. For asset acquisitions, the Company capitalizes transaction costs and allocates the purchase price using a relative fair value method allocating all accumulated costs. For business combinations, the Company expenses transaction costs incurred and allocates purchase price based on the estimated fair value of each separately identified asset and liability. The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with “cost avoidance” of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company’s markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the “assumed vacant” property to the occupancy level when purchased; and (iii) above or below-market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases is recorded in deferred charges and other assets and amortized over the remaining lease terms plus any below-market fixed rate renewal options. Above or below-market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below-market, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the Center, the Company’s relationship with the tenant and the availability of competing tenant space.

Remeasurement gains and losses are recognized when the Company becomes the primary beneficiary of an existing equity method investment that is a variable interest entity to the extent that the fair value of the existing equity investment exceeds the carrying value of the investment, and remeasurement losses to the extent the carrying value of the investment exceeds the fair value. The fair value is determined based on a discounted cash flow model, with the significant unobservable inputs including discount rate, terminal capitalization rate and market rents.

Asset Impairment:

The Company assesses whether an indicator of impairment in the value of its properties exists by considering expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include projected rental revenue, operating costs and capital expenditures as well as estimated holding periods and capitalization rates. If an impairment indicator exists, the determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flows analysis or a contracted sales price, with the carrying value of the related assets. The Company generally holds and operates its properties

long-term, which decreases the likelihood of their carrying values not being recoverable. A shortened holding period increases the risk that the carrying value of a long-lived asset is not recoverable. Properties classified as held for sale are measured at the lower of the carrying amount or fair value less cost to sell.

The Company reviews its investments in unconsolidated joint ventures for a series of operating losses and other factors that may indicate that a decrease in the value of its investments has occurred which is other-than-temporary. The investment in each unconsolidated joint venture is evaluated periodically, and as deemed necessary, for recoverability and valuation declines that are other-than-temporary.

Fair Value of Financial Instruments:

The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions.

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on 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. The Company's 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.

The Company calculates the fair value of financial instruments and includes this additional information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made.

The Company records its Financing Arrangement obligation at fair value on a recurring basis with changes in fair value being recorded as interest expense in the Company's consolidated statements of operations. The fair value is determined based on a discounted cash flow model, with the significant unobservable inputs including discount rate, terminal capitalization rate, and market rents. The fair value of the Financing Arrangement obligation is sensitive to these significant unobservable inputs and a change in these inputs may result in a significantly higher or lower fair value measurement.

Results of Operations

Many of the variations in the results of operations, discussed below, occurred because of the transactions affecting the Company's properties described above, including those related to the Redevelopment Properties, the JV Transition Centers and the Disposition Properties (each as defined below).

For purposes of the discussion below, the Company defines "Same Centers" as those Centers that are substantially complete and in operation for the entirety of both periods of the comparison. Non-Same Centers for comparison purposes include those Centers or properties that are going through a substantial redevelopment often resulting in the closing of a portion of the Center ("Redevelopment Properties"), those properties that have recently transitioned to or from equity method joint ventures to consolidated assets ("JV Transition Centers") and properties that have been disposed of ("Disposition Properties").

The Company moves a Center in and out of Same Centers based on whether the Center is substantially complete and in operation for the entirety of both periods of the comparison. Accordingly, the Same Centers consist of all consolidated Centers, excluding the Redevelopment Properties, the JV Transition Centers and the Disposition Properties for the periods of comparison.

For the comparison of the year ended December 31, 2021 to the year ended December 31, 2020 and the comparison of the year ended December 31, 2020 to the year ended December 31, 2019, the Redevelopment Properties are Paradise Valley Mall and certain ground up developments.

For the comparison of the year ended December 31, 2021 to the year ended December 31, 2020 and the comparison of the year ended December 31, 2020 to the year ended December 31, 2019, the JV Transition Centers are Fashion District Philadelphia and Sears South Plains. The change in revenues and expenses at the JV Transition Centers is primarily due to the conversion of Fashion District Philadelphia from an Unconsolidated Joint Venture Center to a Consolidated Center (See Note 15—Consolidated Joint Venture and Acquisitions in the Company’s Notes to the Consolidated Financial Statements).

For comparison of the year ended December 31, 2021 to the year ended December 31, 2020, the Disposition Properties are Paradise Valley Mall and Tucson La Encantada. For comparison of the year ended December 31, 2020 to the year ended December 31, 2019, the Disposition Property is Promenade at Casa Grande.

Unconsolidated joint ventures are reflected using the equity method of accounting. The Company’s pro rata share of the results from these Centers is reflected in the consolidated statements of operations as equity in income (loss) of unconsolidated joint ventures.

The Company considers tenant annual sales per square foot (for tenants in place for a minimum of twelve months or longer and 10,000 square feet and under), occupancy rates (excluding large retail stores or “Anchors”) and releasing spreads (i.e. a comparison of initial average base rent per square foot on leases executed during the trailing twelve months to average base rent per square foot at expiration for the leases expiring during the trailing twelve months based on the spaces 10,000 square feet and under) to be key performance indicators of the Company’s internal growth.

During the fourth quarter of 2021, comparable tenant sales for spaces less than 10,000 square feet across the portfolio increased by 12% relative to pre-COVID sales during the fourth quarter of 2019. The leased occupancy rate increased to 91.5%, a 1.80% increase from 89.7% at December 31, 2020 and a 3.0% increase from 88.5% at March 31, 2021, which was the Company’s lowest occupancy level since the start of the COVID-19 pandemic. Releasing spreads increased as the Company executed leases at an average rent of \$60.02 for new and renewal leases executed compared to \$57.23 on leasing expiring, resulting in a releasing spread increase of \$2.79 per square foot, or 5%, for the twelve months ended December 31, 2021.

The Company continues to renew or replace leases that are scheduled to expire in 2022, however, for a variety of factors, the Company cannot be certain of its ability to sign, renew or replace leases expiring in 2022 or beyond. These leases that are scheduled to expire in 2022 represent approximately 1.0 million square feet of the Centers, accounting for 16.93% of the GLA of mall stores and freestanding stores, for spaces 10,000 square feet and under, as of December 31, 2021. These calculations exclude Centers under development or redevelopment and property dispositions (See “Dispositions” and “Redevelopment and Development Activities” in Management’s Overview and Summary), and include square footage of Centers owned by joint ventures at the Company’s share.

2022 lease expirations continue to be an important focal point for the Company. The Company now has commitments on approximately 39% of the remaining 2022 expiring square footage with another approximately 55% in the letter of intent stage, disregarding leases for stores that have closed or for stores that tenants have indicated they intend to close.

The Company has entered into 118 leases for new spaces totaling approximately 1.2 million square feet that have opened or are planned for opening in 2022, and another 15 leases for new spaces totaling approximately 840,000 square feet opening after 2022. While there may be additional new space openings in 2022, any such leases are not yet executed.

During the trailing twelve months ended December 31, 2021, the Company signed 308 new leases and 525 renewal leases comprising approximately 3.5 million square feet of GLA, of which 2.2 million square feet is related to the consolidated Centers. The average tenant allowance was \$22.46 per square foot. The majority of the Company's COVID-19 related lease amendments are excluded from these numbers.

Outlook

The Company has a long-term four-pronged business strategy that focuses on the acquisition, leasing and management, redevelopment and development of Regional Town Centers. Although fundamentals at the Centers continued to improve during 2021, the Company expects that the COVID-19 pandemic, including the emergence of new variants, will continue to negatively impact its results for 2022 due, in part, to reduced occupancy relative to pre-COVID levels and additional Anchor closures, among other factors.

All Centers have been open and operating since October 7, 2020. As of the date of this Annual Report on Form 10-K, government-imposed capacity restrictions resulting from COVID-19 have been essentially eliminated across the Company's markets. The Company experienced a positive impact to its leasing revenue during the three and twelve months ended December 31, 2021. Leasing revenue increased by approximately 12.4% and 3.9%, including joint ventures at the Company's share, compared to the three and twelve months ending December 31, 2020, respectively. This increase was primarily due to (i) increases in percentage rent, which was primarily driven by accelerating tenant sales and all of the Company's Centers being fully open and operating in 2021 as compared to 2020; and (ii) decreases in bad debt reserves and decreases in retroactive rent abatements incurred in 2021 compared to 2020. During the twelve months ended December 31, 2021, certain of the Company's previously reserved accounts receivable were collected resulting in a reduction of bad debt expense. These collections were a result of improving economic conditions that have become evident as the impact of the pandemic has eased as well as collection efforts by the Company.

As a result of government-imposed capacity restrictions resulting from COVID-19 essentially being eliminated across the Company's markets, combined with pent up demand, the positive economic impacts of consumer savings, fiscal stimulus and other factors, sales and traffic at the Company's Centers continued to greatly improve during the fourth quarter of 2021 with extremely high customer conversion rates. Traffic levels continue to range in the mid 90%'s relative to 2019. Comparable tenant sales from spaces less than 10,000 square feet across the portfolio increased by 12% relative to pre-COVID sales during the fourth quarter of 2019. For the twelve months ended December 31, 2021, comparable tenant sales from spaces less than 10,000 square feet across the portfolio increased by 10% relative to sales during the same pre-COVID twelve-month period of 2019.

For the three months ended December 31, 2021, the Company signed 146 leases for approximately 0.5 million square feet. For the twelve months ended December 31, 2021, the Company signed 833 leases for approximately 3.5 million square feet, which represents a 2% increase on a same center basis in the amount of leased square feet relative to what was leased over the same pre-COVID twelve-month period ended December 31, 2019. 2021 was the highest volume leasing year for the Company since 2015, when viewed on a same center basis.

The Company believes that diversity of use within its tenant base will be a prominent internal growth catalyst at its Centers going forward, as new uses enhance the productivity and diversity of the tenant mix and have the potential to significantly increase customer traffic at the applicable Centers. During the year ended December 31, 2021, the Company signed deals for new stores with approximately 100

new-to-Macerich portfolio uses for over 840,000 square feet, with another nearly 300,000 square feet of such new-to-Macerich portfolio uses currently in negotiation as of the date of this Annual Report on Form 10-K.

As of December 31, 2021, the leased occupancy rate increased to 91.5% compared to the leased occupancy rate of 90.3% at September 30, 2021 and 89.7% at December 31, 2020. The leased occupancy rate has improved by 3.0% from the lowest occupancy level since the start of the COVID-19 pandemic, which was 88.5% as of March 31, 2021.

The Company's rent collections have continued to significantly improve and are now comparable to pre-COVID levels. The Company has made significant progress in its negotiations with national and local tenants to secure rental payments, despite a significant portion of the Company's tenants having requested rental assistance, whether in the form of deferral or rent reduction. This effort of negotiating COVID-19 rental assistance agreements is essentially now completed. The lease amendments negotiated by the Company related to COVID-19 have resulted in a combination of rent payment deferrals and rent abatements. The majority of the Company's leases required continued payment of rent by the Company's tenants during the period of government mandated closures caused by COVID-19. Additionally, many of the Company's leases contain co-tenancy clauses. Certain Anchor or small tenant closures have become permanent following the re-opening of the Company's Centers, and co-tenancy clauses within certain leases may be triggered as a result. The Company does not anticipate that the negative impact of such clauses on lease revenue will be significant.

During the years ended December 31, 2021 and 2020, the Company incurred \$47.6 million and \$56.4 million, respectively, of rent abatements at the Company's share, relating primarily to 2020 rents as a result of COVID-19 and negotiated \$4.6 million and \$32.9 million of rent deferrals during the years ended December 31, 2021 and 2020, respectively, at the Company's share. During the three months ended December 31, 2021 and 2020, the Company incurred \$1.3 million and \$37.9 million, respectively, of rent abatements at the Company's share relating primarily to 2020 rents as a result of COVID-19. The Company negotiated \$0.3 million of rent deferrals during the three months ended December 31, 2021. As of December 31, 2021, \$4.0 million of the rent deferrals remain outstanding, with \$2.6 million scheduled to be repaid during the remainder of 2022 and the balance scheduled for repayment in 2023 and thereafter.

During 2020, there were 42 bankruptcy filings involving the Company's tenants, totaling 322 leases and involving approximately 6.0 million square feet and \$85.4 million of annual leasing revenue at the Company's share. During 2021, the pace of such filings has decreased substantially, as there were ten bankruptcy filings involving the Company's tenants, totaling 62 leases and involving approximately 369,000 square feet and \$11.9 million of annual leasing revenue at the Company's share. This included two leases totaling 139,000 square feet with a single department store retailer that quickly emerged from bankruptcy and assumed both of its leases with the Company. Excluding this department store retailer, bankruptcy filings during 2021 only involved approximately 230,000 square feet. The Company anticipates that the pace of bankruptcy filings in 2022 will similarly be lower than years prior to 2020.

During 2022, the Company expects to generate positive cash flow from operations after recurring operating capital expenditures, leasing capital expenditures and payment of dividends. This assumption does not include any potential capital generated from dispositions, refinancings or issuances of common equity. This expected surplus will be used to de-lever the Company's balance sheet as well as to fund the Company's development and redevelopment pipeline (See "—Redevelopment and Development Activities" in Management's Overview and Summary).

Given the prior disruption from COVID-19 and the related impacts on the capital markets, the Company has secured extensions of term from one to three years of its near-term maturing non-recourse mortgage loans totaling an aggregate of approximately \$950 million on Danbury Fair Mall, The Shops at Atlas Park, Fashion Outlets of Niagara, FlatIron Crossing, Green Acres Mall and Green Acres Commons.

On October 26, 2021, the Company's joint venture closed a \$65 million, five-year loan, including extension options, that bears interest at LIBOR plus 4.15% to refinance The Shops at Atlas Park, which replaced a \$67.5 million loan on the property. Additionally, on February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197 million loan on the property with a new \$175 million loan that bears interest at SOFR plus 3.45% and matures on February 9, 2027, including extension options. (See "—Financing Activities" in Management's Overview and Summary).

During the second quarter of 2021, the Company repaid and terminated its existing credit facility and entered into a new credit agreement, which provides for an aggregate \$700 million facility, including a \$525 million revolving loan facility that matures on April 14, 2023, with a one-year extension option, and a \$175 million term loan facility that matures on April 14, 2024. Concurrent with the closing of this credit facility, the Company repaid \$985.0 million of debt (See "—Liquidity and Capital Resources"). As of December 31, 2021, the outstanding balance on the revolving loan facility was \$119 million, less the amount of unamortized deferred financing costs of \$14.2 million. On September 20, 2021, the Company paid off the remaining balance outstanding on the term loan facility with proceeds from the sale of Tucson La Encantada (See "Dispositions" in Management's Overview and Summary).

Rising interest rates could increase the cost of the Company's borrowings due to its outstanding floating-rate debt and lead to higher interest rates on new fixed-rate debt. In certain cases, the Company may limit its exposure to interest rate fluctuations related to a portion of its floating-rate debt by using interest rate cap and swap agreements. Such agreements, subject to current market conditions, allow the Company to replace floating-rate debt with fixed-rate debt in order to achieve its desired ratio of floating-rate to fixed-rate debt. However, any interest rate cap or swap agreements that the Company enters into may not be effective in reducing its exposure to interest rate changes. For example, the Company's prior swap agreements, which expired on September 30, 2021, resulted in increases in interest expense in 2021. The Company did not have any swap agreements in place as of December 31, 2021.

Comparison of Years Ended December 31, 2021 and 2020

Revenues:

Leasing revenue increased by \$47.2 million, or 6.4%, from 2020 to 2021. The increase in leasing revenue is attributed to increases of \$23.2 million from the Same Centers and \$31.8 million from the JV Transition Centers offset in part by \$7.8 million from the Disposition Properties. Leasing revenue includes the amortization of above and below-market leases, the amortization of straight-line rents, lease termination income and the provision for bad debts. The amortization of above and below-market leases decreased from \$2.1 million in 2020 to \$1.9 million in 2021. The amortization of straight-line rents decreased from \$24.8 million in 2020 to \$5.9 million in 2021. Lease termination income increased from \$8.3 million in 2020 to \$19.1 million in 2021. Percentage rent increased from \$15.5 million in 2020 to \$58.8 million in 2021. Provision for bad debts decreased from \$44.3 million in 2020 to a recovery of \$(6.4) million in 2021. The increase in leasing revenue and decrease in bad debt at the Same Centers is primarily the result of all Centers being open in 2021 compared to the majority of Centers being closed for portions of 2020 and an increase in tenant sales to pre-COVID 2019 levels (See "Other Transactions and Events" in Management's Overview and Summary).

Other income increased from \$22.2 million in 2020 to \$33.9 million in 2021. This is primarily due to increased parking garage income resulting from increased traffic at the Centers (See "Other Transactions and Events" in Management's Overview and Summary).

Management Companies' revenue increased from \$23.5 million in 2020 to \$26.0 million in 2021. The increase is primarily the result of increased management fees in 2021 due to all Centers being open in 2021 compared to Centers being closed for portions of 2020.

Shopping Center and Operating Expenses:

Shopping center and operating expenses increased \$37.8 million, or 14.7%, from 2020 to 2021. The increase in shopping center and operating expenses is attributed to increases of \$21.4 million from the Same Centers, \$19.6 million from the JV Transition Centers and \$0.2 million from the Redevelopment Properties offset in part by \$3.4 million from the Disposition Properties. The increase in shopping center and operating expenses at the Same Centers is primarily the result of all Centers being opened in 2021 compared to the majority of Centers being closed for portions of 2020 (See “Other Transactions and Events” in Management’s Overview and Summary).

Management Companies’ Operating Expenses:

Management Companies’ operating expenses decreased \$4.5 million from 2020 to 2021 due to a decrease in compensation expense.

Depreciation and Amortization:

Depreciation and amortization decreased \$8.5 million from 2020 to 2021. The decrease in depreciation and amortization is primarily attributed to a decrease of \$18.0 million from the Same Centers and \$4.7 million from the Disposition Properties offset in part by increases of \$13.7 million from the JV Transition Centers and \$0.5 million from the Redevelopment Properties.

Interest (Income) Expense:

Interest (income) expense increased \$117.1 million from 2020 to 2021. The increase in interest (income) expense is attributed to an increase of \$131.6 million from the Financing Arrangement (See Note 12—Financing Arrangement in the Company’s Notes to the Consolidated Financial Statements) and \$5.9 million from the JV Transition Centers offset in part by decreases of \$7.9 million from the Same Centers, \$11.7 million from borrowings under the line of credit and \$0.8 million from the Disposition Properties. The increase in interest expense from the Financing Arrangement is primarily due to the change in fair value of the underlying properties and the mortgage notes payable on the underlying properties.

The above interest expense items are net of capitalized interest, which increased from \$5.2 million in 2020 to \$9.5 million in 2021.

Equity in Income (Loss) of Unconsolidated Joint Ventures:

Equity in income (loss) of unconsolidated joint ventures increased \$42.7 million from 2020 to 2021. The increase in equity in income (loss) of unconsolidated joint ventures is primarily due to a decrease in the provision for bad debts and an increase in percentage rent in 2021 compared to 2020.

Loss on Remeasurement of Assets

Loss on remeasurement of assets of \$163.3 million in 2020 relates to Fashion District Philadelphia (See Note 15—Consolidated Joint Venture and Acquisitions in the Company’s Notes to the Consolidated Financial Statements).

Gain (Loss) on Sale or Write Down of Assets, net:

Gain (loss) on sale or write down of assets, net increased from a loss of \$68.1 million in 2020 to a gain of \$75.7 million in 2021. The increase is primarily due to the \$36.7 million of impairment losses on Wilton Mall and Paradise Valley Mall, \$4.2 million write-down of non-real estate assets and \$36.7 million write-

down of development costs in 2020 and \$117.2 million gain on the sale of Tucson La Encantada and \$29.4 million gain on land sales in 2021 offset in part by the sale and impairment loss of \$41.6 million on Estrella Falls and \$28.3 million loss related to North Bridge in 2021 (See “Dispositions” in Management’s Overview and Summary). The impairment losses were due to the reduction in the estimated holding periods of the properties.

Net Income (Loss):

Net income increased \$261.6 million from 2020 to 2021. The increase in net income is primarily due to the variances noted above.

Funds From Operations (“FFO”):

Primarily as a result of the factors mentioned above, FFO attributable to common stockholders and unit holders—diluted, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt increased 24.7% from \$339.5 million in 2020 to \$423.2 million in 2021. For a reconciliation of net income (loss) attributable to the Company, the most directly comparable GAAP financial measure, to FFO attributable to common stockholders and unit holders, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt and FFO attributable to common stockholders and unit holders—diluted, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt, see “Funds From Operations (“FFO”)” below.

Operating Activities:

Cash provided by operating activities increased \$161.5 million from 2020 to 2021. The increase is primarily due to the changes in assets and liabilities and the results, as discussed above.

Investing Activities:

Cash provided by investing activities increased \$437.8 million from 2020 to 2021. The increase in cash provided by investing activities is primarily attributed to an increase in proceeds from the sale of assets of \$320.6 million, proceeds from notes receivable of \$1.3 million, a decrease in contributions to unconsolidated joint ventures of \$45.6 million and an increase of \$15.5 million in distributions from unconsolidated joint ventures.

Financing Activities:

Cash provided by financing activities decreased \$1.3 billion from 2020 to 2021. The decrease in cash provided by financing activities is primarily due to decreases in proceeds from mortgages, bank and other notes payable of \$140.0 million and an increase in payments on mortgages, bank and other notes payable of \$2.0 billion offset in part by net proceeds from sales of common shares under the ATM Programs of \$830.2 million and a decrease in dividends and distributions of \$36.4 million.

Comparison of Years Ended December 31, 2020 and 2019

Revenues:

Leasing revenue decreased by \$118.6 million, or 13.8%, from 2019 to 2020. The decrease in leasing revenue is attributed to decreases of \$116.7 million from the Same Centers, \$2.7 million from the Redevelopment Properties and \$0.5 million from the Disposition Property offset in part by \$1.3 million from the JV Transition Centers. Leasing revenue includes the amortization of above and below-market leases, the amortization of straight-line rents, lease termination income and the provision for bad debts. The amortization of above and below-market leases decreased from \$5.2 million in 2019 to \$2.1 million in

2020. The amortization of straight-line rents increased from \$10.5 million in 2019 to \$24.8 million in 2020. Lease termination income increased from \$4.7 million in 2019 to \$8.3 million in 2020. Provision for bad debts increased from \$7.7 million in 2019 to \$44.3 million in 2020. The increase in bad debt expense is a result of the Company assessing collectability by tenant and determining that it was no longer probable that substantially all leasing revenue would be collected from certain tenants, which includes tenants that have declared bankruptcy, tenants at risk of filing bankruptcy or other tenants where collectability was no longer probable. The decrease in leasing revenue and increase in bad debt at the Same Centers is primarily the result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary).

Other income decreased from \$27.9 million in 2019 to \$22.2 million in 2020. The decrease is primarily a decline in parking garage income due to the closures of properties as a result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary).

Management Companies’ revenue decreased from \$40.7 million in 2019 to \$23.5 million in 2020 due to a decrease in management fees, development fees and interest income due to the collection of notes receivable in 2019.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased \$14.3 million, or 5.3%, from 2019 to 2020. The decrease in shopping center and operating expenses is attributed to decreases of \$14.6 million from the Same Centers and \$0.8 million from the Redevelopment Properties offset in part by \$0.6 million from the Disposition Property and \$0.5 million from the JV Transition Centers. The decrease in shopping center and operating expenses at the Same Centers is primarily the result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary).

Leasing Expenses:

Leasing expenses decreased from \$29.6 million in 2019 to \$25.2 million in 2020 due to less leasing activity in 2020.

REIT General and Administrative Expenses:

REIT general and administrative expenses increased \$7.7 million from 2019 to 2020 due to an increase in compensation and consulting expense.

Depreciation and Amortization:

Depreciation and amortization decreased \$11.1 million from 2019 to 2020. The decrease in depreciation and amortization is primarily attributed to a decrease of \$13.1 million from the Same Centers offset in part by increases of \$1.3 million from the Redevelopment Properties and \$0.7 million from the JV Transition Centers.

Interest (Income) Expense:

Interest (income) expense decreased \$62.7 million from 2019 to 2020. The decrease in interest (income) expense is attributed to a decrease of \$72.8 million from the Financing Arrangement (See Note 12–Financing Arrangement in the Company’s Notes to the Consolidated Financial Statements), offset in part by increases of \$6.3 million from the Same Centers, \$3.3 million from borrowings under the line of credit and \$0.5 million from the JV Transition Centers.

The decrease in interest expense from the Financing Arrangement is primarily due to the change in fair value of the underlying properties and the mortgage notes payable on the underlying properties. The increase in interest expense at the Same Centers is primarily due to the new loans on Fashion Outlets of Chicago, Chandler Fashion Center, SanTan Village Regional Center and Kings Plaza Shopping Center (See “Financing Activities” in Management’s Overview and Summary).

The above interest expense items are net of capitalized interest, which decreased from \$9.6 million in 2019 to \$5.2 million in 2020.

Equity in (Loss) Income of Unconsolidated Joint Ventures:

Equity in (loss) income of unconsolidated joint ventures decreased \$75.5 million from 2019 to 2020. The decrease in equity in (loss) income of unconsolidated joint ventures is primarily due to a decrease in leasing revenue and other income as a result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary). Leasing revenue includes a provision for bad debt which increased from \$3.1 million in 2019 to \$20.0 million in 2020.

Loss on Remeasurement of Assets

Loss on remeasurement of assets of \$163.3 million relates to Fashion District Philadelphia (See Note 15—Consolidated Joint Venture and Acquisitions in the Company’s Notes to the Consolidated Financial Statements).

Loss on Sale or Write Down of Assets, net:

Loss on sale or write down of assets, net increased \$56.2 million from 2019 to 2020. The increase in loss on sale or write down of assets, net is primarily due to the \$36.7 million of impairment losses, \$4.2 million write-down of non-real estate assets and \$36.7 million write-down of development costs in 2020, offset in part by \$16.4 million in the write-down of development costs in 2019. The impairment losses in 2020 were due to the reduction in the estimated holding periods of Wilton Mall and Paradise Valley Mall.

Net (Loss) Income:

Net (loss) income decreased \$348.0 million from 2019 to 2020. The decrease in net (loss) income is primarily the result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary) and the loss on remeasurement of assets discussed above.

Funds From Operations (“FFO”):

Primarily as a result of the factors mentioned above, FFO attributable to common stockholders and unit holders—diluted, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt decreased 36.8% from \$537.3 million in 2019 to \$339.5 million in 2020. For a reconciliation of net (loss) income attributable to the Company, the most directly comparable GAAP financial measure, to FFO attributable to common stockholders and unit holders, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt and FFO attributable to common stockholders and unit holders—diluted, excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt, see “Funds From Operations (“FFO”)” below.

Operating Activities:

Cash provided by operating activities decreased \$230.3 million from 2019 to 2020. The decrease is primarily due to a \$96.0 million increase in tenant and other receivables, a \$47.9 million decrease in other accrued liabilities and to the other changes in assets and liabilities and the results, as discussed above. The increase in tenant and other receivables and the decrease in other accrued liabilities is primarily attributed to a decrease in rents collected and a decrease in prepaid rent as a result of COVID-19 (See “Other Transactions and Events” in Management’s Overview and Summary).

Investing Activities:

Cash used in investing activities increased \$90.8 million from 2019 to 2020. The increase in cash used in investing activities is primarily attributed to a decrease in distributions from unconsolidated joint ventures of \$187.9 million, offset in part by a decrease of \$121.6 million in development, redevelopment, expansion and renovation of properties.

Financing Activities:

Cash provided by financing activities increased \$724.7 million from 2019 to 2020. The increase in cash provided by financing activities is primarily due to a decrease in payments on mortgages, bank and other notes payable of \$1.5 billion and a decrease in dividends and distributions of \$294.7 million which are offset by a decrease in proceeds from mortgages, bank and other notes payable of \$1.1 billion. The decreases in payments on mortgages, bank and other notes payable, dividends and distributions and the proceeds from mortgages, bank and other notes payable are attributed to the Company's plan to increase liquidity in connection with COVID-19 (See "Other Transactions and Events" in Management's Overview and Summary).

Liquidity and Capital Resources

The Company anticipates meeting its liquidity needs for its operating expenses, debt service and dividend requirements for the next twelve months and beyond through cash generated from operations, distributions from unconsolidated joint ventures, working capital reserves and/or borrowings under its line of credit. Following the uncertain environment brought about by COVID-19, the Company took a number of previously disclosed measures in the year ended December 31, 2020 to enhance its liquidity position over the short-term, some of which continued into the year ended December 31, 2021. However, the Company currently anticipates meeting its liquidity needs for the next twelve months as it has done historically.

Uses of Capital

The following tables summarize capital expenditures and lease acquisition costs incurred at the Centers (at the Company's pro rata share) for the years ended December 31:

(Dollars in thousands)	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Consolidated Centers:</i>			
Acquisitions of property, building improvement and equipment	\$18,715	\$ 9,570	\$ 34,763
Development, redevelopment, expansion and renovation of Centers	46,341	38,405	112,263
Tenant allowances	22,101	12,413	18,860
Deferred leasing charges	2,585	3,044	3,203
	<u>\$89,742</u>	<u>\$ 63,432</u>	<u>\$169,089</u>
<i>Joint Venture Centers (at the Company's pro rata share):</i>			
Acquisitions of property, building improvement and equipment	\$18,803	\$ 6,497	\$ 12,321
Development, redevelopment, expansion and renovation of Centers	48,512	109,902	210,574
Tenant allowances	11,594	4,804	9,339
Deferred leasing charges	2,881	2,111	3,386
	<u>\$81,790</u>	<u>\$123,314</u>	<u>\$235,620</u>

The Company expects amounts to be incurred during the next twelve months for tenant allowances and deferred leasing charges to be less than or comparable to 2021. The Company expects to incur

approximately \$150 million during 2022 for development, redevelopment, expansion and renovations. This includes the Company's share of the remaining development costs of One Westside of approximately \$30.0 million, which is fully funded by a non-recourse construction facility. Capital for these expenditures, developments and/or redevelopments has been, and is expected to continue to be, obtained from a combination of cash on hand, debt or equity financings, which are expected to include borrowings under the Company's line of credit, from property financings and construction loans, each to the extent available.

Sources of Capital

The Company has also generated liquidity in the past, and may continue to do so in the future, through equity offerings and issuances, property refinancings, joint venture transactions and the sale of non-core assets. For example, the Company sold Paradise Valley Mall in Phoenix, Arizona and Tucson La Encantada in Tucson, Arizona during the year ended December 31, 2021. The Company used the proceeds from these sales to pay down its line of credit and other debt obligations. Furthermore, the Company has filed a shelf registration statement, which registered an unspecified amount of common stock, preferred stock, depositary shares, debt securities, warrants, rights, stock purchase contracts and units that may be sold from time to time by the Company.

On each of February 1, 2021 and March 26, 2021, the Company registered a separate "at the market" offering program, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$500 million under each ATM Program, or a total of \$1.0 billion under the ATM Programs, in amounts and at times to be determined by the Company. The following table sets forth certain information with respect to issuances made under each of the ATM Programs as of December 31, 2021.

(Dollars and shares in thousands)	February 2021 ATM Program			March 2021 ATM Program		
	Number of Shares Issued	Net Proceeds	Sales Commissions	Number of Shares Issued	Net Proceeds	Sales Commissions
For the Three Months Ended:						
March 31, 2021	36,001	\$477,283	\$ 9,746	9,991	\$119,724	\$2,448
June 30, 2021	686	12,269	254	13,229	182,149	3,720
September 30, 2021	—	—	—	2,122	38,449	787
December 31, 2021	—	—	—	19	367	9
Total	<u>36,687</u>	<u>\$489,552</u>	<u>\$10,000</u>	<u>25,361</u>	<u>\$340,689</u>	<u>\$6,964</u>

As of December 31, 2021, the Company had approximately \$151.7 million of gross sales of its common stock available under the March 2021 ATM Program. The February 2021 ATM Program was fully utilized as of June 30, 2021 and is no longer active.

The Company paid a cash dividend of \$0.15 per share of its common stock, for each quarter in the year ended December 31, 2021. This quarterly dividend level was lower than the quarterly dividend paid prior to the onset of COVID-19, which was \$0.75 per share.

The capital and credit markets can fluctuate and, at times, limit access to debt and equity financing for companies. The Company has been able to access capital; however, there is no assurance the Company will be able to do so in future periods or on similar terms and conditions. Many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios, prevailing market conditions and the impact of COVID-19. Increases in the Company's proportion of floating rate debt will cause it to be subject to interest rate fluctuations in the future.

The Company's total outstanding loan indebtedness, which includes mortgages and other notes payable, at December 31, 2021 was \$6.98 billion (consisting of \$4.53 billion of consolidated debt, less

\$0.46 billion of noncontrolling interests, plus \$2.91 billion of its pro rata share of unconsolidated joint venture debt). The majority of the Company's debt consists of fixed-rate conventional mortgage notes collateralized by individual properties. The Company expects that all of the maturities during the next twelve months will be refinanced, restructured, extended and/or paid off from the Company's line of credit or cash on hand.

The Company believes that the pro rata debt provides useful information to investors regarding its financial condition because it includes the Company's share of debt from unconsolidated joint ventures and, for consolidated debt, excludes the Company's partners' share from consolidated joint ventures, in each case presented on the same basis. The Company has several significant joint ventures and presenting its pro rata share of debt in this manner can help investors better understand the Company's financial condition after taking into account the Company's economic interest in these joint ventures. The Company's pro rata share of debt should not be considered as a substitute for the Company's total consolidated debt determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

The Company accounts for its investments in joint ventures that it does not have a controlling interest or is not the primary beneficiary of using the equity method of accounting and those investments are reflected on the consolidated balance sheets of the Company as investments in unconsolidated joint ventures.

As of December 31, 2021, one of the Company's joint ventures had \$50.0 million of debt that could become recourse to the Company, should the joint venture be unable to discharge the obligation of the related debt.

Additionally, as of December 31, 2021, the Company was contingently liable for \$41 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Given the prior disruption from COVID-19 and the related impacts on the capital markets, the Company has secured extensions of term from one to three years of its near-term maturing non-recourse mortgage loans totaling an aggregate of approximately \$950 million on Danbury Fair Mall, The Shops at Atlas Park, Fashion Outlets of Niagara, FlatIron Crossing, Green Acres Mall and Green Acres Commons. On October 26, 2021, the Company's joint venture closed a \$65 million, five-year loan, including extension options, that bears interest at LIBOR plus 4.15% to refinance The Shops at Atlas Park, which replaced a \$67.5 million loan on the property. Additionally, on February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197 million loan on the property with a new \$175 million loan that bears interest at SOFR plus 3.45% and matures on February 9, 2027, including extension options.

On March 29, 2021, the Company sold Paradise Valley Mall to a newly formed joint venture for \$100 million. Concurrent with the sale, the Company elected to reinvest into the joint venture at a 5% ownership interest. The Company received \$95.3 million of net proceeds. On September 17, 2021, the Company sold Tucson La Encantada in Tucson, Arizona for \$165.3 million. The Company received \$100.1 million of net cash proceeds which was used to repay debt (See "—Dispositions" in Management's Overview and Summary).

On April 14, 2021, the Company terminated its existing credit facility and entered into a new credit agreement, which provides for an aggregate \$700 million facility, including a \$525 million revolving loan facility that matures on April 14, 2023, with a one-year extension option, and a \$175 million term loan facility that matures on April 14, 2024. The revolving loan facility can be expanded up to \$800 million, subject to receipt of lender commitments and other conditions. All obligations under the facility are guaranteed unconditionally by the Company and are secured in the form of mortgages on certain wholly-

owned assets and pledges of equity interests held by certain of the Company's subsidiaries. The new credit facility bears interest at LIBOR plus a spread of 2.25% to 3.25% depending on Company's overall leverage level. As of December 31, 2021, the borrowing rate was LIBOR plus 2.25%. As of December 31, 2021, borrowings under the facility were \$119.0 million less unamortized deferred finance costs of \$14.2 million for the revolving loan facility at a total interest rate of 3.86%. As of December 31, 2021, the Company's availability under the revolving loan facility for additional borrowings was \$405.7 million.

The Company drew the \$175 million term loan facility in its entirety simultaneously with entering into the new credit agreement and subsequently paid off the remaining balance outstanding on the term loan facility with proceeds from the sale of Tucson La Encantada.

Concurrently with entering into the new credit agreement, the Company repaid \$985 million of debt, which included terminating and repaying all amounts outstanding under its prior revolving line of credit facility. The Company had four interest rate swap agreements that effectively converted a total of \$400 million of the outstanding balance under the prior credit agreement from floating rate debt of LIBOR plus 1.65% to fixed rate debt of 4.50% until September 30, 2021. These swaps were hedged against the Santa Monica Place floating rate loan and a portion of the Green Acres Commons floating rate loan and effectively converted the Santa Monica Place loan and a majority of the Green Acres Commons loan to fixed rate debt through September 30, 2021. The Company did not renew the swaps that expired on September 30, 2021 and, as a result, on October 1, 2021, the Santa Monica Place and Green Acres Commons loans reverted back to floating rate loans (See Note 5—Derivative Instruments and Hedging Activities in the Company's Notes to the Consolidated Financial Statements).

During the year ended December 31, 2021, the Company repaid \$1.7 billion of debt then outstanding, including the \$985 million repaid in connection with the new credit agreement. These repaid amounts represented an approximately 20% reduction in the debt outstanding, at the Company's share, since December 31, 2020.

Cash dividends and distributions for the twelve months ended December 31, 2021 were \$143.4 million which were funded by operations.

At December 31, 2021, the Company was in compliance with all applicable loan covenants under its agreements.

At December 31, 2021, the Company had cash and cash equivalents of \$112.5 million.

Material Cash Commitments:

The following is a schedule of material cash commitments as of December 31, 2021 for the consolidated Centers over the periods in which they are expected to be paid (in thousands):

<u>Cash Commitments</u>	<u>Payment Due by Period</u>				
	<u>Total</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>More than five years</u>
Long-term debt obligations (includes expected interest payments)(1)	\$5,298,302	\$955,120	\$1,398,990	\$1,296,362	\$1,647,830
Lease obligations(2)	167,142	18,763	26,038	12,983	109,358
	<u>\$5,465,444</u>	<u>\$973,883</u>	<u>\$1,425,028</u>	<u>\$1,309,345</u>	<u>\$1,757,188</u>

(1) Interest payments on floating rate debt were based on rates in effect at December 31, 2021.

(2) See Note 8—Leases in the Company's Notes to the Consolidated Financial Statements.

Funds From Operations (“FFO”)

The Company uses FFO in addition to net income to report its operating and financial results and considers FFO and FFO -diluted as supplemental measures for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts (“Nareit”) defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of properties, plus real estate related depreciation and amortization, impairment write-downs of real estate and write-downs of investments in an affiliate where the write-downs have been driven by a decrease in the value of real estate held by the affiliate and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis.

Beginning during the first quarter of 2018, the Company revised its definition of FFO so that FFO excluded the impact of the financing expense in connection with Chandler Freehold. Beginning in 2019, the Company now presents a separate non-GAAP measure—FFO excluding financing expense in connection with Chandler Freehold. The Company has revised the FFO presentation for the years ended December 31, 2018 and 2017 to conform to the current presentation.

The Company accounts for its joint venture in Chandler Freehold as a financing arrangement. In connection with this treatment, the Company recognizes financing expense on (i) the changes in fair value of the financing arrangement obligation, (ii) any payments to the joint venture partner equal to their pro rata share of net income and (iii) any payments to the joint venture partner less than or in excess of their pro rata share of net (loss) income. Only the noted expenses related to the changes in fair value and for the payments to the joint venture partner less than or in excess of their pro rata share of net income are excluded from the measure—FFO excluding financing expense in connection with Chandler Freehold.

The Company also presents FFO excluding financing expense in connection with Chandler Freehold and loss on extinguishment of debt.

FFO and FFO on a diluted basis are useful to investors in comparing operating and financial results between periods. This is especially true since FFO excludes real estate depreciation and amortization, as the Company believes real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. The Company believes that such a presentation also provides investors with a meaningful measure of its operating results in comparison to the operating results of other REITs. In addition, the Company believes that FFO excluding financing expense in connection with Chandler Freehold and non-routine costs associated with extinguishment of debt and costs related to shareholder activism provide useful supplemental information regarding the Company’s performance as they show a more meaningful and consistent comparison of the Company’s operating performance and allows investors to more easily compare the Company’s results. The Company further believes that FFO on a diluted basis is a measure investors find most useful in measuring the dilutive impact of outstanding convertible securities.

The Company believes that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP, and is not indicative of cash available to fund all cash flow needs. The Company also cautions that FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts.

Management compensates for the limitations of FFO by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of FFO and a reconciliation of net income to FFO and FFO-diluted. Management believes that to further understand the Company’s performance, FFO should be compared with the Company’s reported net income and considered in addition to cash flows in accordance with GAAP, as presented in the Company’s consolidated financial statements. The following reconciles net (loss) income attributable to the Company to FFO and FFO-basic and diluted, excluding financing expense in connection with Chandler Freehold, loss on extinguishment of

Funds From Operations (“FFO”) (Continued)

debt, net and costs related to shareholder activism for the years ended December 31, 2021, 2020, 2019, 2018 and 2017 (dollars and shares in thousands):

	2021	2020	2019	2018	2017
Net income (loss) attributable to the Company	\$ 14,263	\$(230,203)	\$ 96,820	\$ 60,020	\$146,130
Adjustments to reconcile net income (loss) attributable to the Company to FFO attributable to common stockholders and unit holders—basic and diluted:					
Noncontrolling interests in the Operating Partnership	714	(16,822)	7,131	4,407	10,729
(Gain) loss on sale or write down of consolidated assets, net	(75,740)	68,112	11,909	31,825	(42,446)
Loss on remeasurement of consolidated assets	—	163,298	—	—	—
Add: gain on undepreciated asset sales or write-down from consolidated assets	19,461	7,777	3,829	4,884	1,564
Less: loss on write-down of non-real estate sales or write-down of assets—consolidated assets	(2,200)	(4,154)	—	—	(10,138)
Add: noncontrolling interests share of gain (loss) on sale or write-down of assets—consolidated assets	9,732	(120)	(2,822)	580	1,209
Loss (gain) on sale or write down of assets—unconsolidated joint ventures(1)	4,931	(6)	462	(2,993)	(14,783)
Add: gain on sale of undepreciated assets—unconsolidated joint ventures(1)	93	—	—	666	6,644
Depreciation and amortization on consolidated assets	311,129	319,619	330,726	327,436	335,431
Less: noncontrolling interests in depreciation and amortization—consolidated assets	(29,239)	(15,517)	(15,124)	(14,793)	(15,126)
Depreciation and amortization—unconsolidated joint ventures(1)	182,956	199,680	189,728	174,952	177,274
Less: depreciation on personal property	(12,955)	(15,734)	(15,997)	(13,699)	(13,610)
FFO attributable to common stockholders and unit holders—basic and diluted	423,145	475,930	606,662	573,285	582,878
Financing expense in connection with Chandler Freehold	(955)	(136,425)	(69,701)	(8,849)	—
FFO attributable to common stockholders and unit holders, excluding financing expense in connection with Chandler Freehold—basic and diluted	422,190	339,505	536,961	564,436	582,878
Loss on extinguishment of debt, net—consolidated assets	1,007	—	351	—	—
Costs related to shareholder activism	—	—	—	19,369	—
FFO attributable to common stockholders and unit holders excluding financing expense in connection with Chandler Freehold, extinguishment of debt, net and costs related to shareholder activism—diluted	<u>\$423,197</u>	<u>\$ 339,505</u>	<u>\$537,312</u>	<u>\$583,805</u>	<u>\$582,878</u>
Weighted average number of FFO shares outstanding for:					
FFO attributable to common stockholders and unit holders—basic(2)	207,991	156,920	151,755	151,502	152,293
Adjustments for the impact of dilutive securities in computing FFO—diluted:					
Share and unit-based compensation plans	—	—	—	2	36
FFO attributable to common stockholders and unit holders—diluted(3)	<u>207,991</u>	<u>156,920</u>	<u>151,755</u>	<u>151,504</u>	<u>152,329</u>

(1) Unconsolidated assets are presented at the Company’s pro rata share.

- (2) Calculated based upon basic net income as adjusted to reach basic FFO. During the years ended December 31, 2021, 2020, 2019, 2018 and 2017, there were 9.9 million, 10.7 million, 10.4 million, 10.4 million and 10.4 million OP Units outstanding, respectively.
- (3) The computation of FFO—diluted shares outstanding includes the effect of share and unit-based compensation plans and the convertible senior notes using the treasury stock method. It also assumes the conversion of MACWH, LP common and preferred units to the extent that they are dilutive to the FFO-diluted computation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure is interest rate risk. The Company has managed and will continue to manage interest rate risk by (1) maintaining a ratio of fixed rate, long-term debt to total debt such that floating rate exposure is kept at an acceptable level, (2) reducing interest rate exposure on certain long-term floating rate debt through the use of interest rate caps and/or swaps with matching maturities where appropriate, (3) using treasury rate locks where appropriate to fix rates on anticipated debt transactions, and (4) taking advantage of favorable market conditions for long-term debt and/or equity.

The following table sets forth information as of December 31, 2021 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value (dollars in thousands):

	Expected Maturity Date						Total	Fair Value
	For the years ending December 31,							
	2022	2023	2024	2025	2026	Thereafter		
CONSOLIDATED CENTERS:								
Long term debt:								
Fixed rate	\$494,526	\$337,791	\$378,120	\$607,399	\$537,742	\$1,460,000	\$3,815,578	\$3,652,545
Average interest rate	4.56%	4.12%	4.05%	3.49%	3.55%	4.00%	3.94%	
Floating rate	300,000	135,320	303,602	—	—	—	738,922	727,082
Average interest rate	1.59%	2.93%	3.48%	—%	—%	—%	2.61%	
Total debt—Consolidated								
Centers	\$794,526	\$473,111	\$681,722	\$607,399	\$537,742	\$1,460,000	\$4,554,500	\$4,379,627
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long term debt (at the Company's pro rata share):								
Fixed rate	\$493,631	\$324,877	\$366,029	\$150,870	\$424,682	\$1,051,763	\$2,811,852	\$2,735,187
Average interest rate	3.81%	3.30%	4.09%	4.15%	3.72%	3.91%	3.83%	
Floating rate	—	11,500	60,347	—	32,500	—	104,347	97,237
Average interest rate	—%	1.96%	1.80%	—%	4.30%	—%	2.60%	
Total debt—Unconsolidated Joint Venture Centers								
Venture Centers	\$493,631	\$336,377	\$426,376	\$150,870	\$457,182	\$1,051,763	\$2,916,199	\$2,832,424

The Consolidated Centers' total fixed rate debt at December 31, 2021 and 2020 was \$3.8 billion and \$4.3 billion, respectively. The average interest rate on such fixed rate debt at December 31, 2021 and 2020 was 3.94% and 3.98%, respectively. The Consolidated Centers' total floating rate debt at December 31, 2021 and 2020 was \$0.7 billion and \$1.7 billion. The average interest rate on such floating rate debt at December 31, 2021 and 2020 was 2.61% and 2.08%, respectively.

The Company's pro rata share of the Unconsolidated Joint Venture Centers' fixed rate debt at December 31, 2021 and 2020 was \$2.8 billion and \$3.0 billion, respectively. The average interest rate on such fixed rate debt at December 31, 2021 and 2020 was 3.83% and 3.82%, respectively. The Company's

pro rata share of the Unconsolidated Joint Venture Centers' floating rate debt at December 31, 2021 and 2020 was \$104.3 million and \$70.5 million, respectively. The average interest rate on such floating rate debt at December 31, 2021 and 2020 was 2.60% and 2.02%, respectively.

The Company uses derivative financial instruments in the normal course of business to manage or hedge interest rate risk and records all derivatives on the balance sheet at fair value. Interest rate cap agreements offer protection against floating rates on the notional amount from exceeding the rates noted in the above schedule, and interest rate swap agreements effectively replace a floating rate on the notional amount with a fixed rate as noted above. As of December 31, 2021, the Company had two interest rate cap agreements in place (See Note 4—Investments in Unconsolidated Joint Ventures and Note 5—Derivative Instruments and Hedging Activities in the Company's Notes to the Consolidated Financial Statements).

In addition, the Company has assessed the market risk for its floating rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately \$8.4 million per year based on \$843.3 million of floating rate debt outstanding at December 31, 2021.

The fair value of the Company's long-term debt is estimated based on a present value model utilizing interest rates that reflect the risks associated with long-term debt of similar risk and duration. In addition, the method of computing fair value for mortgage notes payable included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt (See Note 10—Mortgage Notes Payable and Note 11—Bank and Other Notes Payable in the Company's Notes to the Consolidated Financial Statements).

In July 2017, the Financial Conduct Authority announced it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. In March 2021, the ICE Benchmark Administration, the administrator of LIBOR, announced its intention to cease publication of certain LIBOR settings after 2021, while continuing to publish overnight and one-, three-, six-, and twelve-month U.S. dollar LIBOR rates through June 30, 2023. While this announcement extended the transition period to June 2023, the United States Federal Reserve Board and other regulatory bodies concurrently issued guidance encouraging banks and other financial market participants to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate as soon as practicable and in any event no later than December 31, 2021. In the United States, Alternative Reference Rates Committee ("AARC"), which was convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the SOFR plus a recommended spread adjustment as its preferred alternative to USD-LIBOR. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities.

The Company expects that all LIBOR settings relevant to it will cease to be published or will no longer be representative after June 30, 2023. As a result, any of the Company's LIBOR-based borrowings that extend beyond such date will need to be converted to a replacement rate. Certain risks may arise in connection with transitioning contracts to SOFR or any other alternative variable rate, including any resulting value transfer that may occur. The value of loans, securities, or derivative instruments tied to LIBOR could also be impacted. If a contract is not transitioned to an alternative variable rate and LIBOR is discontinued, the impact is likely to vary by contract. As of December 31, 2021, each of the agreements governing the Company's variable rate debt provides for the replacement of LIBOR if it becomes unavailable during the term of such agreement.

The discontinuation of LIBOR will not affect the Company's ability to borrow or maintain already outstanding borrowings or swaps, but if the Company's contracts indexed to LIBOR, including certain contracts governing the variable rate debt of the Company and its joint ventures and the Company's interest rate swaps, are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained

available. Additionally, although SOFR is the AARC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in ways that would result in higher interest costs for the Company. It is not yet possible to predict the magnitude of LIBOR's end on the Company's borrowing costs given the remaining uncertainty about which rates will replace LIBOR.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Refer to the Financial Statements and Financial Statement Schedules for the required information appearing in Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based on their evaluation as of December 31, 2021, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). The Company's management concluded that, as of December 31, 2021, its internal control over financial reporting was effective based on this assessment.

KPMG LLP, the independent registered public accounting firm that audited the Company's 2021 consolidated financial statements included in this Annual Report on Form 10-K, has issued a report on the Company's internal control over financial reporting which follows below.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
The Macerich Company:

Opinion on Internal Control Over Financial Reporting

We have audited The Macerich Company and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement Schedule III—Real Estate and Accumulated Depreciation (collectively, the consolidated financial statements), and our report dated February 25, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Los Angeles, California

February 25, 2022

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will be included in the Company's definitive proxy statement to be filed for its 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

The Company has adopted a Code of Business Conduct and Ethics that provides principles of conduct and ethics for its directors, officers and employees. This Code complies with the requirements of the Sarbanes-Oxley Act of 2002 and applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. In addition, the Company has adopted a Code of Ethics for CEO and Senior Financial Officers which supplements the Code of Business Conduct and Ethics applicable to all employees and complies with the additional requirements of the Sarbanes-Oxley Act of 2002 and applicable rules of the Securities and Exchange Commission for those officers. To the extent required by applicable rules of the Securities and Exchange Commission and the New York Stock Exchange, the Company intends to promptly disclose future amendments to certain provisions of these Codes or waivers of such provisions granted to directors and executive officers, including the Company's principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions, on the Company's website at www.macerich.com under "Investors—Corporate Governance—Code of Ethics." Each of these Codes of Conduct is available on the Company's website at www.macerich.com under "Investors—Corporate Governance."

During 2021, there were no material changes to the procedures described in the Company's proxy statement relating to the 2021 Annual Meeting of Stockholders by which stockholders may recommend director nominees to the Company.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be included in the Company's definitive proxy statement to be filed for its 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be included in the Company's definitive proxy statement to be filed for its 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be included in the Company's definitive proxy statement to be filed for its 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 will be included in the Company's definitive proxy statement to be filed for its 2022 Annual Meeting of Stockholders and is incorporated by reference herein.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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ITEM 16. FORM 10-K SUMMARY

Not applicable.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
The Macerich Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of The Macerich Company and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement Schedule III—Real Estate and Accumulated Depreciation (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 25, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of the Company's evaluation of the expected holding period for operating properties

As discussed in Notes 2 and 6 to the consolidated financial statements, the Company assesses whether an indicator of impairment in the carrying value of its properties exists by considering property operating performance, holding periods, capitalization rates, and other market factors. Property, net as of December 31, 2021 was \$6,284 million, or 75% of total assets.

We identified the assessment of the Company's evaluation of the expected holding period for operating properties as a critical audit matter. Subjective auditor judgment was required to assess the relevant events or changes in circumstances that the Company used to evaluate its expected holding period. A shortening of the expected holding period could indicate a potential impairment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's property impairment process, including controls over the Company's evaluation of the expected holding period. We evaluated the relevant events or changes in circumstances and the current economic environment that the Company used to evaluate its expected holding period by:

- reading minutes of the meetings of the Company's Board of Directors
- reading external communications with investors and analysts
- analyzing documents prepared by the Company regarding proposed real estate transactions
- considering properties with current encumbrances that are set to mature within one year.

Evaluation of the fair value of the Chandler Freehold financing arrangement obligation

As discussed in Notes 2 and 12 to the consolidated financial statements, the Company reports the Chandler Freehold consolidated joint venture as a financing arrangement with the related deferred gain recorded as a liability at fair value. The fair value of the financing arrangement obligation is determined primarily based upon the fair value of the underlying shopping centers, Chandler Fashion Center and Freehold Raceway Mall, owned by the Chandler Freehold consolidated joint venture. The fair value of the shopping centers is estimated using a discounted cash flow model. Subsequent changes in fair value of the financing arrangement obligation are recorded as interest expense. The financing arrangement obligation as of December 31, 2021 was \$119 million, or 2% of total liabilities. The adjustment to fair value of the financing arrangement obligation was \$15 million, or 108% of net income.

We identified the evaluation of the fair value of the Chandler Freehold financing arrangement obligation as a critical audit matter. A high degree of subjectivity was required in evaluating the discounted cash flow model used to fair value the shopping centers. Specifically, the model was sensitive to reasonably possible changes to significant assumptions, which have a significant effect on the determination of fair value of the financing arrangement obligation. The significant assumptions include market rental rates, discount rates, and terminal capitalization rates.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's fair value determination process for the financing arrangement obligation and specifically the development of the significant assumptions. We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's significant assumptions used in the discounted cash flow model. The valuation professionals independently

developed a range of the market rental rates, discount rates, and terminal capitalization rates using publicly available market data for comparable properties and geographic regions in which Chandler Fashion Center and Freehold Raceway Mall are located and compared the rates to those used by the Company.

/s/ KPMG LLP

We have served as the Company's auditor since 2010

Los Angeles, California

February 25, 2022

THE MACERICH COMPANY
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except par value)

	December 31,	
	2021	2020
ASSETS:		
Property, net	\$ 6,284,206	\$ 6,694,579
Cash and cash equivalents	112,454	465,297
Restricted cash	54,517	17,362
Tenant and other receivables, net	211,361	239,194
Right-of-use assets, net	110,638	118,355
Deferred charges and other assets, net	254,908	306,959
Due from affiliates	—	1,612
Investments in unconsolidated joint ventures	1,317,571	1,340,647
Total assets	\$ 8,345,655	\$ 9,184,005
LIABILITIES AND EQUITY:		
Mortgage notes payable	\$ 4,423,554	\$ 4,560,810
Bank and other notes payable	104,811	1,477,540
Accounts payable and accrued expenses	59,228	68,825
Due to affiliates	327	—
Lease liabilities	80,711	90,216
Other accrued liabilities	254,279	298,594
Distributions in excess of investments in unconsolidated joint ventures	127,608	108,381
Financing arrangement obligation	118,988	134,379
Total liabilities	5,169,506	6,738,745
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, \$0.01 par value, 500,000,000 and 250,000,000 shares authorized at December 31, 2021 and 2020, respectively, 214,797,057 and 149,770,575 shares issued and outstanding at December 31, 2021 and 2020, respectively	2,147	1,498
Additional paid-in capital	5,488,440	4,603,378
Accumulated deficit	(2,443,696)	(2,339,619)
Accumulated other comprehensive loss	(24)	(8,208)
Total stockholders' equity	3,046,867	2,257,049
Noncontrolling interests	129,282	188,211
Total equity	3,176,149	2,445,260
Total liabilities and equity	\$ 8,345,655	\$ 9,184,005

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)

	For The Years Ended December 31,		
	2021	2020	2019
Revenues:			
Leasing revenue	\$ 787,547	\$ 740,323	\$ 858,874
Other	33,867	22,242	27,879
Management Companies	26,023	23,461	40,709
Total revenues	847,437	786,026	927,462
Expenses:			
Shopping center and operating expenses	295,016	257,212	271,547
Leasing expense	24,838	25,191	29,611
Management Companies' operating expenses	61,030	65,576	66,795
REIT general and administrative expenses	30,056	30,339	22,634
Depreciation and amortization	311,129	319,619	330,726
	722,069	697,937	721,313
Interest (income) expense:			
Related parties	(3,718)	(135,281)	(62,517)
Other	196,397	210,831	200,771
	192,679	75,550	138,254
Loss on extinguishment of debt	1,007	—	351
Total expenses	915,755	773,487	859,918
Equity in income (loss) of unconsolidated joint ventures	15,689	(27,038)	48,508
Income tax (expense) benefit	(6,948)	447	(1,589)
Loss on remeasurement of assets	—	(163,298)	—
Gain (loss) on sale or write down of assets, net	75,740	(68,112)	(11,909)
Net income (loss)	16,163	(245,462)	102,554
Less net income (loss) attributable to noncontrolling interests	1,900	(15,259)	5,734
Net income (loss) attributable to the Company	\$ 14,263	\$ (230,203)	\$ 96,820
Earnings per common share attributable to common stockholders:			
Basic	\$ 0.07	\$ (1.58)	\$ 0.68
Diluted	\$ 0.07	\$ (1.58)	\$ 0.68
Weighted average number of common shares outstanding:			
Basic	198,070,000	146,232,000	141,340,000
Diluted	198,070,000	146,232,000	141,340,000

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands)

	<u>For The Years Ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net income (loss)	\$16,163	\$(245,462)	\$102,554
Other comprehensive income (loss):			
Interest rate cap/swap agreements	8,184	843	(4,585)
Comprehensive income (loss)	24,347	(244,619)	97,969
Less net income (loss) attributable to noncontrolling interests	1,900	(15,259)	5,734
Comprehensive income (loss) attributable to the Company	<u>\$22,447</u>	<u>\$(229,360)</u>	<u>\$ 92,235</u>

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in thousands, except per share data)

	Stockholders' Equity							
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Par Value						
Balance at January 1, 2019	141,221,712	\$1,412	\$4,567,643	\$(1,614,357)	\$(4,466)	\$2,950,232	\$238,200	\$3,188,432
Net income	—	—	—	96,820	—	96,820	5,734	102,554
Cumulative effect of adoption of ASC 842	—	—	—	(2,203)	—	(2,203)	—	(2,203)
Interest rate cap/swap agreements	—	—	—	—	(4,585)	(4,585)	—	(4,585)
Amortization of share and unit-based plans	106,747	1	16,722	—	—	16,723	—	16,723
Employee stock purchases	58,191	1	1,518	—	—	1,519	—	1,519
Distributions declared (\$3.00) per share	—	—	—	(424,272)	—	(424,272)	—	(424,272)
Distributions to noncontrolling interests	—	—	—	—	—	—	(50,262)	(50,262)
Contributions from noncontrolling interests	—	—	—	—	—	—	3,131	3,131
Conversion of noncontrolling interests to common shares	21,000	—	1,005	—	—	1,005	(1,005)	—
Redemption of noncontrolling interests	—	—	(31)	—	—	(31)	(36)	(67)
Adjustment of noncontrolling interests in Operating Partnership	—	—	(2,946)	—	—	(2,946)	2,946	—
Balance at December 31, 2019	<u>141,407,650</u>	<u>\$1,414</u>	<u>\$4,583,911</u>	<u>\$(1,944,012)</u>	<u>\$(9,051)</u>	<u>\$2,632,262</u>	<u>\$198,708</u>	<u>\$2,830,970</u>

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF EQUITY (Continued)
(Dollars in thousands, except per share data)

	Stockholders' Equity							
	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31,								
2019	141,407,650	\$1,414	\$4,583,911	\$(1,944,012)	\$(9,051)	\$2,632,262	\$198,708	\$2,830,970
Net loss	—	—	—	(230,203)	—	(230,203)	(15,259)	(245,462)
Interest rate cap/swap agreements	—	—	—	—	843	843	—	843
Amortization of share and unit-based plans	151,468	1	18,065	—	—	18,066	—	18,066
Employee stock purchases ..	265,386	3	1,528	—	—	1,531	—	1,531
Distributions declared (\$1.55) per share	—	—	—	(165,404)	—	(165,404)	—	(165,404)
Stock dividend	7,759,280	78	(78)	—	—	—	—	—
Distributions to noncontrolling interests ..	—	—	—	—	—	—	(14,458)	(14,458)
Contributions from noncontrolling interests ..	—	—	—	—	—	—	19,203	19,203
Conversion of noncontrolling interests to common shares	186,791	2	12,084	—	—	12,086	(12,086)	—
Redemption of noncontrolling interests ..	—	—	25	—	—	25	(54)	(29)
Adjustment of noncontrolling interests in Operating Partnership ...	—	—	(12,157)	—	—	(12,157)	12,157	—
Balance at December 31,								
2020	<u>149,770,575</u>	<u>\$1,498</u>	<u>\$4,603,378</u>	<u>\$(2,339,619)</u>	<u>\$(8,208)</u>	<u>\$2,257,049</u>	<u>\$188,211</u>	<u>\$2,445,260</u>

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF EQUITY (Continued)
(Dollars in thousands, except per share data)

	Stockholders' Equity							Noncontrolling Interests	Total Equity
	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity			
Balance at December 31,									
2020	149,770,575	\$1,498	\$4,603,378	\$(2,339,619)	\$(8,208)	\$2,257,049	\$188,211	\$2,445,260	
Net income	—	—	—	14,263	—	14,263	1,900	16,163	
Interest rate cap/swap agreements	—	—	—	—	8,184	8,184	—	8,184	
Amortization of share and unit-based plans	248,264	2	17,996	—	—	17,998	—	17,998	
Employee stock purchases ..	143,191	1	1,347	—	—	1,348	—	1,348	
Stock offerings, net	62,049,131	620	829,621	—	—	830,241	—	830,241	
Distributions declared (\$0.60) per share	—	—	—	(118,340)	—	(118,340)	—	(118,340)	
Distributions to noncontrolling interests ..	—	—	—	—	—	—	(25,107)	(25,107)	
Contributions from noncontrolling interests ..	—	—	—	—	—	—	580	580	
Conversion of noncontrolling interests to common shares	2,585,896	26	48,781	—	—	48,807	(48,807)	—	
Redemption of noncontrolling interests ..	—	—	(17)	—	—	(17)	(161)	(178)	
Adjustment of noncontrolling interests in Operating Partnership ...	—	—	(12,666)	—	—	(12,666)	12,666	—	
Balance at December 31,									
2021	<u>214,797,057</u>	<u>\$2,147</u>	<u>\$5,488,440</u>	<u>\$(2,443,696)</u>	<u>\$ (24)</u>	<u>\$3,046,867</u>	<u>\$129,282</u>	<u>\$3,176,149</u>	

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Years Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net income (loss)	\$ 16,163	\$(245,462)	\$ 102,554
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Loss on extinguishment of debt	1,007	—	351
Loss on remeasurement of assets	—	163,298	—
(Gain) loss on sale or write down of assets, net	(75,740)	68,112	11,909
Depreciation and amortization	324,403	326,058	337,667
Amortization of net premium on mortgage notes payable	—	(773)	(929)
Amortization of share and unit-based plans	14,273	13,843	12,032
Straight-line rent and amortization of above and below market leases	(7,691)	(23,707)	(14,009)
(Recovery of) provision for doubtful accounts	(6,390)	44,250	7,682
Income tax expense (benefit)	6,948	(447)	1,589
Equity in (income) loss of unconsolidated joint ventures	(15,689)	27,038	(48,508)
Change in fair value of financing arrangement obligation	(15,390)	(139,522)	(76,640)
Distributions of income from unconsolidated joint ventures	48	—	934
Changes in assets and liabilities, net of acquisitions and dispositions:			
Tenant and other receivables	62,421	(105,947)	(9,929)
Other assets	14,876	810	(9,553)
Due to/from affiliates	1,939	3,385	13,894
Accounts payable and accrued expenses	(6,746)	15,479	(237)
Other accrued liabilities	(28,064)	(21,578)	26,350
Net cash provided by operating activities	<u>286,368</u>	<u>124,837</u>	<u>355,157</u>
Cash flows from investing activities:			
Development, redevelopment, expansion and renovation of properties ..	(77,686)	(45,161)	(166,791)
Property improvements	(30,521)	(23,143)	(21,114)
Proceeds from collection of notes receivable	1,300	—	68,819
Deferred leasing costs	(2,720)	(3,212)	(11,906)
Distributions from unconsolidated joint ventures	93,927	78,427	266,349
Contributions to unconsolidated joint ventures	(86,846)	(132,466)	(252,903)
Cash and restricted cash acquired from acquisition of previously unconsolidated joint venture	—	5,811	—
Loan to previously unconsolidated joint venture	—	(100,000)	—
Proceeds from sale of assets	337,514	16,896	5,520
Net cash provided by (used in) investing activities	<u>234,968</u>	<u>(202,848)</u>	<u>(112,026)</u>

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Dollars in thousands)

	For the Years Ended December 31,		
	2021	2020	2019
Cash flows from financing activities:			
Proceeds from mortgages, bank and other notes payable	520,000	660,000	1,796,000
Payments on mortgages, bank and other notes payable	(2,020,395)	(33,972)	(1,567,089)
Deferred financing costs	(22,872)	(4,320)	(7,759)
Payment on finance arrangement obligation	—	—	(27,945)
Proceeds from finance lease	—	4,115	—
Payments on finance leases	(1,849)	(1,534)	(1,472)
Proceeds from share and unit-based plans	1,348	1,531	1,519
Proceeds from stock offerings, net	830,241	—	—
Redemption of noncontrolling interests	(178)	(29)	(67)
Contributions from noncontrolling interests	128	525	3,131
Dividends and distributions	(143,447)	(179,862)	(474,534)
Net cash (used in) provided by financing activities	<u>(837,024)</u>	<u>446,454</u>	<u>(278,216)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(315,688)	368,443	(35,085)
Cash and cash equivalents and restricted cash at beginning of year	482,659	114,216	149,301
Cash and cash equivalents and restricted cash at end of year	<u>\$ 166,971</u>	<u>\$ 482,659</u>	<u>\$ 114,216</u>
Supplemental cash flow information:			
Cash payments for interest, net of amounts capitalized	<u>\$ 204,221</u>	<u>\$ 199,147</u>	<u>\$ 210,026</u>
Non-cash investing and financing activities:			
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	<u>\$ 18,279</u>	<u>\$ 29,376</u>	<u>\$ 32,452</u>
Conversion of Operating Partnership Units to common stock	<u>\$ 48,807</u>	<u>\$ 12,086</u>	<u>\$ 1,005</u>
Receivable in connection with sale of joint venture property	<u>\$ 21,000</u>	<u>\$ —</u>	<u>\$ —</u>
Lease liabilities recorded in connection with right-of-use assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109,299</u>
Assets acquired from previously unconsolidated joint venture	<u>\$ —</u>	<u>\$ 395,844</u>	<u>\$ —</u>
Liabilities assumed from previously unconsolidated joint venture	<u>\$ —</u>	<u>\$ 263,393</u>	<u>\$ —</u>
Property distribution from unconsolidated joint venture	<u>\$ —</u>	<u>\$ 19,300</u>	<u>\$ —</u>

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

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

1. Organization:

The Macerich Company (the “Company”) is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers (the “Centers”) located throughout the United States.

The Company commenced operations effective with the completion of its initial public offering on March 16, 1994. As of December 31, 2021, the Company was the sole general partner of and held a 96% ownership interest in The Macerich Partnership, L.P. (the “Operating Partnership”). The Company was organized to qualify as a real estate investment trust (“REIT”) under the Internal Revenue Code of 1986, as amended (the “Code”).

The property management, leasing and redevelopment of the Company’s portfolio is provided by the Company’s management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Macerich Arizona Partners LLC, a single member Arizona limited liability company, Macerich Arizona Management LLC, a single member Delaware limited liability company, Macerich Partners of Colorado LLC, a single member Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are owned by the Company and are collectively referred to herein as the “Management Companies.”

2. Summary of Significant Accounting Policies:

Basis of Presentation:

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America.

The accompanying consolidated financial statements include the accounts of the Company. Investments in entities in which the Company has a controlling financial interest or entities that meet the definition of a variable interest entity (“VIE”) in which the Company has, as a result of ownership, contractual or other financial interests, both the power to direct activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE are consolidated; otherwise they are accounted for under the equity method of accounting and are reflected as investments in unconsolidated joint ventures.

The Company’s sole significant asset is its investment in the Operating Partnership and as a result, substantially all of the Company’s assets and liabilities represent the assets and liabilities of the Operating Partnership. In addition, the Operating Partnership has investments in a number of VIEs, including Fashion District Philadelphia and SanTan Village Regional Center.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

The Operating Partnership's VIEs included the following assets and liabilities:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Property, net	\$458,964	\$551,062
Other assets	83,685	97,713
Total assets	<u>\$542,649</u>	<u>\$648,775</u>
Liabilities:		
Mortgage notes payable	\$413,925	\$420,233
Other liabilities	56,947	81,266
Total liabilities	<u>\$470,872</u>	<u>\$501,499</u>

All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

The following table presents a reconciliation of the beginning of period and end of period cash and cash equivalents and restricted cash reported on the Company's consolidated balance sheets to the totals shown on its consolidated statements of cash flows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning of period			
Cash and cash equivalents	\$465,297	\$100,005	\$102,711
Restricted cash	17,362	14,211	46,590
Cash and cash equivalents and restricted cash	<u>\$482,659</u>	<u>\$114,216</u>	<u>\$149,301</u>
End of period			
Cash and cash equivalents	\$112,454	\$465,297	\$100,005
Restricted cash	54,517	17,362	14,211
Cash and cash equivalents and restricted cash	<u>\$166,971</u>	<u>\$482,659</u>	<u>\$114,216</u>

COVID-19 Pandemic:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As a result, all of the markets that the Company operates in were subject to stay-at-home orders, and the majority of its properties were temporarily closed in part or completely. Following staggered re-openings during 2020, all Centers have been open and operating since October 7, 2020 and government-imposed capacity restrictions resulting from COVID-19 have been essentially eliminated across the Company's markets.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

COVID-19 Lease Accounting:

In April 2020, the Financial Accounting Standards Board issued a Staff Question-and-Answer (“Q&A”) to clarify whether lease concessions related to the effects of COVID-19 require the application of the lease modification guidance under Accounting Standards Codification (“ASC”) 842, “Leases” (“the lease modification accounting framework”). Under ASC 842, the Company would have to determine, on a lease-by-lease basis, if a lease concession was the result of a new arrangement reached with the tenant or an enforceable right and obligation within the existing lease. The Q&A allows for the bypass of a lease-by-lease analysis, and allows the Company to elect to either apply the lease modification accounting framework or not to all of its lease concessions with similar characteristics and circumstances. The Company has elected to apply the lease modification accounting framework to lease concessions that include the abatement of rent in its consolidated financial statements for the twelve months ended December 31, 2021 and 2020.

Cash and Cash Equivalents and Restricted Cash:

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, for which cost approximates fair value. Restricted cash includes impounds of property taxes and other capital reserves required under loan and other agreements.

Revenues:

Leasing revenue includes minimum rents, percentage rents, tenant recoveries and other leasing income. Minimum rental revenues are recognized on a straight-line basis over the terms of the related leases. The difference between the amount of rent due in a year and the amount recorded as rental income is referred to as the “straight-line rent adjustment.” Minimum rents were increased by \$5,873, \$24,789 and \$10,533 due to the straight-line rent adjustment during the years ended December 31, 2021, 2020 and 2019, respectively. Percentage rents are recognized and accrued when tenants’ specified sales targets have been met. Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries are recognized as revenues on a straight-line basis over the term of the related leases.

The Management Companies provide property management, leasing, corporate, development, redevelopment and acquisition services to affiliated and non-affiliated shopping centers. In consideration for these services, the Management Companies receive monthly management fees generally ranging from 1.5% to 4% of the gross monthly rental revenue of the properties managed.

Property:

Maintenance and repair expenses are charged to operations as incurred. Costs for major replacements and betterments, which includes HVAC equipment, roofs, parking lots, etc., are capitalized and depreciated over their estimated useful lives. Gains and losses are recognized upon disposal or retirement of the related assets and are reflected in earnings.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Property is recorded at cost and is depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 40 years
Tenant improvements	5 - 7 years
Equipment and furnishings	5 - 7 years

Capitalization of Costs:

The Company capitalizes costs incurred in redevelopment, development, renovation and improvement of properties. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. These capitalized costs include direct and certain indirect costs clearly associated with the project. Indirect costs include real estate taxes, insurance and certain shared administrative costs. In assessing the amounts of direct and indirect costs to be capitalized, allocations are made to projects based on estimates of the actual amount of time spent on each activity. Indirect costs not clearly associated with specific projects are expensed as period costs. Capitalized indirect costs are allocated to development and redevelopment activities based on the square footage of the portion of the building not held available for immediate occupancy. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once work has been completed on a vacant space, project costs are no longer capitalized. For projects with extended lease-up periods, the Company ends the capitalization when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the construction is substantially complete.

Investment in Unconsolidated Joint Ventures:

The Company accounts for its investments in joint ventures using the equity method of accounting unless the Company has a controlling financial interest in the joint venture or the joint venture meets the definition of a variable interest entity in which the Company is the primary beneficiary through both its power to direct activities that most significantly impact the economic performance of the variable interest entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the variable interest entity. Although the Company has a greater than 50% interest in Corte Madera Village, LLC, Macerich HHF Centers LLC, New River Associates LLC and Pacific Premier Retail LLC, the Company does not have controlling financial interests in these joint ventures due to the substantive participation rights of the outside partners in these joint ventures and, therefore, accounts for its investments in these joint ventures using the equity method of accounting.

Equity method investments are initially recorded on the balance sheet at cost and are subsequently adjusted to reflect the Company's proportionate share of net earnings and losses, distributions received, additional contributions and certain other adjustments, as appropriate. The Company separately reports investments in joint ventures when accumulated distributions have exceeded the Company's investment, as distributions in excess of investments in unconsolidated joint ventures. The net investment of certain joint

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

ventures is less than zero because of financing or operating distributions that are usually greater than net income, as net income includes charges for depreciation and amortization.

Acquisitions:

Upon the acquisition of real estate properties, the Company evaluates whether the acquisition is a business combination or asset acquisition. For both business combinations and asset acquisitions, the Company allocates the purchase price of properties to acquired tangible assets and intangible assets and liabilities. For asset acquisitions, the Company capitalizes transaction costs and allocates the purchase price using a relative fair value method allocating all accumulated costs. For business combinations, the Company expenses transaction costs incurred and allocates purchase price based on the estimated fair value of each separately identified asset and liability. The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with “cost avoidance” of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company’s markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the “assumed vacant” property to the occupancy level when purchased; and (iii) above or below-market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases is recorded in deferred charges and other assets and amortized over the remaining lease terms plus any below-market fixed rate renewal options. Above or below-market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below-market, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the Center, the Company’s relationship with the tenant and the availability of competing tenant space.

Remeasurement gains and losses are recognized when the Company becomes the primary beneficiary of an existing equity method investment that is a VIE to the extent that the fair value of the existing equity investment exceeds the carrying value of the investment, and remeasurement losses to the extent the carrying value of the investment exceeds the fair value. The fair value is determined based on a discounted cash flow model, with the significant unobservable inputs including discount rate, terminal capitalization rate and market rents.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the lease agreement using the straight-line method. As these deferred leasing costs represent productive assets incurred in connection with the Company's leasing arrangements at the Centers, the related cash flows are classified as investing activities within the accompanying Consolidated Statements of Cash Flows. Costs relating to financing of shopping center properties are deferred and amortized over the life of the related loan using the straight-line method, which approximates the effective interest method.

The range of the terms of the agreements is as follows:

Deferred leasing costs	1 - 15 years
Deferred financing costs	1 - 15 years

Accounting for Impairment:

The Company assesses whether an indicator of impairment in the value of its properties exists by considering expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include projected rental revenue, operating costs and capital expenditures as well as estimated holding periods and capitalization rates. If an impairment indicator exists, the determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flows analysis, with the carrying value of the related assets. The Company generally holds and operates its properties long-term, which decreases the likelihood of their carrying values not being recoverable. A shortened holding period increases the risk that the carrying value of a long-lived asset is not recoverable. Properties classified as held for sale are measured at the lower of the carrying amount or fair value less cost to sell.

The Company reviews its investments in unconsolidated joint ventures for a series of operating losses and other factors that may indicate that a decrease in the value of its investments has occurred which is other-than-temporary. The investment in each unconsolidated joint venture is evaluated periodically, and as deemed necessary, for recoverability and valuation declines that are other-than-temporary.

Share and Unit-based Compensation Plans:

The cost of share and unit-based compensation awards is measured at the grant date based on the calculated fair value of the awards and is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards.

Derivative Instruments and Hedging Activities:

The Company recognizes all derivatives in the consolidated financial statements and measures the derivatives at fair value. The Company uses interest rate swap and cap agreements (collectively, "interest rate agreements") in the normal course of business to manage or reduce its exposure to adverse fluctuations in interest rates. The Company designs its hedges to be effective in reducing the risk exposure

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

that they are designated to hedge. Any instrument that meets the cash flow hedging criteria is formally designated as a cash flow hedge at the inception of the derivative contract. On an ongoing quarterly basis, the Company adjusts its balance sheet to reflect the current fair value of its derivatives. To the extent they are effective, changes in fair value are recorded in comprehensive income.

Amounts paid (received) as a result of interest rate agreements are recorded as an addition (reduction) to (of) interest expense.

If any derivative instrument used for risk management does not meet the hedging criteria, it is marked-to-market each period with the change in value included in the consolidated statements of operations.

Income Taxes:

The Company elected to be taxed as a REIT under the Code commencing with its taxable year ended December 31, 1994. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute at least 90% of its taxable income to its stockholders. It is management's current intention to adhere to these requirements and maintain the Company's REIT status. As a REIT, the Company generally will not be subject to corporate level federal income tax on taxable income it distributes currently to its stockholders. If the Company fails to qualify as a REIT in any taxable year, then it will be subject to federal income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income and property and to federal income and excise taxes on its undistributed taxable income, if any.

Each partner is taxed individually on its share of partnership income or loss, and accordingly, no provision for federal and state income tax is provided for the Operating Partnership in the consolidated financial statements. The Company's taxable REIT subsidiaries ("TRSs") are subject to corporate level income taxes, which are provided for in the Company's consolidated financial statements.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets and liabilities of the TRSs relate primarily to differences in the book and tax bases of property and to operating loss carryforwards for federal and state income tax purposes. A valuation allowance for deferred tax assets is provided if the Company believes it is more likely than not that all or some portion of the deferred tax assets will not be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

Segment Information:

The Company currently operates in one business segment, the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers. Additionally, the Company operates in one geographic area, the United States.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Fair Value of Financial Instruments:

The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions.

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on 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. The Company's 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.

The Company calculates the fair value of financial instruments and includes this additional information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made.

The fair values of interest rate agreements are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates fell below or rose above the strike rate of the interest rate agreements. The variable interest rates used in the calculation of projected receipts on the interest rate agreements are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

The Company records its financing arrangement obligation at fair value on a recurring basis with changes in fair value being recorded as interest expense in the Company's consolidated statements of operations. The fair value is determined based on a discounted cash flow model, with the significant unobservable inputs including the discount rate, terminal capitalization rate and market rents. The fair value of the financing arrangement obligation is sensitive to these significant unobservable inputs and a change in these inputs may result in a significantly higher or lower fair value measurement.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Concentration of Risk:

The Company maintains its cash accounts in a number of commercial banks. Accounts at these banks are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250. At various times during the year, the Company had deposits in excess of the FDIC insurance limit.

No Center or tenant generated more than 10% of total revenues during the years ended December 31, 2021, 2020 or 2019.

Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements:

On January 1, 2019, the Company adopted Accounting Standards Codification (“ASC”) 842, “Leases”, under the modified retrospective method. The new standard amended the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of the new lease standard, the Company elected to use the transition packages of practical expedients for implementation provided by the FASB, which included (i) relief from re-assessing whether an expired or existing contract meets the definition of a lease, (ii) relief from re-assessing the classification of expired or existing leases at the adoption date, (iii) allowing previously capitalized initial direct leasing costs to continue to be amortized, and (iv) application of the standard as of the adoption date rather than to all periods presented.

The new standard requires the Company to reduce leasing revenue for credit losses associated with lease receivables. In addition, straight-line rent receivables are written off when the Company believes there is uncertainty regarding a tenant’s ability to complete the term of the lease. As a result, the Company recognized a cumulative effect adjustment of \$2,203 upon adoption for the write off of straight-line rent receivables of tenants that were in litigation or bankruptcy. The standard also requires that the provision for bad debts relating to leases be presented as a reduction of leasing revenue.

The standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Initial direct costs include the salaries and related costs for employees directly working on leasing activities. Prior to January 1, 2019, these costs were capitalizable and therefore the new lease standard resulted in certain of these costs being expensed as incurred. Upon the adoption of the new standard, the Company elected the practical expedient to not separate non-lease components, most significantly certain common area maintenance recoveries, from the associated lease components, resulting in the Company presenting all revenues associated with leases as leasing revenue on its consolidated statements of operations.

In August 2017, the FASB issued ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities,” which aims to (i) improve the transparency and understandability of information conveyed

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

to financial statement users about an entity’s risk management activities by better aligning the entity’s financial reporting for hedging relationships with those risk management activities and (ii) reduce the complexity of and simplify the application of hedge accounting by preparers. The standard was effective for the Company beginning January 1, 2019. The Company’s adoption of this standard did not have a significant impact on its consolidated financial statements.

In March 2020, the FASB issued guidance codified in ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting,” which provides optional expedients for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective for the Company as of March 12, 2020 through December 31, 2022. An entity can elect to apply the amendments as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to that date that the financial statements are available to be issued. The Company is currently evaluating the optional expedients and exceptions provided by ASU 2020-04 to determine the impact on its consolidated financial statements.

3. Earnings Per Share (“EPS”):

The following table reconciles the numerator and denominator used in the computation of earnings per share for the years ended December 31 (shares in thousands):

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Numerator			
Net income (loss)	\$ 16,163	\$(245,462)	\$102,554
Less: net income (loss) attributable to noncontrolling interests	<u>1,900</u>	<u>(15,259)</u>	<u>5,734</u>
Net income (loss) attributable to the Company	14,263	(230,203)	96,820
Allocation of earnings to participating securities	<u>(853)</u>	<u>(1,048)</u>	<u>(1,190)</u>
Numerator for basic and diluted EPS—net income (loss) attributable to common stockholders	<u>\$ 13,410</u>	<u>\$(231,251)</u>	<u>\$ 95,630</u>
Denominator			
Denominator for basic and diluted EPS—weighted average number of common shares outstanding(1)	<u>198,070</u>	<u>146,232</u>	<u>141,340</u>
EPS—net income (loss) attributable to common stockholders:			
Basic and diluted	<u>\$ 0.07</u>	<u>\$ (1.58)</u>	<u>\$ 0.68</u>

(1) Diluted EPS excludes 101,948, 97,926 and 90,619 convertible preferred units for the years ended December 31, 2021, 2020 and 2019, respectively, as their impact was antidilutive.

Diluted EPS excludes 9,920,654, 10,688,179 and 10,415,291 Operating Partnership units (“OP Units”) for the years ended December 31, 2021, 2020 and 2019, respectively, as their effect was antidilutive.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures:

The following are the Company's operating properties in various unconsolidated joint ventures with third parties. The Company's direct or indirect ownership interest in each joint venture as of December 31, 2021 was as follows:

<u>Joint Venture</u>	<u>Ownership%(1)</u>
AM Tysons LLC	50.0 %
Biltmore Shopping Center Partners LLC	50.0 %
Corte Madera Village, LLC	50.1 %
Country Club Plaza KC Partners LLC	50.0 %
HPP-MAC WSP, LLC—One Westside	25.0 %
Kierland Commons Investment LLC	50.0 %
Macerich HHF Broadway Plaza LLC—Broadway Plaza	50.0 %
Macerich HHF Centers LLC—Various Properties	51.0 %
MS Portfolio LLC	50.0 %
New River Associates LLC—Arrowhead Towne Center	60.0 %
Pacific Premier Retail LLC—Various Properties	60.0 %
Propcor II Associates, LLC—Boulevard Shops	50.0 %
PV Land SPE, LLC	5.0 %
Scottsdale Fashion Square Partnership	50.0 %
TM TRS Holding Company LLC	50.0 %
Tysons Corner LLC	50.0 %
Tysons Corner Hotel I LLC	50.0 %
Tysons Corner Property Holdings II LLC	50.0 %
Tysons Corner Property LLC	50.0 %
West Acres Development, LLP	19.0 %
WMAP, L.L.C.—Atlas Park, The Shops at	50.0 %

(1) The Company's ownership interest in this table reflects its direct or indirect legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed entities because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, the Company's actual economic interest (as distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests. Substantially all of the Company's joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

The Company has made the following investments, dispositions and financings in unconsolidated joint ventures during the years ended December 31, 2021, 2020 and 2019 and events subsequent to December 31, 2021:

On February 22, 2019, the Company's joint venture in The Shops at Atlas Park entered into an agreement to increase the total borrowing capacity of the existing loan on the property from \$57,751 to \$80,000, and to extend the maturity date to October 28, 2021, including extension options. Concurrent with the loan modification, the joint venture borrowed an additional \$18,379. The Company used its \$9,189 share of the additional proceeds to pay down its line of credit and for general corporate purposes.

On July 25, 2019, the Company's previously unconsolidated joint venture in Fashion District Philadelphia amended the existing term loan on the joint venture to allow for additional borrowings up to \$100,000 at LIBOR plus 2%. Concurrent with the amendment, the joint venture borrowed an additional \$26,000. On August 16, 2019, the joint venture borrowed an additional \$25,000. The Company used its share of the additional proceeds to pay down its line of credit and for general corporate purposes.

On September 12, 2019, the Company's joint venture in Tysons Tower placed a new \$190,000 loan on the property that bears interest at an effective rate of 3.38% and matures on October 11, 2029. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On October 17, 2019, the Company's joint venture in West Acres placed a construction loan on the property that allows for borrowing of up to \$6,500, bears interest at an effective rate of 3.72% and matures on October 10, 2029. The joint venture intends to use the proceeds from the loan to fund the expansion of the property.

On December 18, 2019, the Company's joint venture in One Westside placed a \$414,600 construction loan on the redevelopment project. The loan bears interest at LIBOR plus 1.70%, which can be reduced to LIBOR plus 1.50% upon the completion of certain conditions, and matures on December 18, 2024. This loan is being used to fund the joint venture's remaining cost to complete the project.

On November 17, 2020, the Company's joint venture in Tysons VITA, the residential tower at Tysons Corner Center, placed a new \$95,000 loan on the property that bears interest at an effective rate of 3.43% and matures on December 1, 2030. Initial loan funding for the Company's joint venture was \$90,000 with future advance potential of up to \$5,000. The Company used its share of the initial proceeds of \$45,000 for general corporate purposes.

On December 10, 2020, the Company made a loan (the "Partnership Loan") to the Company's previously unconsolidated joint venture in Fashion District Philadelphia to fund the entirety of a \$100,000 repayment to reduce the mortgage loan on Fashion District Philadelphia from \$301,000 to \$201,000. This mortgage loan now matures on January 22, 2024, including a one-year extension option, and bears interest at LIBOR plus 3.5%, with a LIBOR floor of 0.50%. The partnership agreement for the joint venture was amended in connection with the Partnership Loan, and pursuant to the amended agreement, the Partnership Loan plus 15% accrued interest must be repaid prior to the resumption of 50/50 cash distributions to the Company and its joint venture partner. As a result of the substantive participation rights of the Company's joint venture partner being terminated in the amended agreement, the Company

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

determined that the joint venture is a VIE and the Company is the primary beneficiary. Effective December 10, 2020, the Company has consolidated the results of the joint venture into the consolidated financial statements of the Company (See Note 15—Consolidated Joint Venture and Acquisitions).

On December 29, 2020, the Company's joint venture in FlatIron Crossing closed on a one-year maturity date extension for the existing loan to January 5, 2022. The interest rate increased from 3.85% to 4.10%, and the Company's joint venture repaid \$15,000, \$7,650 at the Company's pro rata share, of the outstanding loan balance at closing.

On December 31, 2020, the Company and its joint venture partner in MS Portfolio LLC entered into a distribution agreement. The joint venture owned nine properties, including the former Sears parcels at the South Plains Mall and the Arrowhead Towne Center. The joint venture distributed the former Sears parcel at South Plains Mall to the Company and the former Sears parcel at Arrowhead Towne Center to the joint venture partner. The joint venture partners agreed that the distributed properties were of equal value. The Company now owns 100% of the former Sears parcel at South Plains Mall. Effective December 31, 2020, the Company consolidates its 100% interest in the Sears parcel at South Plains Mall in its consolidated financial statements (See Note 15 – Consolidated Joint Venture and Acquisitions).

On March 29, 2021, concurrent with the sale of Paradise Valley Mall (see Note 16 – Dispositions), the Company elected to reinvest into the newly formed joint venture at a 5% ownership interest for \$3,819 in cash that is accounted for under the equity method of accounting.

On October 26, 2021, the Company's joint venture in The Shops at Atlas Park replaced the existing loan on the property with a new \$65,000 loan that bears interest at a floating rate of LIBOR plus 4.15% and matures on November 9, 2026, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 3.0% through November 7, 2023.

On December 31, 2021, the Company assigned its joint venture interest in The Shops at North Bridge in Chicago, Illinois to its partner in the joint venture. The assignment included the assumption by the joint venture partner of the Company's share of the debt owed by the joint venture and no cash consideration was received by the Company. The Company recognized a loss of approximately \$28,276 in connection with the assignment.

On December 31, 2021, the Company sold its joint venture interest in the undeveloped property at 443 North Wabash Avenue in Chicago, Illinois to its partner in the joint venture for \$21,000. The Company recognized an immaterial gain in connection with the sale.

On February 2, 2022, the Company's joint venture in FlatIron Crossing replaced the existing \$197,011 loan on the property with a new \$175,000 loan that bears interest at the Secured Overnight Financing Rate ("SOFR") plus 3.45% and matures on February 9, 2027, including extension options. The loan is covered by an interest rate cap agreement that effectively prevents SOFR from exceeding 4.0% through February 15, 2024.

Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Balance Sheets of Unconsolidated Joint Ventures as of December 31:

	2021	2020
Assets(1):		
Property, net	\$8,289,412	\$8,721,551
Other assets	750,629	774,583
Total assets	\$9,040,041	\$9,496,134
Liabilities and partners' capital(1):		
Mortgage and other notes payable	\$5,686,500	\$5,942,478
Other liabilities	325,115	397,483
Company's capital	1,638,112	1,711,944
Outside partners' capital	1,390,314	1,444,229
Total liabilities and partners' capital	\$9,040,041	\$9,496,134
Investment in unconsolidated joint ventures:		
Company's capital	\$1,638,112	\$1,711,944
Basis adjustment(2)	(448,149)	(479,678)
	\$1,189,963	\$1,232,266
Assets—Investments in unconsolidated joint ventures	1,317,571	\$1,340,647
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(127,608)	(108,381)
	\$1,189,963	\$1,232,266

(1) These amounts include the assets of \$2,789,568 and \$2,857,757 of Pacific Premier Retail LLC (the "PPR Portfolio") as of December 31, 2021 and 2020, respectively, and liabilities of \$1,661,110 and \$1,687,042 of the PPR Portfolio as of December 31, 2021 and 2020, respectively.

(2) The Company amortizes the difference between the cost of its investments in unconsolidated joint ventures and the book value of the underlying equity into income on a straight-line basis consistent with the lives of the underlying assets. The amortization of this difference was \$10,276, \$13,168 and \$18,834 for the years ended December 31, 2021, 2020 and 2019, respectively.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Statements of Operations of Unconsolidated Joint Ventures:

	<u>PPR Portfolio</u>	<u>Other Joint Ventures</u>	<u>Total</u>
<i>Year Ended December 31, 2021</i>			
Revenues:			
Leasing revenue	\$168,842	\$631,139	\$799,981
Other	62	57,083	57,145
Total revenues	<u>168,904</u>	<u>688,222</u>	<u>857,126</u>
Expenses:			
Shopping center and operating expenses	40,298	246,692	286,990
Leasing expense	1,286	4,392	5,678
Interest expense	63,072	147,545	210,617
Depreciation and amortization	97,494	253,561	351,055
Total operating expenses	<u>202,150</u>	<u>652,190</u>	<u>854,340</u>
Loss on sale of assets	—	(9,178)	(9,178)
Net (loss) income	<u>\$ (33,246)</u>	<u>\$ 26,854</u>	<u>\$ (6,392)</u>
Company's equity in net (loss) income	<u>\$ (10,866)</u>	<u>\$ 26,555</u>	<u>\$ 15,689</u>
<i>Year Ended December 31, 2020</i>			
Revenues:			
Leasing revenue	171,505	633,357	804,862
Other	614	18,439	19,053
Total revenues	<u>172,119</u>	<u>651,796</u>	<u>823,915</u>
Expenses:			
Shopping center and operating expenses	37,018	240,139	277,157
Leasing expense	1,325	4,173	5,498
Interest expense	64,460	151,857	216,317
Depreciation and amortization	102,788	285,948	388,736
Total operating expenses	<u>205,591</u>	<u>682,117</u>	<u>887,708</u>
(Loss) gain on sale of assets	(120)	157	37
Net loss	<u>\$ (33,592)</u>	<u>\$ (30,164)</u>	<u>\$ (63,756)</u>
Company's equity in net loss	<u>\$ (10,371)</u>	<u>\$ (16,667)</u>	<u>\$ (27,038)</u>

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

	<u>PPR Portfolio</u>	<u>Other Joint Ventures</u>	<u>Total</u>
<i>Year Ended December 31, 2019</i>			
Revenues:			
Leasing revenue	\$187,789	\$712,860	\$900,649
Other	1,598	49,184	50,782
Total revenues	<u>189,387</u>	<u>762,044</u>	<u>951,431</u>
Expenses:			
Shopping center and operating expenses	37,528	250,598	288,126
Leasing expense	1,598	6,695	8,293
Interest expense	67,354	150,111	217,465
Depreciation and amortization	100,490	273,565	374,055
Total operating expenses	<u>206,970</u>	<u>680,969</u>	<u>887,939</u>
Loss on sale of assets	<u>(452)</u>	<u>(380)</u>	<u>(832)</u>
Net (loss) income	<u>\$(18,035)</u>	<u>\$ 80,695</u>	<u>\$ 62,660</u>
Company's equity in net (loss) income	<u>\$ (590)</u>	<u>\$ 49,098</u>	<u>\$ 48,508</u>

Significant accounting policies used by the unconsolidated joint ventures are similar to those used by the Company.

5. Derivative Instruments and Hedging Activities:

The Company uses an interest rate cap and four interest rate swap agreements to manage the interest rate risk of its floating rate debt. The Company recorded other comprehensive income (loss) related to the marking-to-market of derivative instruments of \$8,184, \$843 and \$(4,585) during the years ended December 31, 2021, 2020 and 2019, respectively. The fair value of the Company's derivatives was \$6 and \$(8,208) at December 31, 2021 and 2020, respectively.

The following derivatives were outstanding at December 31, 2021 and December 31, 2020:

<u>Property</u>	<u>Notional Amount</u>	<u>Product</u>	<u>LIBOR Rate</u>	<u>Maturity</u>	<u>Fair Value</u>	
					<u>December 31, 2021</u>	<u>December 31, 2020</u>
Santa Monica Place(1)	\$300,000	Cap	4.00%	12/9/2022	\$ 6	\$ —
The Macerich Partnership, L.P.(1) ..	\$400,000	Swaps	2.85%	9/30/2021	\$—	\$(8,208)

(1) On April 14, 2021, the Company entered into a new credit facility to replace the existing credit facility (See Note 11—Bank and Other Notes Payable). Concurrent with entering into the new credit facility, the Company de-designated the Santa Monica Place \$300,000 interest rate cap. As a result of the new credit facility and the Santa Monica Place cap de-designation, the notional amounts of the swaps that were previously hedged against the Company's prior revolving line of credit were hedged against the

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

5. Derivative Instruments and Hedging Activities: (Continued)

Santa Monica Place floating rate debt and a portion of the Green Acres Commons floating rate debt effectively converting the Santa Monica Place loan and a majority of the Green Acres Commons loan to fixed rate debt through September 30, 2021. The Company did not renew the swaps that expired on September 30, 2021 and, as a result, on October 1, 2021, these loans reverted back to floating interest rate loans. Effective December 9, 2021, the Company entered into a new \$300,000 interest rate cap for Santa Monica Place that was designated as a hedging instrument.

The above derivative instruments were designated as hedging instruments with an aggregate fair value (Level 2 measurement) and were included in other accrued liabilities. The fair value of the Company's interest rate derivatives was determined using discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its interest rate swap. As a result, the Company determined that its interest rate cap and swap valuations in their entirety are classified in Level 2 of the fair value hierarchy.

6. Property, net:

Property, net at December 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,441,858	\$ 1,538,270
Buildings and improvements	6,306,764	6,620,708
Tenant improvements	685,242	750,250
Equipment and furnishings(1)	191,266	194,231
Construction in progress	222,420	153,253
	<u>8,847,550</u>	<u>9,256,712</u>
Less accumulated depreciation(1)	<u>(2,563,344)</u>	<u>(2,562,133)</u>
	<u>\$ 6,284,206</u>	<u>\$ 6,694,579</u>

(1) Equipment and furnishings and accumulated depreciation include the cost and accumulated amortization of ROU assets in connection with finance leases at December 31, 2021 and 2020 (See Note 8—Leases).

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

6. Property, net: (Continued)

Depreciation expense for the years ended December 31, 2021, 2020 and 2019 was \$282,158, \$287,925 and \$287,846, respectively.

The gain (loss) on sale or write down of assets, net for the years ended December 31, 2021, 2020 and 2019 consist of the following:

	2021	2020	2019
Property sales(1)	\$113,657	\$ —	\$ —
Write-down of assets(2)	(67,344)	(76,705)	(16,285)
Land sales(3)	29,427	8,593	4,376
	\$ 75,740	\$(68,112)	\$(11,909)

- (1) Includes gains related to the sale of La Encantada and Paradise Valley Mall (See Note 16-Dispositions).
- (2) Includes a loss of \$28,276 in 2021 in connection with the assignment of the Company's partnership interest in The Shops at North Bridge (See Note 4—Investments in Unconsolidated Joint Ventures). Includes impairment loss of \$27,281 on Estrella Falls during the year ended December 31, 2021 and impairment losses of \$30,063 on Wilton Mall and \$6,640 on Paradise Valley Mall during the year ended December 31, 2020. The impairment losses were due to the reduction of the estimated holding periods of the properties. The remaining amounts for the years ended December 31, 2021, 2020 and 2019 mainly pertain to the write off of development costs.
- (3) Includes \$1,334 related to the sale of Paradise Valley Mall (See Note 16-Dispositions).

The following table summarizes certain of the Company's assets that were measured on a nonrecurring basis as a result of impairment charges recorded for the years ended December 31, 2021 and 2020 as described above:

Years ended December 31,	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021	\$ 4,720	\$—	\$ 4,720	\$—
2020	\$151,875	\$—	151,875	\$—

The fair value relating to the 2020 impairments and the 2021 impairments were based on sales contracts and are classified within Level 2 of the fair value hierarchy.

7. Tenant and Other Receivables, net:

Included in tenant and other receivables, net is an allowance for doubtful accounts of \$14,917 and \$37,545 at December 31, 2021 and 2020, respectively. Also included in tenant and other receivables, net are accrued percentage rents of \$19,907 and \$4,673 at December 31, 2021 and 2020, respectively, and a deferred rent receivable due to straight-line rent adjustments of \$110,969 and \$107,003 at December 31, 2021 and 2020, respectively.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

8. Leases:

Lessor Leases:

The Company leases its Centers under agreements that are classified as operating leases. These leases generally include minimum rents, percentage rents and recoveries of real estate taxes, insurance and other shopping center operating expenses. Minimum rental revenues are recognized on a straight-line basis over the terms of the related leases. Percentage rents are recognized and accrued when tenants' specified sales targets have been met. Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries are recognized as revenues on a straight-line basis over the term of the related leases. For leasing revenues in which collectability of substantially all of the rents is not considered probable, lease income is recognized on a cash basis and all previously recognized tenant accounts receivables, including straight-line rent, are fully reserved in the period in which the lease income is determined not to be probable of collection.

The following table summarizes the components of leasing revenue for the years ended December 31, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Leasing revenue - fixed payments	\$529,227	\$592,858	\$647,876
Leasing revenue - variable payments	251,930	191,715	218,680
Recovery of (provision for) doubtful accounts	6,390	(44,250)	(7,682)
	<u>\$787,547</u>	<u>\$740,323</u>	<u>\$858,874</u>

The following table summarizes the future rental payments to the Company:

2022	\$ 373,164
2023	329,071
2024	272,035
2025	223,412
2026	176,352
Thereafter	502,336
	<u>\$1,876,370</u>

Lessee Leases:

The Company has certain properties that are subject to non-cancelable operating leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined in the lease. In addition, the Company has five finance leases that expire at various times through 2024.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

8. Leases: (Continued)

The following table summarizes the lease costs for the year ended December 31, 2021:

Operating lease costs	\$14,611
Finance lease costs:	
Amortization of ROU assets	1,917
Interest on lease liabilities	574
	<u>\$17,102</u>

The following table summarizes the future rental payments required under the leases as of December 31, 2021:

<u>Year ending</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2022	\$ 14,302	\$ 4,461
2023	8,452	2,043
2024	6,471	9,072
2025	6,513	—
2026	6,470	—
Thereafter	109,358	—
Total undiscounted rental payments	151,566	15,576
Less imputed interest	(85,383)	(1,048)
Total lease liabilities	<u>\$ 66,183</u>	<u>\$14,528</u>

The Company's weighted average remaining lease term of its operating and finance leases at December 31, 2021 was 36.3 years and 2.1 years, respectively. The Company's weighted average incremental borrowing rate of its operating and finance leases at December 31, 2021 was 7.8% and 3.7%, respectively.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

9. Deferred Charges and Other Assets, net:

Deferred charges and other assets, net at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Leasing	\$ 134,887	\$ 162,652
Intangible assets:		
In-place lease values(1)	62,826	74,298
Leasing commissions and legal costs(1)	16,710	21,096
Above-market leases	72,289	80,120
Deferred tax assets	23,406	30,767
Deferred compensation plan assets	68,807	62,874
Other assets	46,319	61,553
	<u>425,244</u>	<u>493,360</u>
Less accumulated amortization(2)	<u>(170,336)</u>	<u>(186,401)</u>
	<u>\$ 254,908</u>	<u>\$ 306,959</u>

(1) The amortization of these intangible assets for the next five years and thereafter is as follows:

<u>Year Ending December 31,</u>	
2022	\$ 6,617
2023	5,430
2024	4,369
2025	3,395
2026	3,437
Thereafter	<u>12,310</u>
	<u>\$35,558</u>

(2) Accumulated amortization includes \$43,978 and \$47,249 relating to in-place lease values, leasing commissions and legal costs at December 31, 2021 and 2020, respectively. Amortization expense for in-place lease values, leasing commissions and legal costs was \$11,233, \$9,412 and \$13,821 for the years ended December 31, 2021, 2020 and 2019, respectively.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

9. Deferred Charges and Other Assets, net: (Continued)

The allocated values of above-market leases and below-market leases consist of the following:

	2021	2020
<i>Above-Market Leases</i>		
Original allocated value	\$ 72,289	\$ 80,120
Less accumulated amortization	<u>(32,484)</u>	<u>(33,271)</u>
	<u>\$ 39,805</u>	<u>\$ 46,849</u>
 <i>Below-Market Leases(1)</i>		
Original allocated value	\$ 99,332	\$114,790
Less accumulated amortization	<u>(37,122)</u>	<u>(43,656)</u>
	<u>\$ 62,210</u>	<u>\$ 71,134</u>

(1) Below-market leases are included in other accrued liabilities.

The allocated values of above and below-market leases will be amortized into minimum rents on a straight-line basis over the individual remaining lease terms. The amortization of these values for the next five years and thereafter is as follows:

Year Ending December 31,	Above Market	Below Market
2022	\$ 6,201	\$ 8,454
2023	5,724	7,766
2024	5,212	7,650
2025	3,821	6,071
2026	3,629	4,745
Thereafter	<u>15,218</u>	<u>27,524</u>
	<u>\$39,805</u>	<u>\$62,210</u>

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

10. Mortgage Notes Payable:

Mortgage notes payable at December 31, 2021 and 2020 consist of the following:

Property Pledged as Collateral	Carrying Amounts of Mortgage Notes(1)		Effective Interest Rate(2)	Monthly Debt Service(3)	Maturity Date(4)
	2021	2020			
Chandler Fashion Center(5)	\$ 255,548	\$ 255,361	4.18%	\$ 875	2024
Danbury Fair Mall(6)	168,037	186,741	5.71%	1,538	2022
Fashion District Philadelphia(7)	194,602	201,000	4.00%	649	2024
Fashion Outlets of Chicago	299,274	299,193	4.61%	1,145	2031
Fashion Outlets of Niagara Falls USA(8)	95,329	101,463	6.45%	727	2023
Freehold Raceway Mall(5)	398,711	398,545	3.94%	1,300	2029
Fresno Fashion Fair	324,056	323,857	3.67%	971	2026
Green Acres Commons(9)	124,875	129,847	3.12%	298	2023
Green Acres Mall(10)	246,061	270,570	3.94%	1,447	2023
Kings Plaza Shopping Center	535,928	535,413	3.71%	1,629	2030
Oaks, The	176,721	183,108	4.14%	1,064	2022
Pacific View	111,481	114,909	4.08%	668	2022
Queens Center	600,000	600,000	3.49%	1,744	2025
Santa Monica Place(11)	299,314	298,566	1.84%	396	2022
SanTan Village Regional Center	219,323	219,233	4.34%	788	2029
Towne Mall	19,320	19,815	4.48%	117	2022
Tucson La Encantada(12)	—	62,018	4.23%	—	—
Victor Valley, Mall of	114,850	114,791	4.00%	380	2024
Vintage Faire Mall	240,124	246,380	3.55%	1,256	2026
	<u>\$4,423,554</u>	<u>\$4,560,810</u>			

- (1) The mortgage notes payable balances also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs were \$11,946 and \$14,085 at December 31, 2021 and 2020, respectively.
- (2) The interest rate disclosed represents the effective interest rate, including the impact of debt premium and deferred finance costs.
- (3) The monthly debt service represents the payment of principal and interest.
- (4) The maturity date assumes that all extension options are fully exercised and that the Company does not opt to refinance the debt prior to these dates. These extension options are at the Company's discretion, subject to certain conditions, which the Company believes will be met.
- (5) A 49.9% interest in the loan has been assumed by a third party in connection with the Company's joint venture in Chandler Freehold (See Note 12—Financing Arrangement).

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

10. Mortgage Notes Payable(Continued):

- (6) On September 15, 2020, the Company closed on a loan extension agreement for Danbury Fair Mall. Under the extension agreement, the original loan maturity date of October 1, 2020 was extended to April 1, 2021 and subsequently to October 1, 2021. The loan amount and interest rate remained unchanged following these extensions. On September 15, 2021, the Company further extended the loan maturity to July 1, 2022. The interest rate remained unchanged, and the Company repaid \$10,000 of the outstanding loan balance at closing.
- (7) Effective December 10, 2020, the Company began consolidating this joint venture and assumed this debt (See Note 15—Consolidated Joint Venture and Acquisitions).
- (8) On December 15, 2020, the Company closed on a loan extension agreement for the Fashion Outlets of Niagara. Under the extension agreement the original loan maturity date of October 6, 2020 was extended to October 6, 2023. The loan amount and interest rate are unchanged following the extension.
- (9) On March 25, 2021, the Company closed on a two-year extension of the loan to March 29, 2023. The interest rate is LIBOR plus 2.75% and the Company repaid \$4,680 of the outstanding loan balance at closing.
- (10) On January 22, 2021, the Company closed on a one-year extension of the loan to February 3, 2022, which also included a one-year extension option to February 3, 2023 which has been exercised. The interest rate remained unchanged, and the Company repaid \$9,000 of the outstanding loan balance at closing.
- (11) The loan bears interest at LIBOR plus 1.48%. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.0% during the period ending December 9, 2022.
- (12) On September 17, 2021, the Company sold Tucson La Encantada and the mortgage payable was paid in full (See Note 16—Dispositions).

Most of the mortgage loan agreements contain a prepayment penalty provision for the early extinguishment of the debt.

As of December 31, 2021, all of the Company's mortgage notes payable are secured by the properties on which they are placed and are non-recourse to the Company.

During the second quarter of 2020 and in July 2020, the Company secured agreements with its mortgage lenders on nine property mortgage loans to defer approximately \$28,683 of both second and third quarter of 2020 debt service payments. Of the deferred payments, \$15,208 and \$20,195 was repaid in the three months and twelve months ended December 31, 2020, respectively, and the remaining balance was fully repaid during the first quarter of 2021.

The Company expects all loan maturities during the next twelve months will be refinanced, restructured, extended and/or paid off from the Company's line of credit or with cash on hand.

Total interest expense capitalized during the years ended December 31, 2021, 2020 and 2019 was \$9,504, \$5,247 and \$9,614, respectively.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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10. Mortgage Notes Payable(Continued):

The estimated fair value (Level 2 measurement) of mortgage notes payable at December 31, 2021 and 2020 was \$4,261,429 and \$4,459,797, respectively, based on current interest rates for comparable loans. Fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

The future maturities of mortgage notes payable are as follows:

Year Ending December 31,	
2022	\$ 794,526
2023	473,111
2024	562,722
2025	607,399
2026	537,742
Thereafter	<u>1,460,000</u>
	4,435,500
Deferred finance cost, net	<u>(11,946)</u>
	<u>\$4,423,554</u>

The future maturities reflected above reflect the extension options that the Company believes will be exercised.

11. Bank and Other Notes Payable:

Bank and other notes payable at December 31, 2021 and 2020 consist of the following:

Line of Credit:

On April 14, 2021, the Company terminated its existing credit facility and entered into a new credit agreement, which provides for an aggregate \$700,000 facility, including a \$525,000 revolving loan facility that matures on April 14, 2023, with a one-year extension option, and a \$175,000 term loan facility that matures on April 14, 2024. The revolving loan facility can be expanded up to \$800,000, subject to receipt of lender commitments and other conditions. Concurrently with entering into the new credit agreement, the Company drew the \$175,000 term loan facility in its entirety and drew \$320,000 of the amount available under the revolving loan facility. Simultaneously with entering into the new credit agreement, the Company repaid \$985,000 of debt, which included terminating and repaying all amounts outstanding under its prior revolving line of credit facility. All obligations under the facility are guaranteed unconditionally by the Company and are secured in the form of mortgages on certain wholly-owned assets and pledges of equity interests held by certain of the Company's subsidiaries. The new credit facility bears interest at LIBOR plus a spread of 2.25% to 3.25% depending on the Company's overall leverage level. As of December 31, 2021, the borrowing rate was LIBOR plus 2.25%. As of December 31, 2021, borrowings under the facility were \$119,000, less unamortized deferred finance costs of \$14,189, for the revolving loan facility at a total interest rate of 3.86%. As of December 31, 2021, the Company's availability under the revolving loan facility for additional borrowings was \$405,719. On September 20, 2021, the Company paid off the remaining balance outstanding on the term loan facility with proceeds from the sale of Tucson La Encantada (See Note 16—Dispositions). The estimated fair value (Level 2 measurement) of borrowings

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

11. Bank and Other Notes Payable(Continued):

under the credit facility at December 31, 2021 was \$118,198 for the revolving loan facility based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

The Company had a \$1,500,000 revolving line of credit that bore interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and was to mature on July 6, 2020. On April 8, 2020, the Company exercised its option to extend the maturity of the facility to July 6, 2021. The line of credit could have been expanded, depending on certain conditions, up to a total facility of \$2,000,000. Based on the Company's leverage level as of December 31, 2020, the borrowing rate on the facility was LIBOR plus 1.65%. On April 14, 2021, the Company repaid the \$985,000 of outstanding debt and terminated this credit facility. The Company had four interest rate swap agreements that effectively converted a total of \$400,000 of the outstanding balance from floating rate debt of LIBOR plus 1.65% to fixed rate debt of 4.50% until September 30, 2021. These swaps were hedged against the Santa Monica Place floating rate loan and a portion of the Green Acres Commons floating rate loan effectively converting these loans to fixed rate debt through September 30, 2021. The Company did not renew the swaps that expired on September 30, 2021 and, as a result, on October 1, 2021, these loans reverted back to floating interest rate loans (See Note 5 – Derivative Instruments and Hedging Activities and Note 10 – Mortgage Notes Payable). As of December 31, 2020, borrowings under the prior line of credit was \$1,480,000 less unamortized deferred finance costs of \$2,460 at a total interest rate of 2.73%. As of December 31, 2020, the Company's availability under the prior line of credit for additional borrowings was \$19,719. The estimated fair value (Level 2 measurement) of borrowings under the line of credit at December 31, 2020 was \$1,485,598 based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

As of December 31, 2021 and 2020, the Company was in compliance with all applicable financial loan covenants.

12. Financing Arrangement:

On September 30, 2009, the Company formed a joint venture, whereby a third party acquired a 49.9% interest in Chandler Fashion Center, a 1,319,000 square foot regional town center in Chandler, Arizona, and Freehold Raceway Mall, a 1,553,000 square foot regional town center in Freehold, New Jersey, referred to herein as Chandler Freehold. As a result of the Company having certain rights under the agreement to repurchase the assets of Chandler Freehold, the transaction did not qualify for sale treatment. The Company, however, is not obligated to repurchase the assets. The transaction was initially accounted for as a co-venture arrangement, and accordingly the assets, liabilities and operations of the properties remain on the books of the Company and a co-venture obligation was established for the net cash proceeds received from the third party less costs allocated to a warrant.

Upon adoption of ASC 606 on January 1, 2018, the Company changed its accounting for Chandler Freehold from a co-venture arrangement to a financing arrangement. Under the Financing Arrangement, the Company recognizes interest expense on (i) the changes in fair value of the Financing Arrangement obligation, (ii) any payments to the joint venture partner equal to their pro rata share of net (loss) income and (iii) any payments to the joint venture partner less than or in excess of their pro rata share of net income.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

12. Financing Arrangement: (Continued)

During the years ended December 31, 2021, 2020 and 2019 the Company incurred interest (income) expense in connection with the financing arrangement as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Distributions of the partner's share of net (loss) income	\$ (2,763)	\$ 1,144	\$ 7,184
Distributions in excess of the partner's share of net income	14,435	3,097	6,939
Adjustment to fair value of financing arrangement obligation	<u>(15,390)</u>	<u>(139,522)</u>	<u>(76,640)</u>
	<u>\$ (3,718)</u>	<u>\$ (135,281)</u>	<u>\$ (62,517)</u>

The fair value (Level 3 measurement) of the financing arrangement obligation at December 31, 2021 and 2020 was based upon a terminal capitalization rate of approximately 5.75% and 5.5%, respectively, a discount rate of approximately 7.25% and 7.0%, respectively, and market rents per square foot ranging from \$35 to \$105. The fair value of the financing arrangement obligation is sensitive to these significant unobservable inputs and a change in these inputs may result in a significantly higher or lower fair value measurement. Distributions to the partner, excluding distributions of excess loan proceeds, and changes in fair value of the financing arrangement obligation are recognized as interest (income) expense in the Company's consolidated statements of operations.

On June 27, 2019, the Company replaced the existing mortgage note payable on Chandler Fashion Center with a new \$256,000 loan (See Note 10—Mortgage Notes Payable). In connection with the refinancing transaction, the Company distributed \$27,945 of the excess loan proceeds to its joint venture partner, which was recorded as a reduction to the financing arrangement obligation.

13. Noncontrolling Interests:

The Company allocates net income of the Operating Partnership based on the weighted-average ownership interest during the period. The net income of the Operating Partnership that is not attributable to the Company is reflected in the consolidated statements of operations as noncontrolling interests. The Company adjusts the noncontrolling interests in the Operating Partnership periodically to reflect its ownership interest in the Company. The Company had a 96% and 93% ownership interest in the Operating Partnership as of December 31, 2021 and 2020, respectively. The remaining 4% and 7% limited partnership interest as of December 31, 2021 and 2020, respectively, was owned by certain of the Company's executive officers and directors, certain of their affiliates, and other third party investors in the form of OP Units. The OP Units may be redeemed for shares of registered or unregistered stock or cash, at the Company's option. The redemption value for each OP Unit as of any balance sheet date is the amount equal to the average of the closing price per share of the Company's common stock, par value \$0.01 per share, as reported on the New York Stock Exchange for the ten trading days ending on the respective balance sheet date. Accordingly, as of December 31, 2021 and 2020, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was \$147,259 and \$117,602, respectively.

The Company issued common and cumulative preferred units of MACWH, LP in April 2005 in connection with the acquisition of the Wilmorite portfolio. The common and preferred units of

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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13. Noncontrolling Interests: (Continued)

MACWH, LP are redeemable at the election of the holder, the Company may redeem them for cash or shares of the Company's stock at the Company's option, and they are classified as permanent equity.

Included in permanent equity are outside ownership interests in various consolidated joint ventures. The joint ventures do not have rights that require the Company to redeem the ownership interests in either cash or stock.

14. Stockholders' Equity:

Stock Dividend:

On June 3, 2020, the Company issued 7,759,280 common shares to its common stockholders in connection with the quarterly dividend of \$0.50 per share of common stock declared on March 16, 2020. The dividend consisted of a combination of cash and shares of the Company's common stock. The cash component of the dividend (not including cash paid in lieu of fractional shares) was 20% in the aggregate, or \$0.10 per share, with the balance paid in shares of the Company's common stock.

In accordance with the provisions of Internal Revenue Service Revenue Procedure 2017-45, stockholders were asked to make an election to receive the dividend all in cash or all in shares. To the extent that more than 20% of cash was elected in the aggregate, the cash portion was prorated. Stockholders who elected to receive the dividend in cash received a cash payment of at least \$0.10 per share. Stockholders who did not make an election received 20% in cash and 80% in shares of common stock. The number of shares issued as a result of the dividend was calculated based on the volume weighted average trading price of the Company's common stock on the New York Stock Exchange on May 20, May 21 and May 22, 2020 of \$7.2956.

The Company accounted for the stock portion of its distribution as a stock issuance as opposed to a stock dividend. Accordingly, the impact of the shares issued is reflected in the Company's earnings per share calculation on a prospective basis. The issuance of the stock dividend resulted in a reduction of \$0.05 on both basic and diluted earnings per share for the year ended December 31, 2020.

Stock Offerings:

In connection with the commencement of separate "at the market" offering programs, on each of February 1, 2021 and March 26, 2021, which are referred to as the "February 2021 ATM Program" and the "March 2021 ATM Program," respectively, and collectively as the "ATM Programs," the Company entered into separate equity distribution agreements with certain sales agents pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$500,000 under each of the February 2021 ATM Program and the March 2021 ATM Program, or a total of \$1,000,000 under the ATM Programs.

During the twelve months ended December 31, 2021, the Company issued 62,049,131 shares of common stock under the ATM Programs for aggregate gross proceeds of \$848,301 and net proceeds of \$830,241 after commissions and other transaction costs. The proceeds from the sales under the ATM Programs were used to pay down the Company's line of credit (See Note 11 – Bank and Other Notes Payable). As of December 31, 2021, \$151,699 remained available to be sold under the March 2021 ATM

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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14. Stockholders' Equity: (Continued)

Program. The February 2021 ATM Program was fully utilized as of June 30, 2021 and is no longer active. Actual future sales will depend upon a variety of factors including, but not limited to, market conditions, the trading price of the Company's common stock and the Company's capital needs. The Company has no obligation to sell the remaining shares available for sale under the ATM Programs.

Stock Buyback Program:

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to \$500,000 of its outstanding common shares as market conditions and the Company's liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including accelerated share repurchase transactions, or other methods of acquiring shares, from time to time as permitted by securities laws and other legal requirements. The program is referred to herein as the "Stock Buyback Program".

There were no repurchases under the Stock Buyback Program during the years ended December 31, 2021, 2020 and 2019.

15. Consolidated Joint Venture and Acquisitions:

Fashion District Philadelphia:

Effective December 10, 2020, the Company made the Partnership Loan to the Company's previously unconsolidated joint venture in Fashion District Philadelphia, pursuant to the joint venture's amended and restated partnership agreement, to fund a \$100,000 repayment to reduce the mortgage notes payable on Fashion District Philadelphia from \$301,000 to \$201,000. The Partnership Loan plus 15% accrued interest must be repaid prior to the resumption of 50/50 cash distributions to the Company and its joint venture partner. Prior to the restructuring, the Company had accounted for its investment in Fashion District Philadelphia under the equity method of accounting due to substantive participation rights held by the Company's joint venture partner. Pursuant to the amended and restated partnership agreement, the substantive participation rights of the Company's joint venture partner were terminated and as a result, the joint venture is treated as a VIE. The Company became the primary beneficiary of the VIE and commenced consolidating Fashion District Philadelphia in its consolidated financial statements effective December 10, 2020. Prior to December 10, 2020, the Company's share of the joint venture's net (loss) income was included in its consolidated statements of operations in equity in (loss) income of unconsolidated joint ventures.

The consolidation of the joint venture required the Company to recognize the joint venture's identifiable assets and liabilities at fair value in the Company's consolidated financial statements, along with the fair value of the non-controlling interest. The fair value of the joint venture's assets and liabilities upon initial consolidation were measured using estimates of expected future cash flows and other valuation techniques. The fair value of the joint venture property was determined by using income and market or sales comparison valuation approaches which included, but are not limited to estimates of rental rates, comparable sales, revenue and expense growth rates, capitalization rates and discount rates. The allocation of fair value to assets was estimated by the market or sales comparison, cost and income approaches. Assumed debt was recorded at fair value based upon the present value of the expected future payments

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15. Consolidated Joint Venture and Acquisitions: (Continued)

and current interest rates. Other acquired assets, including cash, and assumed liabilities were recorded at cost due to the short-term nature of the balances.

The following is a summary of the allocation of the fair value of Fashion District Philadelphia:

Property	\$331,514
Deferred charges	25,272
Cash and cash equivalents	4,492
Restricted cash	1,319
Tenant receivables	8,476
Other assets	30,582
Total assets acquired	<u>401,655</u>
Mortgage note payable	201,000
Partnership loan(1)	100,000
Accounts payable	6,673
Due to affiliates	3
Other accrued liabilities	55,717
Total liabilities assumed	<u>363,393</u>
Fair value of acquired net assets (at 100% ownership)	<u>\$ 38,262</u>

(1) The Partnership Loan is eliminated in the Company's consolidated financial statements.

The Company recognized a remeasurement loss to adjust the carrying value of its existing investment in the joint venture to its estimated fair value in the Company's consolidated financial statements. The remeasurement loss was determined by taking the difference between the fair value of assets less its liabilities and the sum of the carrying value of the Company's existing investment in the joint venture and the fair value of the noncontrolling interest.

The Company recognized the following remeasurement loss on the Fashion District Philadelphia restructuring:

Fair value of acquired net assets (at 100% ownership)	\$ 38,262
Fair value of the noncontrolling interest	(19,131)
Carrying value of existing investment in the joint venture	<u>(182,429)</u>
Loss on remeasurement of asset	<u>\$(163,298)</u>

Sears South Plains:

On December 31, 2020, the Company and its joint venture partner in MS Portfolio LLC entered into a distribution agreement. The joint venture owned nine properties, including the former Sears parcels at the South Plains Mall and the Arrowhead Towne Center. The joint venture distributed the former Sears parcel at South Plains Mall to the Company and the former Sears parcel at Arrowhead Towne Center to

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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15. Consolidated Joint Venture and Acquisitions: (Continued)

the joint venture partner. The joint venture partners agreed that the distributed properties were of equal value. The Company now owns 100% of the former Sears parcel at South Plains Mall. Effective December 31, 2020, the Company consolidates its 100% interest in the Sears parcel at South Plains Mall in its consolidated financial statements.

The following is a summary of the allocation of the fair value of Sears South Plains:

Land	\$ 8,170
Building and improvements	<u>11,130</u>
Fair value of acquired net assets (at 100% ownership)	<u>\$19,300</u>

16. Dispositions:

On March 29, 2021, the Company sold Paradise Valley Mall in Phoenix, Arizona to a newly formed joint venture for \$100,000 resulting in a gain on sale of assets and land of \$5,563. Concurrent with the sale, the Company elected to reinvest into the new joint venture at a 5% ownership interest (see Note 4 – Investments in Unconsolidated Joint Ventures). The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

On September 17, 2021, the Company sold Tucson La Encantada in Tucson, Arizona for \$165,250, resulting in a gain on sale of assets of approximately \$117,242. The Company used the net cash proceeds of \$100,142 to pay down debt.

For the twelve months ended December 31, 2021, the Company sold various land parcels in separate transactions, resulting in gains on sale of land of \$29,427. The Company used its share of the proceeds from these sales to pay down debt and for other general corporate purposes.

17. Commitments and Contingencies:

As of December 31, 2021, the Company was contingently liable for \$40,997 in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

The Company has entered into a number of construction agreements related to its redevelopment and development activities. Obligations under these agreements are contingent upon the completion of the services within the guidelines specified in the relevant agreement. At December 31, 2021, the Company had \$12,785 in outstanding obligations, which it believes will be settled in the next twelve months.

18. Related Party Transactions:

Certain unconsolidated joint ventures have engaged the Management Companies to manage the operations of the Centers. Under these arrangements, the Management Companies are reimbursed for compensation paid to on-site employees, leasing agents and project managers at the Centers, as well as

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

18. Related Party Transactions: (Continued)

insurance costs and other administrative expenses. The following are fees charged to unconsolidated joint ventures for the years ended December 31:

	2021	2020	2019
Management fees	\$17,872	\$15,297	\$18,748
Development and leasing fees	5,958	6,951	16,056
	\$23,830	\$22,248	\$34,804

Interest (income) expense from related party transactions also includes \$(3,718), \$(135,281) and \$(62,517) for the years ended December 31, 2021, 2020 and 2019, respectively, in connection with the Financing Arrangement (See Note 12—Financing Arrangement).

Due (to) from affiliates includes \$(327) and \$1,612 of (prepaid) unreimbursed costs and fees due (to) from unconsolidated joint ventures under management agreements at December 31, 2021 and 2020, respectively.

In addition, due from affiliates included a note receivable from RED/303 LLC (“RED”) that bore interest at 5.25% and was to mature on May 30, 2021. Interest income earned on this note was \$0, \$0 and \$141 for the years ended December 31, 2021, 2020 and 2019, respectively. On October 7, 2019, the note was collected in full. RED was considered a related party because it was a partner in a joint venture development project. The note was collateralized by RED’s membership interest in the development project.

Also included in due from affiliates was a note receivable from Lennar Corporation that bore interest at LIBOR plus 2% and was to mature upon the completion of certain milestones in connection with the planned development of Fashion Outlets of San Francisco. As a result of those milestones not being completed, the Company elected to terminate the development agreement and the note was collected in full on February 13, 2019. Interest income earned on this note was \$0, \$0 and \$1,112 for the years ended December 31, 2021, 2020 and 2019, respectively. Lennar Corporation was considered a related party because it was a joint venture partner in the project.

19. Share and Unit-based Plans:

The Company has established share and unit-based compensation plans for the purpose of attracting and retaining executive officers, directors and key employees.

2003 Equity Incentive Plan:

The 2003 Equity Incentive Plan (“2003 Plan”) authorizes the grant of stock awards, stock options, stock appreciation rights, stock units, stock bonuses, performance-based awards, dividend equivalent rights and OP Units or other convertible or exchangeable units. As of December 31, 2021, stock awards, stock units, LTIP Units (as defined below), stock appreciation rights (“SARs”) and stock options have been granted under the 2003 Plan. All stock options or other rights to acquire common stock granted under the 2003 Plan have a term of 10 years or less. These awards were generally granted based on the performance

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

19. Share and Unit-based Plans: (Continued)

of the Company and the employees. None of the awards have performance requirements other than a service condition of continued employment unless otherwise provided. All awards are subject to restrictions determined by the Company's compensation committee. The aggregate number of shares of common stock that may be issued under the 2003 Plan is 20,912,331 shares. As of December 31, 2021, there were 5,112,831 shares available for issuance under the 2003 Plan.

Stock Units:

The stock units represent the right to receive upon vesting one share of the Company's common stock for one stock unit. The value of the stock units was determined by the market price of the Company's common stock on the date of the grant. The following table summarizes the activity of non-vested stock units during the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	309,845	\$21.47	199,987	\$43.59	129,457	\$64.21
Granted	169,112	14.61	253,184	14.14	160,932	37.44
Vested	(211,465)	19.03	(140,224)	39.53	(85,157)	62.84
Forfeited	(987)	22.12	(3,102)	32.62	(5,245)	51.48
Balance at end of year	<u>266,505</u>	<u>\$19.05</u>	<u>309,845</u>	<u>\$21.47</u>	<u>199,987</u>	<u>\$43.59</u>

Long-Term Incentive Plan Units:

Under the Long-Term Incentive Plan ("LTIP"), each award recipient is issued a form of operating partnership units ("LTIP Units") in the Operating Partnership. Upon the occurrence of specified events and subject to the satisfaction of applicable vesting conditions, LTIP Units (after conversion into OP Units) are ultimately redeemable for common stock of the Company, or cash at the Company's option, on a one-unit for one-share basis. LTIP Units receive cash dividends based on the dividend amount paid on the common stock of the Company. The LTIP may include market-indexed awards, performance-based awards and service-based awards.

The market-indexed LTIP Units vest over the service period of the award based on the percentile ranking of the Company in terms of total return to stockholders (the "Total Return") per common stock share relative to the Total Return of a group of peer REITs, as measured at the end of the measurement period. The performance-based LTIP Units vest over a specified period based on the Company's operational performance over that period.

The fair value of the service-based LTIP Units was determined by the market price of the Company's common stock on the date of the grant. The fair value of the market-indexed LTIP Units and performance-based LTIP Units are estimated on the date of grant using a Monte Carlo Simulation model. The stock price of the Company, along with the stock prices of the group of peer REITs (for market-indexed awards), is assumed to follow the Multivariate Geometric Brownian Motion Process. Multivariate

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

19. Share and Unit-based Plans: (Continued)

Geometric Brownian Motion is a common assumption when modeling in financial markets, as it allows the modeled quantity (in this case, the stock price) to vary randomly from its current value and take any value greater than zero. The volatilities of the returns on the share price of the Company and the peer group REITs were estimated based on a look-back period. The expected growth rate of the stock prices over the “derived service period” is determined with consideration of the risk free rate as of the grant date.

The Company has granted the following LTIP units during the years ended December 31, 2021, 2020 and 2019:

<u>Grant Date</u>	<u>Units</u>	<u>Type</u>	<u>Fair Value per LTIP Unit</u>	<u>Vest Date</u>
1/1/2019	81,732	Service-based	\$43.28	12/31/2021
1/1/2019	250,852	Market-indexed	\$29.25	12/31/2021
9/1/2019	4,393	Service-based	\$28.53	8/31/2022
9/1/2019	6,454	Market-indexed	\$19.42	8/31/2022
	<u>343,431</u>			
1/1/2020	154,158	Service-based	\$26.92	12/31/2022
1/1/2020	321,940	Market-indexed	\$27.80	12/31/2022
3/1/2020	39,176	Service-based	\$20.42	2/28/2023
3/1/2020	37,592	Market-indexed	\$21.28	2/28/2023
	<u>552,866</u>			
1/1/2021	576,378	Service-based	\$10.67	12/31/2023
1/1/2021	1,005,073	Performance-based	\$ 9.85	12/31/2023
	<u>1,581,451</u>			

The fair value of the market-indexed LTIP Units and performance-based LTIP Units (Level 3) were estimated on the date of grant using a Monte Carlo Simulation model that based on the following assumptions:

<u>Grant Date</u>	<u>Risk Free Interest Rate</u>	<u>Expected Volatility</u>
1/1/2019	2.46%	23.52%
9/1/2019	1.42%	24.91%
1/1/2020	1.62%	26.08%
3/1/2020	0.85%	28.34%
1/1/2021	0.17%	62.82%

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

19. Share and Unit-based Plans: (Continued)

The following table summarizes the activity of the non-vested LTIP Units during the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	784,052	\$28.11	616,219	\$39.04	661,578	\$48.38
Granted	1,581,451	10.15	552,866	26.59	343,431	32.40
Vested	(286,373)	17.62	(102,884)	40.19	(76,306)	59.27
Forfeited	(241,439)	29.25	(282,149)	44.28	(312,484)	46.55
Balance at end of year	<u>1,837,691</u>	<u>\$14.14</u>	<u>784,052</u>	<u>\$28.11</u>	<u>616,219</u>	<u>\$39.04</u>

Stock Options:

On May 30, 2017, the Company granted 25,000 non-qualified stock options with a grant date fair value of \$10.02 that vested on May 30, 2019. The Company measured the value of each option awarded using the Black-Scholes Option Pricing Model based upon the following assumptions: volatility of 30.19%, dividend yield of 4.93%, risk free rate of 2.08%, current value of \$57.55 and an expected term of 8 years.

The following table summarizes the activity of stock options for the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Balance at beginning of year	37,515	\$54.34	35,565	\$57.32	35,565	\$57.32
Granted(1)	—	—	1,950	—	—	—
Balance at end of year	<u>37,515</u>	<u>\$54.34</u>	<u>37,515</u>	<u>\$54.34</u>	<u>35,565</u>	<u>\$57.32</u>

(1) Pursuant to the terms of the Company’s equity plan, the exercise price and number of options were adjusted so that the stock dividend paid on June 3, 2020 had no negative impact on the outstanding stock options (See Note 14—Stockholders’ Equity).

Directors’ Phantom Stock Plan:

The Directors’ Phantom Stock Plan offers non-employee members of the board of directors (“Directors”) the opportunity to defer their cash compensation and to receive that compensation in common stock rather than in cash after termination of service or a predetermined period. Compensation generally includes the annual retainers payable by the Company to the Directors. Deferred amounts are generally credited as units of phantom stock at the beginning of each three-year deferral period by dividing the present value of the deferred compensation by the average fair market value of the Company’s

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

19. Share and Unit-based Plans: (Continued)

common stock at the date of award. Compensation expense related to the phantom stock awards was determined by the amortization of the value of the stock units on a straight-line basis over the applicable service period. The stock units (including dividend equivalents) vest as the Directors' services (to which the fees relate) are rendered. Vested phantom stock units are ultimately paid out in common stock on a one-unit for one-share basis. To the extent elected by a Director, stock units receive dividend equivalents in the form of additional stock units based on the dividend amount paid on the common stock. The aggregate number of phantom stock units that may be granted under the Directors' Phantom Stock Plan is 500,000. As of December 31, 2021, there were 92,508 stock units available for grant under the Directors' Phantom Stock Plan.

The following table summarizes the activity of the non-vested phantom stock units for the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Stock Units	Weighted Average Grant Date Fair Value	Stock Units	Weighted Average Grant Date Fair Value	Stock Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	4,662	\$35.35	7,216	\$43.29	—	\$ —
Granted	17,554	12.09	24,576	17.11	23,690	40.26
Vested	(22,216)	16.97	(27,130)	20.94	(16,474)	38.94
Forfeited	—	—	—	—	—	—
Balance at end of year	—	\$ —	4,662	\$35.35	7,216	\$43.29

Employee Stock Purchase Plan (“ESPP”):

The ESPP authorizes eligible employees to purchase the Company's common stock through voluntary payroll deductions made during periodic offering periods. Under the ESPP, common stock is purchased at a 15% discount from the lesser of the fair value of common stock at the beginning and end of the offering period. A maximum of 1,291,117 shares of common stock is available for purchase under the ESPP. The number of shares available for future purchase under the plan at December 31, 2021 was 489,362.

Compensation:

The following summarizes the compensation cost under the share and unit-based plans for the years ended December 31, 2021, 2020 and 2019:

	2021	2020	2019
Stock units	\$ 3,173	\$ 4,159	\$ 4,598
LTIP units	14,448	13,339	11,372
Stock options	—	—	51
Phantom stock units	377	568	702
	<u>\$17,998</u>	<u>\$18,066</u>	<u>\$16,723</u>

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

19. Share and Unit-based Plans: (Continued)

The Company capitalized share and unit-based compensation costs of \$3,725, \$4,223 and \$4,691 for the years ended December 31, 2021, 2020 and 2019, respectively.

The fair value of the stock awards and stock units that vested during the years ended December 31, 2021, 2020 and 2019 was \$3,408, \$1,376 and \$3,577, respectively. Unrecognized compensation costs of share and unit-based plans at December 31, 2021 consisted of \$4,610 from LTIP Units and \$1,533 from stock units.

20. Employee Benefit Plans:

401(k) Plan:

The Company has a defined contribution retirement plan that covers its eligible employees (the “Plan”). The Plan is a defined contribution retirement plan covering eligible employees of the Macerich Property Management Company, LLC and participating affiliates. This Plan includes The Macerich Company Common Stock Fund as a new investment alternative under the Plan with 650,000 shares of common stock reserved for issuance under the Plan. In accordance with the Plan, the Company makes matching contributions equal to 100 percent of the first three percent of compensation deferred by a participant and 50 percent of the next two percent of compensation deferred by a participant. During the years ended December 31, 2021, 2020 and 2019, these matching contributions made by the Company were \$3,144, \$3,455 and \$3,346, respectively. Contributions and matching contributions to the Plan by the plan sponsor and/or participating affiliates are recognized as an expense of the Company in the period that they are made.

Deferred Compensation Plans:

The Company has established deferred compensation plans under which executives and key employees of the Company may elect to defer receiving a portion of their cash compensation otherwise payable in one calendar year until a later year. The Company may, as determined by the Board of Directors in its sole discretion prior to the beginning of the plan year, credit a participant’s account with a matching amount equal to a percentage of the participant’s deferral. The Company contributed \$325, \$695 and \$814 to the plans during the years ended December 31, 2021, 2020 and 2019, respectively. Contributions are recognized as compensation in the periods they are made.

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

21. Income Taxes:

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, unrecaptured Section 1250 gain and return of capital or a combination thereof. The following table details the components of the distributions, on a per share basis, for the years ended December 31, 2021, 2020 and 2019:

	<u>2021(1)</u>		<u>2020(1)</u>		<u>2019(1)</u>	
Ordinary income	\$0.04	6.0%	\$0.08	5.2%	\$1.32	44.2%
Capital gains	0.15	24.9%	0.02	1.3%	0.64	21.2%
Return of capital	0.41	69.1%	1.45	93.5%	1.04	34.6%
Dividends paid	<u>\$0.60</u>	<u>100.0%</u>	<u>\$1.55</u>	<u>100.0%</u>	<u>\$3.00</u>	<u>100.0%</u>

(1) The 2021, 2020 and 2019 taxable ordinary dividends are treated as “qualified REIT dividends” for purposes of Internal Revenue Code Section 199A.

The Company has made Taxable REIT Subsidiary elections for all of its corporate subsidiaries other than its Qualified REIT Subsidiaries. The elections, effective for the year beginning January 1, 2001 and future years, were made pursuant to Section 856(l) of the Code.

The income tax provision of the TRSs for the years ended December 31, 2021, 2020 and 2019 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current	\$ —	\$439	\$ (150)
Deferred	(6,948)	8	(1,439)
Income tax (expense) benefit	<u>\$(6,948)</u>	<u>\$447</u>	<u>\$(1,589)</u>

The income tax provision of the TRSs for the years ended December 31, 2021, 2020 and 2019 are reconciled to the amount computed by applying the Federal Corporate tax rate as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Book loss (income) for TRSs	<u>\$(23,205)</u>	<u>\$6,058</u>	<u>\$(2,062)</u>
Tax at statutory rate on earnings from continuing operations before income taxes	\$ (4,873)	\$1,272	\$ (433)
State taxes	(1,261)	(31)	(280)
Other	(814)	(794)	(876)
Income tax (expense) benefit	<u>\$ (6,948)</u>	<u>\$ 447</u>	<u>\$(1,589)</u>

THE MACERICH COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

21. Income Taxes: (Continued)

The tax effects of temporary differences and carryforwards of the TRSs included in the net deferred tax assets at December 31, 2021 and 2020 are summarized as follows:

	2021	2020
Net operating loss carryforwards	\$23,944	\$27,196
Property, primarily differences in depreciation and amortization, the tax basis of land assets and treatment of certain other costs ..	(1,013)	2,927
Other	475	644
Net deferred tax assets	\$23,406	\$30,767

The net operating loss (“NOL”) carryforwards for NOLs generated through the 2017 tax year are scheduled to expire through 2037, beginning in 2025. Pursuant to the Tax Cuts and Jobs Act of 2017, NOLs generated in 2018 and subsequent tax years are carried forward indefinitely. The Coronavirus Aid, Relief and Economic Security Act removed the 80% of taxable income limitation, imposed by the Tax Cuts and Jobs Act, for NOLs generated in 2018, 2019 and 2020.

For the years ended December 31, 2021, 2020 and 2019 there were no unrecognized tax benefits.

The Company is required to establish a valuation allowance for any portion of the deferred tax asset that the Company concludes is more likely than not to be unrealizable. The Company’s assessment considers all evidence, both positive and negative, including the nature, frequency and severity of any current and cumulative losses, taxable income in carry back years, the scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income in making this assessment. As of December 31, 2021, the Company had no valuation allowance recorded.

The tax years 2018 through 2020 remain open to examination by the taxing jurisdictions to which the Company is subject. The Company does not expect that the total amount of unrecognized tax benefit will materially change within the next 12 months.

22. Subsequent Events:

On January 27, 2022, the Company announced a dividend/distribution of \$0.15 per share for common stockholders and OP Unit holders of record on February 18, 2022. All dividends/distributions will be paid 100% in cash on March 3, 2022.

THE MACERICH COMPANY
Schedule III—Real Estate and Accumulated Depreciation

December 31, 2021
(Dollars in thousands)

Shopping Centers/Entities	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition			Gross Amount at Which Carried at Close of Period				Total Cost Net of Accumulated Depreciation
	Land	Building and Improvements	Equipment and Furnishings	Land	Building and Improvements	Equipment and Furnishings	Construction in Progress	Total	Accumulated Depreciation		
Chandler Fashion Center	\$ 24,188	\$ 223,143	\$ —	\$ 32,631	\$ 24,188	\$ 246,967	\$ 5,205	\$ 3,602	\$ 279,962	\$ 132,622	\$ 147,340
Danbury Fair Mall	130,367	316,951	—	113,156	141,479	390,915	10,124	17,956	560,474	171,291	389,183
Desert Sky Mall	9,447	37,245	12	6,543	9,082	41,232	2,933	—	53,247	16,496	36,751
Eastland Mall	22,050	151,605	—	11,990	20,810	162,693	2,130	12	185,645	49,685	135,960
Fashion District Philadelphia	38,402	293,112	—	6,262	39,962	296,775	235	804	337,776	9,505	328,271
Fashion Outlets of Chicago	—	—	—	275,149	40,575	228,900	4,550	1,124	275,149	80,811	194,338
Fashion Outlets of Niagara Falls USA	18,581	210,139	—	105,795	23,762	308,480	2,183	90	334,515	108,446	226,069
The Marketplace at Flagstaff	—	—	—	45,855	—	45,855	—	—	45,855	28,944	16,911
Freehold Raceway Mall	164,986	362,841	—	126,120	168,098	476,181	9,258	410	653,947	236,094	417,853
Fresno Fashion Fair	17,966	72,194	—	56,980	17,966	125,844	3,091	239	147,140	69,798	77,342
Green Acres Mall	156,640	321,034	—	190,705	177,378	458,349	10,886	21,766	668,379	155,232	513,147
Inland Center	8,321	83,550	—	36,548	10,291	117,704	380	44	128,419	34,449	93,970
Kings Plaza Shopping Center	209,041	485,548	20,000	277,854	205,012	676,363	60,884	50,984	992,443	178,069	814,374
La Cumbre Plaza	18,122	21,492	—	19,436	13,856	45,004	190	—	59,050	26,776	32,274
Macerich Management Co.	1,150	10,475	26,562	27,857	3,878	17,942	43,270	954	66,044	29,453	36,591
MACWH, LP	—	25,771	—	12,461	10,777	27,455	—	—	38,232	11,964	26,268
NorthPark Mall	7,746	74,661	—	11,350	7,076	85,985	696	—	93,757	31,363	62,394
Oaks, The	32,300	117,156	—	268,973	56,387	357,987	3,558	497	418,429	194,018	224,411
Pacific View	8,697	8,696	—	137,922	7,854	145,911	1,550	—	155,315	84,979	70,336
Prasada	6,615	—	—	23,373	3,114	26,445	—	429	29,988	2,337	27,651
Queens Center	251,474	1,039,922	—	54,263	256,786	1,082,404	5,892	577	1,345,659	212,717	1,132,942
Santa Monica Place	26,400	105,600	—	317,936	42,513	316,488	6,624	84,311	449,936	124,540	325,396
SanTan Adjacent Land	29,414	—	—	10,276	26,902	—	—	12,788	39,690	—	39,690
SanTan Village Regional Center	7,827	—	—	219,174	5,921	219,354	1,713	13	227,001	115,796	111,205
Sears South Plains	8,170	11,130	—	1,057	—	—	—	20,357	20,357	—	20,357
SouthPark Mall	7,035	38,215	—	(7,985)	2,899	33,932	434	—	37,265	17,796	19,469
Southridge Center	6,764	—	—	6,973	1,963	11,659	115	—	13,737	7,788	5,949
Stonewood Center	4,948	302,527	—	13,158	4,935	315,115	583	—	320,633	69,719	250,914
Superstition Springs Center	10,928	112,718	—	11,687	10,928	123,344	1,061	—	135,333	32,155	103,178

See accompanying report of independent registered public accounting firm.

THE MACERICH COMPANY

Schedule III—Real Estate and Accumulated Depreciation (Continued)

December 31, 2021

(Dollars in thousands)

Shopping Centers/Entities	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period			Total Cost Net of Accumulated Depreciation		
	Land	Building and Improvements	Equipment and Furnishings	Land	Building and Improvements	Equipment and Furnishings	Construction in Progress	Total	Accumulated Depreciation	
Superstition Springs Power Center	1,618	4,420	—	1,194	4,709	37	—	5,940	2,415	3,525
The Macerich Partnership, L.P.	—	2,534	—	—	1,138	7,365	—	8,503	1,827	6,676
Towne Mall	6,652	31,184	—	6,877	35,620	350	99	42,946	18,746	24,200
Valley Mall	16,045	26,098	—	14,506	40,064	248	—	54,818	16,513	38,305
Valley River Center	24,854	147,715	—	35,224	180,766	1,896	277	207,793	79,922	127,871
Victor Valley, Mall of	15,700	75,230	—	54,907	124,161	1,596	—	145,837	66,260	79,577
Vintage Faire Mall	14,902	60,532	—	59,758	114,524	1,580	1,671	135,192	80,686	54,506
Wilton Mall	19,743	67,855	—	(3,052)	72,044	1,155	37	84,546	48,449	36,097
Other freestanding stores	5,926	31,785	—	4,906	27,142	294	—	32,342	14,584	17,758
Other land and development properties	37,850	—	—	(21,594)	6,322	—	3,379	16,256	1,099	15,157
	\$ 1,370,869	\$ 4,873,078	\$ 46,574	\$ 2,557,029	\$ 1,441,858	\$ 6,992,006	\$ 222,420	\$ 8,847,550	\$ 2,563,344	\$ 6,284,206

See accompanying report of independent registered public accounting firm.

THE MACERICH COMPANY

Schedule III—Real Estate and Accumulated Depreciation (Continued)

December 31, 2021

(Dollars in thousands)

Depreciation of the Company's investment in buildings and improvements reflected in the consolidated statements of operations are calculated over the estimated useful lives of the asset as follows:

Buildings and improvements	5 - 40 years
Tenant improvements	5 - 7 years
Equipment and furnishings	5 - 7 years

The changes in total real estate assets for the three years ended December 31, 2021 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balances, beginning of year	\$9,256,712	\$8,993,049	\$8,878,820
Additions	100,616	419,369	176,690
Dispositions and retirements	<u>(509,778)</u>	<u>(155,706)</u>	<u>(62,461)</u>
Balances, end of year	<u>\$8,847,550</u>	<u>\$9,256,712</u>	<u>\$8,993,049</u>

The aggregate cost of the property included in the table above for federal income tax purposes was \$8,877,859 (unaudited) at December 31, 2021.

The changes in accumulated depreciation for the three years ended December 31, 2021 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balances, beginning of year	\$2,562,133	\$2,349,536	\$2,093,044
Additions	282,158	287,925	287,846
Dispositions and retirements	<u>(280,947)</u>	<u>(75,328)</u>	<u>(31,354)</u>
Balances, end of year	<u>\$2,563,344</u>	<u>\$2,562,133</u>	<u>\$2,349,536</u>

See accompanying report of independent registered public accounting firm.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Master Agreement, dated November 14, 2014, by and among Pacific Premier Retail LLC, MACPT LLC, Macerich PPR GP LLC, Queens JV LP, Macerich Queens JV LP, Queens JV GP LLC, 1700480 Ontario Inc. and the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date November 14, 2014).
3.1	Articles of Amendment and Restatement of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964)) (Filed in paper—hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.1	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995) (Filed in paper—hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.2	Articles Supplementary of the Company (with respect to the first paragraph) (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
3.1.3	Articles Supplementary of the Company (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
3.1.4	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3, as amended (No. 333-88718)).
3.1.5	Articles of Amendment of the Company (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date February 5, 2009).
3.1.7	Articles of Amendment of the Company (increased authorized shares) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
3.1.8	Articles of Amendment of the Company (to eliminate the supermajority vote requirement to amend the charter and to clarify a reference in Article NINTH) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 2014).
3.1.9	Articles Supplementary (election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 17, 2015).
3.1.10	Articles Supplementary (designation of Series E Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 18, 2015).
3.1.11	Articles Supplementary (reclassification of Series E Preferred Stock to preferred stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 7, 2015).
3.1.12	Articles Supplementary (repeal of election to be subject to Section 3-803 of the Maryland General Corporation Law (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 28, 2015).

Exhibit Number	Description
3.1.13	Articles Supplementary (opting out of provisions of Subtitle 8 of Title 3 of the Maryland General Corporate Law (MUTA Provisions)) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 24, 2019).
3.1.14	Articles of Amendment of the Company (increased authorized shares) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 28, 2021).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 24, 2019).
4.1	Description of the Company's Securities
4.2	Form of Common Stock Certificate (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, as amended, event date November 10, 1998).
4.3	Form of Preferred Stock Certificate (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3 (No. 333-107063)).
10.1	Amended and Restated Limited Partnership Agreement for the Operating Partnership dated as of March 16, 1994 (incorporated by reference as an exhibit to the Company's 1996 Form 10-K).
10.1.1	Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated June 27, 1997 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date June 20, 1997).
10.1.2	Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated November 16, 1997 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.3	Fourth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated February 25, 1998 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.4	Fifth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated February 26, 1998 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.5	Sixth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated June 17, 1998 (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.1.6	Seventh Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated December 23, 1998 (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.1.7	Eighth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated November 9, 2000 (incorporated by reference as an exhibit to the Company's 2000 Form 10-K).
10.1.8	Ninth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated July 26, 2002 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).

Exhibit Number	Description
10.1.9	Tenth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated October 26, 2006 (incorporated by reference as an exhibit to the Company's 2006 Form 10-K).
10.1.10	Eleventh Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated as of March 16, 2007 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 16, 2007).
10.1.11	Twelfth Amendment to the Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of April 30, 2009 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
10.1.12	Thirteenth Amendment to the Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of October 29, 2009 (incorporated by reference as an exhibit to the Company's 2009 Form 10-K).
10.1.13	Fourteenth Amendment to Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of April 14, 2021.
10.1.14	Form of Fifteenth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
10.2*	Amended and Restated Deferred Compensation Plan for Executives (2003) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).
10.2.1*	Amendment Number 1 to Amended and Restated Deferred Compensation Plan for Executives (October 30, 2008) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.2.2*	Amendment Number 2 to Amended and Restated Deferred Compensation Plan for Executives (May 1, 2011) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011).
10.2.3*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Executives (September 27, 2012) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).
10.3*	Amended and Restated Deferred Compensation Plan for Senior Executives (2003) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).
10.3.1*	Amendment Number 1 to Amended and Restated Deferred Compensation Plan for Senior Executives (October 30, 2008) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.3.2*	Amendment Number 2 to Amended and Restated Deferred Compensation Plan for Senior Executives (May 1, 2011) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10—Q for the quarter ended June 30, 2011).
10.3.3*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Senior Executives (September 27, 2012) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).

Exhibit Number	Description
10.4*	Eligible Directors' Deferred Compensation/Phantom Stock Plan (as amended and restated as of January 1, 2013) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
10.5*	Amended and Restated 2013 Deferred Compensation Plan for Executives effective (January 1, 2016) (incorporated by reference as an exhibit to the Company's 2015 Form 10-K).
10.6	Deferred Compensation Plan Amended and Restated Trust Agreement between the Company and Wells Fargo Bank, National Association, effective as of June 17, 2019 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019).
10.7	Registration Rights Agreement, dated as of March 16, 1994, among the Company and Mace Siegel, Dana K. Anderson, Arthur M. Coppola and Edward C. Coppola (incorporated by reference as an exhibit to the Company's 1994 Form 10-K) (Filed in paper—hyperlink is not required pursuant to Rule 105 of Regulation S-T).
10.8	Registration Rights Agreement dated as of December 18, 2003 by the Operating Partnership, the Company and Taubman Realty Group Limited Partnership (Registration rights assigned by Taubman to three assignees) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).
10.9	Incidental Registration Rights Agreement dated March 16, 1994 (incorporated by reference as an exhibit to the Company's 1994 Form 10-K) (Filed in paper—hyperlink is not required pursuant to Rule 105 of Regulation S-T).
10.10	Incidental Registration Rights Agreement dated as of July 21, 1994 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.11	Incidental Registration Rights Agreement dated as of August 15, 1995 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.12	Incidental Registration Rights Agreement dated as of December 21, 1995 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.13	List of Omitted Incidental/Demand Registration Rights Agreements (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.14	Redemption, Registration Rights and Lock-Up Agreement dated as of July 24, 1998 between the Company and Harry S. Newman, Jr. and LeRoy H. Brettin (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.15	Form of Indemnification Agreement between the Company and its executive officers and directors (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.16	Form of Registration Rights Agreement with Series D Preferred Unit Holders (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
10.16.1	List of Omitted Registration Rights Agreements (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).

Exhibit Number	Description
10.17	Credit Agreement, dated as of April 14, 2021, by and among the Company, as a guarantor, the Partnership, as borrower, certain subsidiary guarantors, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A. and Goldman Sachs Bank USA, as joint lead arrangers and joint bookrunning managers, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A. as co-syndication agents, Goldman Sachs Bank USA, as documentation agent, and various lenders party thereto (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 14, 2021).
10.17.1	First Amendment to Credit Agreement, dated as of July 27, 2021, by and among the Company, as guarantor, the Partnership, as borrower, certain subsidiary guarantors, and Deutsche Bank AG New York Branch, as administrative agent for the lenders (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10—Q for the quarter ended June 30, 2021).
10.18	Unconditional Guaranty, dated as of April 14, 2021, by the Company in favor of Deutsche Bank AG New York Branch, as administrative agent (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 14, 2021).
10.19	Tax Matters Agreement (Wilmoreite) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
10.20*	2003 Equity Incentive Plan, as amended and restated as of May 26, 2016 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 26, 2016).
10.20.1*	Amended and Restated Cash Bonus/Restricted Stock/Stock Unit and LTIP Unit Award Program under the 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2010 Form 10-K).
10.20.2*	Form of Restricted Stock Award Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.20.3*	Form of Stock Unit Award Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2014 Form 10-K).
10.20.4*	Form of Employee Stock Option Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.20.5*	Form of Non-Qualified Stock Option Grant under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.20.6*	Form of Restricted Stock Award Agreement for Non-Management Directors (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.20.7*	Form of Stock Unit Award Agreement under 2003 Equity Incentive Plan for Non-Employee Directors (incorporated by reference as an exhibit to the Company's 2015 Form 10-K).
10.20.8*	Form of Stock Appreciation Right under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.20.9*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (service-based) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019).
10.20.10*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (performance-based) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).

Exhibit Number	Description
10.20.11*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (fully-vested) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014).
10.21*	The Macerich Company Employee Stock Purchase Plan (as amended and restated effective June 1, 2021) (incorporated by reference as an exhibit to the Company's Current Report on 8-K, event date May 28, 2021).
10.22*	Change in Control Severance Pay Plan for Executive Vice Presidents (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019).
10.23*	Change in Control Severance Pay Plan for Senior Executives (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017).
10.24*	Employment Agreement Renewal between the Company and Thomas E. O'Hern, effective June 8, 2021 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date June 11, 2021).
10.25*	Employment Agreement between the Company and William P. Voegelé, effective September 1, 2019 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.26	2005 Amended and Restated Agreement of Limited Partnership of MACWH, LP dated as of April 25, 2005 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
10.27	Registration Rights Agreement dated as of April 25, 2005 among the Company and the persons names on Exhibit A thereto (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
21.1	List of Subsidiaries
23.1	Consent of Independent Registered Public Accounting Firm (KPMG LLP)
31.1	Section 302 Certification of Thomas E. O'Hern, Chief Executive Officer and Director
31.2	Section 302 Certification of Scott W. Kingsmore, Chief Financial Officer
32.1**	Section 906 Certifications of Thomas E. O'Hern and Scott W. Kingsmore
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*).

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 25, 2022.

THE MACERICH COMPANY

By /s/ THOMAS E. O'HERN
Thomas E. O'Hern
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u> /s/ THOMAS E. O'HERN </u> Thomas E. O'Hern	Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2022
<u> /s/ EDWARD C. COPPOLA </u> Edward C. Coppola	President and Director	February 25, 2022
<u> /s/ PEGGY ALFORD </u> Peggy Alford	Director	February 25, 2022
<u> /s/ JOHN H. ALSCHULER </u> John H. Alschuler	Director	February 25, 2022
<u> /s/ ERIC K. BRANDT </u> Eric K. Brandt	Director	February 25, 2022
<u> /s/ STEVEN R. HASH </u> Steven R. Hash	Chairman of Board of Directors	February 25, 2022
<u> /s/ DANIEL J. HIRSCH </u> Daniel J. Hirsch	Director	February 25, 2022

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ DIANA M. LAING</u> Diana M. Laing	Director	February 25, 2022
<u>/s/ STEVEN L. SOBOROFF</u> Steven L. Soboroff	Director	February 25, 2022
<u>/s/ ANDREA M. STEPHEN</u> Andrea M. Stephen	Director	February 25, 2022
<u>/s/ SCOTT W. KINGSMORE</u> Scott W. Kingsmore	Senior Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)	February 25, 2022
<u>/s/ CHRISTOPHER J. ZECCHINI</u> Christopher J. Zecchini	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 25, 2022

LIST OF SUBSIDIARIES

801-GALLERY ASSOCIATES, L.P., a Pennsylvania limited partnership
801-GALLERY C-3 ASSOCIATES, L.P., a Delaware limited partnership
801-GALLERY GP, LLC, a Pennsylvania limited liability company
801 MARKET VENTURE GP LLC, a Delaware limited liability company
AM TYSONS LLC, a Delaware limited liability company
BILTMORE SHOPPING CENTER PARTNERS LLC, an Arizona limited liability company
BROOKLYN KINGS PLAZA LLC, a Delaware limited liability company
CAM-CARSON LLC, a Delaware limited liability company
COOLIDGE HOLDING LLC, an Arizona limited liability company
CORTE MADERA VILLAGE, LLC, a Delaware limited liability company
COUNTRY CLUB PLAZA KC PARTNERS LLC, a Delaware limited liability company
DANBURY MALL, LLC, a Delaware limited liability company
DESERT SKY MALL LLC, a Delaware limited liability company
EAST MESA ADJACENT LLC, a Delaware limited liability company
EAST MESA MALL, L.L.C., a Delaware limited liability company
FASHION OUTLETS II LLC, a Delaware limited liability company
FASHION OUTLETS OF CHICAGO EXPANSION LLC, a Delaware limited liability company
FASHION OUTLETS OF CHICAGO LLC, a Delaware limited liability company
FIFTH WALL VENTURES, L.P., a Delaware limited partnership
FIFTH WALL VENTURES II, L.P., a Cayman Islands limited partnership
FIFTH WALL VENTURES RETAIL FUND, L.P., a Delaware limited partnership
FOC ADJACENT LLC, a Delaware limited liability company
FREE RACE MALL REST., L.P., a New Jersey limited partnership
FREEHOLD CHANDLER HOLDINGS LP, a Delaware limited partnership
GOODYEAR PERIPHERAL LLC, an Arizona limited liability company
GREEN ACRES ADJACENT LLC, a Delaware limited liability company
HPP-MAC WSP, LLC, a Delaware limited liability company
KIERLAND COMMONS INVESTMENT LLC, a Delaware limited liability company
KINGS PLAZA ENERGY LLC, a Delaware limited liability company
KINGS PLAZA GROUND LEASE LLC, a Delaware limited liability company
MACERICH ARIZONA MANAGEMENT LLC, a Delaware limited liability company

MACERICH ARIZONA PARTNERS LLC, an Arizona limited liability company
MACERICH BUENAVENTURA LIMITED PARTNERSHIP, a California limited partnership
MACERICH FARGO ASSOCIATES, a California general partnership
MACERICH FRESNO ADJACENT LP, a Delaware limited partnership
MACERICH FRESNO LIMITED PARTNERSHIP, a California limited partnership
MACERICH HHF BROADWAY PLAZA LLC, a Delaware limited liability company
MACERICH HHF CENTERS LLC, a Delaware limited liability company
MACERICH HOLDINGS LLC, a Delaware limited liability company
MACERICH INLAND LP, a Delaware limited partnership
MACERICH INVESTMENTS LLC, a Delaware limited liability company
MACERICH JANSS MARKETPLACE HOLDINGS LLC, a Delaware limited liability company
MACERICH LA CUMBRE 9.45 AC LLC, a Delaware limited liability company
MACERICH LA CUMBRE GP LLC, a Delaware limited liability company
MACERICH LA CUMBRE LP, a Delaware limited partnership
MACERICH MANAGEMENT COMPANY, a California corporation
MACERICH NB FREEHOLD LLC, a Delaware limited liability company
MACERICH NIAGARA LLC, a Delaware limited liability company
MACERICH NORTH PARK MALL LLC, a Delaware limited liability company
MACERICH OAKS LP, a Delaware limited partnership
MACERICH PARTNERS OF COLORADO LLC, a Colorado limited liability company
MACERICH PPR CORP., a Maryland corporation
MACERICH PROPERTY MANAGEMENT COMPANY, LLC, a Delaware limited liability company
MACERICH SMP LP, a Delaware limited partnership
MACERICH SOUTH PARK MALL LLC, a Delaware limited liability company
MACERICH SOUTHRIDGE MALL LLC, a Delaware limited liability company
MACERICH STONEWOOD CORP., a Delaware corporation
MACERICH TYSONS LLC, a Delaware limited liability company
MACERICH VALLEY RIVER CENTER LLC, a Delaware limited liability company
MACERICH VICTOR VALLEY LP, a Delaware limited partnership
MACERICH VINTAGE FAIRE LIMITED PARTNERSHIP, a Delaware limited partnership
MACJ, LLC, a Delaware limited liability company
MACPT LLC, a Delaware limited liability company
MACW FREEHOLD, LLC, a Delaware limited liability company
MACWH, LP, a Delaware limited partnership

MACW MALL MANAGEMENT, INC., a New York corporation
MACW PROPERTY MANAGEMENT, LLC, a New York limited liability company
MACW TYSONS, LLC, a Delaware limited liability company
MP PS LLC, a Delaware limited liability company
MS PORTFOLIO LLC, a Delaware limited liability company
MVRC HOLDING LLC, a Delaware limited liability company
MW INVESTMENT GP CORP., a Delaware corporation
NEW RIVER ASSOCIATES LLC, a Delaware limited liability company
ONE SCOTTSDALE INVESTORS LLC, a Delaware limited liability company
PACIFIC PREMIER RETAIL LLC, a Delaware limited liability company
PM GALLERY LP, a Delaware limited partnership
PROPCOR II ASSOCIATES, LLC, an Arizona limited liability company
PV LAND SPE, LLC, a Delaware limited liability company
QUEENS CENTER REIT LLC, a Delaware limited liability company
QUEENS CENTER SPE LLC, a Delaware limited liability company
RAILHEAD ASSOCIATES, L.L.C., an Arizona limited liability company
SCOTTSDALE FASHION SQUARE PARTNERSHIP, an Arizona general partnership
SM EASTLAND MALL, LLC, a Delaware limited liability company
SM VALLEY MALL, LLC, a Delaware limited liability company
THE MACERICH PARTNERSHIP, L.P., a Delaware limited partnership
THE WESTCOR COMPANY LIMITED PARTNERSHIP, an Arizona limited partnership
THE WESTCOR COMPANY II LIMITED PARTNERSHIP, an Arizona limited partnership
TM TRS HOLDING COMPANY LLC, a Delaware limited liability company
TOWNE MALL, L.L.C., a Delaware limited liability company
TWC TUCSON, LLC, an Arizona limited liability company
TYSONS CORNER LLC, a Virginia limited liability company
TYSONS CORNER HOTEL I LLC, a Delaware limited liability company
TYSONS CORNER PROPERTY HOLDINGS II LLC, a Delaware limited liability company
TYSONS CORNER PROPERTY LLC, a Virginia limited liability company
VALLEY STREAM GREEN ACRES LLC, a Delaware limited liability company
WESTCOR/GOODYEAR, L.L.C., an Arizona limited liability company
WESTCOR/PARADISE RIDGE, L.L.C., an Arizona limited liability company
WESTCOR REALTY LIMITED PARTNERSHIP, a Delaware limited partnership
WESTCOR SANTAN ADJACENT LLC, a Delaware limited liability company

WESTCOR SANTAN VILLAGE LLC, a Delaware limited liability company

WESTCOR SURPRISE RSC LLC, an Arizona limited liability company

WESTCOR SURPRISE RSC II LLC, an Arizona limited liability company

WESTCOR/SURPRISE LLC, an Arizona limited liability company

WILTON MALL, LLC, a Delaware limited liability company

WMAP, L.L.C., a Delaware limited liability company

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-240975, 333-107063, and 333-121630) on Form S-3 and (Nos. 333-00584, 333-42309, 333-42303, 333-69995, 333-108193, 333-120585, 333-161371, 333-186915, 333-186916, 333-211816 and 333-256832) on Form S-8 of our reports dated February 25, 2022, with respect to the consolidated financial statements and financial statement schedule III of The Macerich Company and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Los Angeles, California

February 25, 2022

SECTION 302 CERTIFICATION

I, Thomas E. O'Hern, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2021 of The Macerich Company;
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: February 25, 2022

/s/ THOMAS E. O'HERN

Chief Executive Officer and Director

SECTION 302 CERTIFICATION

I, Scott W. Kingsmore, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2021 of The Macerich Company;
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: February 25, 2022

/s/ SCOTT W. KINGSMORE

Senior Executive Vice President and
Chief Financial Officer

THE MACERICH COMPANY (The Company)
WRITTEN STATEMENT PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned, Thomas E. O'Hern and Scott W. Kingsmore, the Chief Executive Officer and Chief Financial Officer, respectively, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, each hereby certify that, to the best of his knowledge:

- (i) the Annual Report on Form 10-K for the year ended December 31, 2021 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2022

/s/ THOMAS E. O'HERN

Chief Executive Officer and Director

/s/ SCOTT W. KINGSMORE

*Senior Executive Vice President and
Chief Financial Officer*

Forward-Looking Statement

This document contains statements that constitute forward-looking statements which can be identified by the use of words, such as “will,” “expects,” “anticipates,” “assumes,” “believes,” “estimated,” “guidance,” “projects,” “scheduled” and similar expressions that do not relate to historical matters, and includes expectations regarding the Company’s future operational results as well as development, redevelopment and expansion activities. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to vary materially from those anticipated, expected or projected. Such factors include, among others, general industry, as well as national, regional and local economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates, terms and payments, interest rate fluctuations, availability, terms and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, and acquisitions and dispositions; the continuing adverse impact of the novel coronavirus (COVID-19) on the U.S., regional and global economies and the financial condition and results of operations of the Company and its tenants; the liquidity of real estate investments; governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities or other acts of violence which could adversely affect all of the above factors. The reader is directed to the Company’s various filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of such risks and uncertainties, which discussion is incorporated herein by reference. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events unless required by law to do so.

