SIMON PROPERTY GROUP

Reconciliation of Diluted Net Income Per Share to Diluted Funds from Operations ("FFO") per Share and Comparable FFO per Share

For the Periods Ended December 31, 2013 through September 30, 2022

We consider FFO and FFO per share key measures of financial and operating performance that are not specifically defined by GAAP. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

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

	For the Nine Months Ended September 30,		For the Year Ended December 31								
	2022	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013
Diluted net income per share	$4.46	$5.30	$6.84	$3.59	$6.81	$7.87	$6.24	$5.87	$5.88	$4.52	$4.24
Adjustments to arrive at FFO:											
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments, net of noncontrolling interests portion of depreciation and amortization	4.08	4.08	5.64	5.14	5.25	5.01	4.98	4.84	4.67	4.82	4.91
(Gain) loss on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	-	(0.54)	(0.55)	0.32	(0.04)	(0.79)	(0.01)	(0.22)	(0.69)	(0.44)	(0.30)
Unrealized (gains) losses in fair value of equity instruments of retail real estate(1)	-	0.01	0.01	0.06	0.02	0.04	-	-	-	-	-
Diluted FFO per share as reported	$8.54	$8.85	$11.94	$9.11	$12.04	$12.13	$11.21	$10.49	$9.86	$8.90	$8.85
Debt related charges	-	0.08	0.14	-	0.33	-	0.36	0.38	0.33	0.35	-
Gain upon sale of marketable securities	-	-	-	-	-	-	-	-	(0.22)	-	-
WPG spin-off transaction expenses	-	-	-	-	-	-	-	-	-	0.10	-
FFO from WPG malls (2)	-	-	-	-	-	-	-	-	-	(0.40)	(0.99)
Gain on sale or exchange of equity interests, net of tax	-	(0.30)	(0.32)	-	-	(0.10)	-	-	-	-	-
Non-cash gain related to reversal of a deferred tax liability within an international investment	-	(0.32)	(0.32)	-	-	-	-	-	-	-	-
Unrealized losses in fair value of publicly traded equity instruments of non-retail real estate	0.17	0.01	-	-	-	-	-	-	-	-	-
Higher distribution income from international investment	-	-	-	-	-	(0.05)	-	-	-	-	-
Impact of accounting change for capitalized leasing costs (3)	-	-	-	-	-	(0.13)	(0.12)	(0.13)	(0.13)	(0.12)	(0.13)
Comparable FFO per Share	$8.71	$8.32	$11.44	$9.11	$12.37	$11.85	$11.45	$10.74	$9.84	$8.83	$7.73

(1) Relates to adoption of ASU 2016-01 on January 1, 2018.
(2) Comparable FFO per share excludes FFO from Washington Prime Group, Inc., or WPG. The spin-off of WPG was completed on May 28, 2014.
(3) Effective January 1, 2019, the Company is no longer permitted, subject to the new Leases standard (ASU 2016-02, subsequently codified in ASC 842), to capitalize certain indirect leasing costs. The adjustment reflects the amounts capitalized in the previously reported periods, which were not required to be restated to adopt this change in accounting.