

# Brookfield DTLA Fund Office Trust Investor Inc.

Consolidated Financial Statements  
as of and for the Year Ended December 31, 2025

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**ANNUAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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## FINANCIAL INFORMATION

### Financial Statements.

#### BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.

#### CONSOLIDATED BALANCE SHEETS

(Unaudited; in thousands)

	As of December 31,	
	2025	2024
<b>ASSETS</b>		
<b>Investments in Real Estate:</b>		
Land	\$ 54,071	\$ 108,234
Buildings and improvements	694,050	1,044,490
Tenant improvements	76,033	144,406
Investments in real estate, gross	824,154	1,297,130
Less: accumulated depreciation	74,129	186,918
Investments in real estate, net	750,025	1,110,212
Investment in unconsolidated real estate joint venture	10,461	29,937
Cash and cash equivalents	12,370	13,702
Restricted cash	172,283	84,658
Rents, deferred rents and other receivables, net	45,142	87,367
Intangible assets, net	1,133	1,899
Deferred charges, net	17,023	27,448
Due from affiliates	4,902	7,534
Prepaid and other assets, net	6,183	4,394
Assets held for sale	662,293	293,220
<b>Total assets</b>	<b>\$ 1,681,815</b>	<b>\$ 1,660,371</b>
<b>LIABILITIES AND DEFICIT</b>		
<b>Liabilities:</b>		
Secured debt, net	\$ 1,539,257	\$ 1,537,923
Accounts payable and other liabilities	246,122	137,826
Due to affiliates	10,217	6,302
Intangible liabilities, net	1,512	1,663
Liabilities associated with assets held for sale	19,903	13,293
<b>Total liabilities</b>	<b>1,817,011</b>	<b>1,697,007</b>
<b>Commitments and Contingencies</b>		

See accompanying notes to consolidated financial statements.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**CONSOLIDATED BALANCE SHEETS (continued)**

(Unaudited; in thousands, except share amounts)

	As of December 31,	
	2025	2024
<b>LIABILITIES AND DEFICIT (continued)</b>		
<b>Mezzanine Equity:</b>		
7.625% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value, 9,730,370 shares issued and outstanding as of December 31, 2025 and 2024	\$ 539,771	\$ 521,224
Noncontrolling Interests:		
Series A-1 preferred interest	521,303	504,090
Senior participating preferred interest	—	—
Series B preferred interest	257,519	235,158
<b>Total mezzanine equity</b>	<b>1,318,593</b>	<b>1,260,472</b>
<b>Stockholders' Deficit:</b>		
Common stock, \$0.01 par value, 1,000 shares issued and outstanding as of December 31, 2025 and 2024	—	—
Additional paid-in capital	205,960	205,829
Accumulated deficit	(1,659,749)	(1,503,008)
Noncontrolling interests	—	71
<b>Total stockholders' deficit</b>	<b>(1,453,789)</b>	<b>(1,297,108)</b>
<b>Total liabilities and deficit</b>	<b>\$ 1,681,815</b>	<b>\$ 1,660,371</b>

See accompanying notes to consolidated financial statements.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited; in thousands)

	For the Year Ended December 31,	
	2025	2024
<b>Revenue:</b>		
Lease income	\$ 168,021	\$ 212,463
Parking	25,101	32,234
Interest and other	1,598	1,161
<b>Total revenue</b>	<b>194,720</b>	<b>245,858</b>
<b>Expenses:</b>		
Rental property operating and maintenance	78,904	99,025
Real estate taxes	30,225	34,898
Parking	7,295	10,580
Other expenses	1,323	1,797
Depreciation and amortization	36,423	47,372
Interest	119,917	177,762
<b>Total expenses</b>	<b>274,087</b>	<b>371,434</b>
<b>Other income (losses):</b>		
Debt extinguishment gains	—	169,122
Equity in loss of unconsolidated real estate joint venture	(19,476)	(8,586)
<b>Total other (losses) income</b>	<b>(19,476)</b>	<b>160,536</b>
<b>Net (loss) income</b>	<b>(98,843)</b>	<b>34,960</b>
<b>Net income (loss) attributable to noncontrolling interests:</b>		
Series A-1 preferred interest returns	17,213	17,212
Senior participating preferred interest redemption measurement adjustment	—	8
Series B preferred interest returns	22,209	20,118
Series B common interest – allocation of net income	(71)	31
<b>Net (loss) income attributable to Brookfield DTLA</b>	<b>(138,194)</b>	<b>(2,409)</b>
Series A preferred stock dividends	18,547	18,549
<b>Net (loss) income attributable to common interest holders of Brookfield DTLA</b>	<b>\$ (156,741)</b>	<b>\$ (20,958)</b>

See accompanying notes to consolidated financial statements.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT**  
(Unaudited; in thousands, except share amounts)

	<u>Number of Shares</u>					
	Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Non- controlling Interests	Total Stockholders' Deficit
<b>Balance, December 31, 2023</b>	1,000	\$ —	\$ 205,299	\$ (1,482,050)	\$ 40	\$ (1,276,711)
Net (loss) income				(2,409)	37,369	34,960
Contributions			530			530
Dividends, preferred returns and redemption measurement adjustments on mezzanine equity				(18,549)	(37,338)	(55,887)
<b>Balance, December 31, 2024</b>	<u>1,000</u>	<u>—</u>	<u>205,829</u>	<u>(1,503,008)</u>	<u>71</u>	<u>(1,297,108)</u>
Net (loss) income				(138,194)	39,351	(98,843)
Contributions			131			131
Dividends, preferred returns and redemption measurement adjustments on mezzanine equity				(18,547)	(39,422)	(57,969)
<b>Balance, December 31, 2025</b>	<u>1,000</u>	<u>\$ —</u>	<u>\$ 205,960</u>	<u>\$ (1,659,749)</u>	<u>\$ —</u>	<u>\$ (1,453,789)</u>

See accompanying notes to consolidated financial statements.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited; in thousands)

	For the Year Ended December 31,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (98,843)	\$ 34,960
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	36,423	47,372
Equity in loss of unconsolidated real estate joint venture	19,476	8,586
Write-off of lease receivables deemed uncollectible	177	187
Amortization of acquired below-market leases, net of acquired above-market leases	260	458
Straight-line rent amortization	10,644	13,672
Amortization of tenant inducements	3,065	3,194
Amortization and write-off of debt financing costs	163	1,530
Debt extinguishment gains	—	(169,122)
Increase in mortgage debt due to paid-in-kind interest	1,171	1,170
<b>Changes in assets and liabilities:</b>		
Rents, deferred rents and other receivables, net	(871)	(1,442)
Deferred charges, net	(3,616)	(2,102)
Due from affiliates	283	81
Prepaid and other assets, net	(1,821)	(2,993)
Accounts payable and other liabilities	117,611	137,556
Due to affiliates	3,915	3,048
Net cash provided by operating activities	<u>88,037</u>	<u>76,155</u>
<b>Cash flows from investing activities:</b>		
Expenditures for real estate improvements	(2,027)	(8,883)
Net cash used in investing activities	<u>(2,027)</u>	<u>(8,883)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from Series B preferred interest	156	3,152
Distributions to Series B preferred interest	(4)	(3,638)
Distributions to senior participating preferred interest	—	(108)
Contributions to additional paid-in capital	131	530
Forfeiture of restricted cash upon debt extinguishment	—	(42,389)
Debt financing costs paid	—	(868)
Net cash provided by (used in) financing activities	<u>283</u>	<u>(43,321)</u>
Net change in cash, cash equivalents and restricted cash	86,293	23,951
Cash, cash equivalents and restricted cash at beginning of year	98,360	74,409
<b>Cash, cash equivalents and restricted cash at end of year</b>	<u>\$ 184,653</u>	<u>\$ 98,360</u>

See accompanying notes to consolidated financial statements.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

(Unaudited; in thousands)

	For the Year Ended December 31,	
	2025	2024
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest, net	\$ 7,650	\$ 30,264
Cash paid for (received from) income taxes (refund), net	\$ 114	\$ (340)
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Accrual for current-year additions to real estate investments	\$ 1,751	\$ 1,348
Writeoff of fully depreciated investments in real estate	\$ 7,428	\$ 17,516
Writeoff of fully amortized intangible assets	\$ 1,569	\$ —
Writeoff of fully amortized intangible liabilities	\$ —	\$ 205
Writeoff of fully amortized deferred charges	\$ 3,673	\$ 7,718
Noncash contributions to Series B preferred interest	\$ —	\$ 9,279
Noncash contributions to senior participating preferred interest	\$ —	\$ 162

The following is a reconciliation of Brookfield DTLA's cash, cash equivalents and restricted cash at the beginning and end of the years ended December 31, 2025 and 2024:

	For the Year Ended December 31,	
	2025	2024
Cash and cash equivalents at beginning of year	\$ 13,702	\$ 13,174
Restricted cash at beginning of year	84,658	61,235
<b>Cash, cash equivalents and restricted cash at beginning of year</b>	<b>\$ 98,360</b>	<b>\$ 74,409</b>
Cash and cash equivalents at end of year	\$ 12,370	\$ 13,702
Restricted cash at end of year	172,283	84,658
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b>\$ 184,653</b>	<b>\$ 98,360</b>

See accompanying notes to consolidated financial statements.

## **BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

*As used in these notes to consolidated financial statements, tabular amounts are presented in thousands, except share amounts, percentage data and dates.*

#### **Note 1—Organization and Description of Business**

Brookfield DTLA Fund Office Trust Investor Inc. (“Brookfield DTLA” or the “Company”) is a Maryland corporation and was incorporated on April 19, 2013. Brookfield DTLA was formed for the purpose of consummating the transactions contemplated in the Agreement and Plan of Merger dated as of April 24, 2013, as amended, and the issuance of shares of 7.625% Series A Cumulative Redeemable Preferred Stock (the “Series A preferred stock”) in connection with the acquisition of MPG Office Trust, Inc. and MPG Office, L.P. (together, “MPG”). Brookfield DTLA is a direct subsidiary of Brookfield DTLA Holdings LLC, a Delaware limited liability company (“DTLA Holdings”, and together with its affiliates excluding the Company and its subsidiaries, the “Manager”). DTLA Holdings is an indirect partially-owned subsidiary of Brookfield Property Partners L.P. (“BPY”), an exempted limited partnership under the Laws of Bermuda, which in turn is the flagship commercial property entity wholly-owned by Brookfield Corporation, a corporation under the laws of Ontario, and the primary vehicle through which Brookfield Corporation invests in real estate on a global basis.

As of December 31, 2025, Brookfield DTLA owned Bank of America Plaza (“BOA Plaza”), EY Plaza, Wells Fargo Center–North Tower and Wells Fargo Center–South Tower, which are Class A office properties, and FIGat7th, a retail center. Additionally, Brookfield DTLA Fund Properties II LLC (“Fund II”) has a noncontrolling interest in an unconsolidated real estate joint venture with Brookfield DTLA FP IV Holdings LLC (“DTLA FP IV Holdings”), a wholly-owned subsidiary of DTLA Holdings, which owns Beaudry (previously known as 755 South Figueroa), a residential development that was substantially completed in May 2023. All of these properties are located in the Los Angeles Central Business District (the “LACBD”) in Downtown Los Angeles, which has long been a major office district for law firms, accounting firms and government agencies.

During the second quarter of 2023, EY Plaza was placed into receivership by court due to defaults on loans secured by this property. In April 2025, lenders of the mortgage loan secured by BOA Plaza initiated a judicial foreclosure process following the maturity default on the loan. In June 2025, Bank of America Plaza was placed into receivership by court. See “[Note 2 — Basis of Presentation and Summary of Significant Accounting Policies](#)” for details.

Brookfield DTLA primarily receives its income from lease income, including tenant reimbursements, generated from the operations of its office and retail properties, and to a lesser extent, revenue from its parking garages.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 2—Basis of Presentation and Summary of Significant Accounting Policies**

As used in these consolidated financial statements and related notes, unless the context requires otherwise, the terms “Brookfield DTLA,” the “Company,” “us,” “we” and “our” refer to Brookfield DTLA Fund Office Trust Investor Inc. together with its direct and indirect subsidiaries.

*Principles of Consolidation and Basis of Presentation*

The accompanying consolidated financial statements and related notes have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The consolidated balance sheets as of December 31, 2025 and 2024 include the accounts of Brookfield DTLA and subsidiaries in which it has a controlling financial interest. All material intercompany transactions have been eliminated in consolidation as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024.

*Liquidity and Going Concern*

The consolidated financial statements have been prepared in accordance with GAAP applicable to a going concern. The going concern basis of accounting is dependent upon the Company's ability to effectively implement plans related to the secured debt currently in default and the secured debt that matures within one year after the date of the issuance of the annual report. This presentation contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties surrounding the debts described below, (together "Maturing Debt and Debt in Default"). Pursuant to *ASC 205-40, Presentation of Financial Statements – Going Concern* (“ASC 205-40”), management must evaluate whether there are conditions and events considered in aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that these consolidated financial statements are available to be issued.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

As of December 31, 2025, the Company had \$1,539.3 million of total consolidated debt, including \$1,477.6 million in default as of December 31, 2025, and \$61.7 million maturing in April 2026. Our substantial indebtedness requires us to use a material portion of our cash flow to service interest on our debt. The Company has experienced a decline in occupancy since the onset of the COVID-19 pandemic as tenant leases expired which has resulted in a decrease in cash flow from operations and has negatively impacted the market values of the properties. Additionally, to attract or retain tenants needed to increase occupancy and sustain operations, the Company needs to spend a substantial amount on capital leasing costs (such as leasing commissions and tenant improvements), however, the Company has limited amounts of liquidity to make these capital commitments. Furthermore, since 2022, the Federal Reserve materially raising interest rates to fight inflation has not only increased the cost of our floating rate debt and the rates or spread on any refinancing we may seek, but it also materially increased the cost of interest rate protection agreements and interest rate risk hedging. We are required to obtain interest rate protection agreements with respect to the Company's existing floating rate secured loans (and which we expect may be required to obtain for refinancing our maturing debt). In spite of the Federal Reserve's interest rate cuts starting in September 2025, financing costs for commercial real estate remained elevated as commercial mortgages are priced off longer-term Treasuries yields, which remained sticky with the short-term rate cuts from the Federal Reserve. During the year ended December 31, 2025, debt servicing obligations for the Company's consolidated debt maturing in April 2026, namely the debt secured by FIGat7th, continue to consume a material portion of the Company's cash flows generated from operations.

The FIGat7th loan will mature on April 1, 2026. If the Company is not able to exercise the last loan extension option to May 29, 2026, the lender may exercise its remedies under the FIGat7th loan, including, but not limited to, declaring the debt to be immediately payable and foreclosing on FIGat7th. If FIGat7th was to be foreclosed upon by the lender, the secured debt obligation is not cross collateralized with other properties in the portfolio. EY Plaza, Wells Fargo Center — South and North Towers, and BOA Plaza are in maturity default as of December 31, 2025. We will cooperate in any sale of the collateralized real estate assets and will focus on an orderly exit from the assets, although there is no assurance that we will be able to achieve a resolution on a timely basis. The secured debt obligations related to these properties are not cross collateralized with other properties in the portfolio. Nevertheless, these conditions and events in aggregate raise substantial doubt about the Company's ability to continue as a going concern.

*Debt Maturing within One Year from the Date of the Issuance of the Annual Report:*

*FIGat7th* — As of December 31, 2025, a wholly-owned subsidiary of the Company has an outstanding secured mortgage loan of \$61.7 million on FIGat7th (the "FIGat7th Loan", including paid-in-kind or "PIK" interest of \$3.2 million) which will mature on April 1, 2026, with an option to extend the maturity date to May 29, 2026 upon satisfaction of certain conditions related to the sale process of FIGat7th. We will operate the property and pay debt service on the loan through maturity. In March 2026, a wholly-owned subsidiary of the Company entered into a purchase and sale agreement to sell FIGat7th for a gross sale price which will fully satisfy the outstanding debt. If the Company is not able to exercise the last extension option to May 29, 2026, the lender may exercise its remedies under the FIGat7th Loan, including, but not limited to, declaring the debt to be immediately payable and foreclosing on FIGat7th.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Debt in Default:*

*EY Plaza* — As of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report, wholly-owned subsidiaries of the Company (the “EY Borrowers”) have outstanding secured loans of \$305.0 million on EY Plaza, comprised of a \$275.0 million mortgage loan and a \$30.0 million mezzanine loan (collectively, the “EY Plaza Loans”). Effective May 24, 2023, a receiver was appointed by court order to take possession and control of EY Plaza due to defaults on EY Plaza Loans. In the second half of 2025, EY Plaza was marketed for sale by the receiver. We will cooperate in any sale or foreclosure of EY Plaza and will focus on an orderly exit from the asset, although there is no assurance that we will be able to achieve a resolution on a timely basis.

*Wells Fargo Center — South Tower* — As of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report, a wholly-owned subsidiary of the Company had and continues to have an outstanding secured mortgage loan of \$266.9 million on Wells Fargo Center — South Tower (the “WFC South Loan”) that matured on November 4, 2023. The loan is in maturity default as of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report. Management has continued to operate the asset. Pursuant to the Forbearance and Loan Modification Agreement and subsequent amendment agreements, the lenders agreed to forbear from exercising their rights and remedies with respect to the defaults until May 4, 2026. After that date the lenders retain their right to exercise the remedies under the loan agreement including but not limited to declaring the debt to be immediately payable, foreclosing and selling the property. We will cooperate in any sale initiated by the lenders or foreclosure of the asset, and will focus on an orderly exit from the asset, although there is no assurance that we will be able to achieve a resolution on a timely basis.

*Wells Fargo Center — North Tower* — As of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report, wholly-owned subsidiaries of the Company (the “WFC North Borrowers”) had and continue to have secured loans of \$505.7 million on Wells Fargo Center — North Tower, comprised of a \$400.0 million mortgage loan, a \$68.6 million Mezzanine I loan, and a \$37.1 million Mezzanine II loan (collectively, the “WFC North Loans”). The loan balances of Wells Fargo North Center Mezzanine I and Mezzanine II included PIK interest of \$3.6 million and \$2.1 million, respectively. The WFC North Loans matured on January 8, 2024 and are in maturity default as of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report. The amount of cash the property currently generates from its operations is not sufficient to cover the debt obligations, leasing costs and capital expenditures with respect to Wells Fargo Center — North Tower. Management has continued to operate the asset. The lenders retain their right to exercise the remedies under the loan agreement including but not limited to declaring the debt to be immediately payable, foreclosing and selling the property. We will cooperate in any sale initiated by the lenders or foreclosure of the asset, and will focus on an orderly exit from the asset, although there is no assurance that we will be able to achieve a resolution on a timely basis.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

*BOA Plaza* — As of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report, a wholly-owned subsidiary of the Company had and continues to have a secured mortgage loan of \$400.0 million on BOA Plaza (the "BOA Plaza Loan") that matured on September 1, 2024. The loan is in maturity default as of December 31, 2025 and March 26, 2026, the issuance date of this Annual Report. In June 2025, BOA Plaza was placed into receivership by court order. During the three months ended December 31, 2025, BOA Plaza was marketed for sale by the receiver. We will cooperate in any sale initiated by the lenders or foreclosure of the asset, and will focus on an orderly exit from the asset, although there is no assurance that we will be able to achieve a resolution on a timely basis

There are several potential outcomes with respect to Maturing Debt and Debt in Default, including negotiating a modification to the loans or consensual short sales. However, it is not probable that we will be successful in effectively implementing plans related to these loans. If unsuccessful, the lenders would retain their right to exercise the remedies under the loans including, but not limited to, transferring to a court-appointed receiver, or declaring the debt to be immediately payable and foreclosing on the assets. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

*Determination of Controlling Financial Interest*

We consolidate entities in which Brookfield DTLA is considered to be the primary beneficiary of a variable interest entity ("VIE") or has a majority of the voting interest in the entity. We are deemed to be the primary beneficiary of a VIE when we have (i) the power to direct the activities of the VIE that most significantly impact its economic performance, and (ii) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. We do not consolidate entities in which the other parties have substantive kick-out rights to remove the Company's power to direct the activities, and most significantly impacting the economic performance, of the VIE. In determining whether we are the primary beneficiary, we consider factors such as ownership interest, management representation, authority to control decisions, and contractual and substantive participating rights of each party.

*Brookfield DTLA Fund Properties II LLC.* The Company earns a return through an indirect investment in Fund II. DTLA Holdings, the parent of Brookfield DTLA, owns all of the common interest in Fund II. Brookfield DTLA has an indirect preferred stock interest in Fund II and its wholly-owned subsidiary is the managing member of Fund II. The Company determined that Fund II is a VIE. As a result of having the power to direct the significant activities of Fund II that impact Fund II's economic performance, and the obligation to absorb losses of, or the right to receive benefits from, Fund II that could potentially be significant to the Fund II, Brookfield DTLA meets the two conditions for being the primary beneficiary of Fund II.

We consolidate entities through which we conduct substantially all of our business, and own, directly and through subsidiaries, substantially all of our assets. As of December 31, 2025, these consolidated VIEs had in aggregate total consolidated assets of \$1.7 billion (of which \$1.3 billion is related to investments in real estate) and total consolidated liabilities of \$1.8 billion (of which \$1.5 billion is related to non-recourse debt secured by our office and retail properties). The Company is obligated to repay substantially all of the liabilities of our consolidated VIEs, except for the non-recourse secured debt.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Investment in Unconsolidated Real Estate Joint Venture.* Fund II has a noncontrolling interest in a joint venture, Brookfield DTLA Fund Properties IV LLC (“Fund IV”), with DTLA FP IV Holdings. The Company determined that the joint venture is a VIE mainly because its equity investment at risk is insufficient to finance the joint venture’s activities without additional subordinated financial support. While the joint venture meets the definition of a VIE, Brookfield DTLA is not its primary beneficiary as the Company lacks the power through voting or similar rights to direct the activities that most significantly impact the joint venture’s economic performance. Therefore, the Company accounts for its ownership interest in the joint venture under the equity method. Under the equity method of accounting, we initially recognize Fund II’s investment in the joint venture at the fair value of the assets contributed, and subsequently adjust the joint venture’s carrying amount for Fund II’s share of the joint venture’s redemption value and other-than-temporary impairments (if any). The redemption value represents the amount to be distributed to Fund II in the event of termination or liquidation of the joint venture. Adjustments to the joint venture’s carrying amount to its redemption value are recorded in the consolidated statements of operations as equity in income (loss) of unconsolidated real estate joint venture. As of December 31, 2025 and 2024, the Company’s ownership interest in the unconsolidated real estate joint venture was 17.5% and 18.6%, respectively.

The liabilities of the joint venture may only be settled using the Beaudry assets and are not recourse to the Company. Brookfield DTLA’s exposure to its investment in the joint venture is limited to its investment balance and the Company has no obligation to make future contributions to the joint venture. Pursuant to the operating agreement of the joint venture, DTLA FP IV Holdings may be required to fund additional amounts for the Beaudry development, routine operating costs, and guaranties or commitments of the joint venture.

*Use of Estimates*

The preparation of consolidated 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 periods presented. The Company bases its estimates on historical experience and on various other assumptions that it considers to be reasonable under the circumstances. For example, estimates and assumptions have been made with respect to the useful lives of assets, recoverable amounts of receivables, impairment of long-lived assets, as well as the fair value of assets held for sale and debt. Actual results could ultimately differ from such estimates.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Significant Accounting Policies*

*Investments in Real Estate, Net*

Land is carried at cost. Buildings are recorded at historical cost and are depreciated on a straight-line basis over their estimated useful lives of up to 60 years. Building improvements are recorded at historical cost and are depreciated on a straight-line basis over their estimated useful lives, ranging from 5 years to 25 years. Land improvements are combined with building improvements for financial reporting purposes and are carried at cost. Tenant improvements that are determined to be assets of Brookfield DTLA are recorded at cost and amortized on a straight-line basis over the shorter of their estimated useful life or the applicable lease term, with the related amortization reported as part of depreciation and amortization expense in the consolidated statements of operations.

Depreciation expense related to investments in real estate during the years ended December 31, 2025 and 2024 totaled \$32.1 million and \$41.1 million, respectively, and is reported as part of depreciation and amortization expense in the consolidated statements of operations.

The Company capitalizes costs associated with capital expenditures and tenant improvements. Capitalization of costs is required while activities are ongoing to prepare an asset for its intended use. Costs incurred after the capital expenditures and tenant improvement projects are substantially complete and ready for their intended use are expensed as incurred. Expenditures for repairs and maintenance, real estate taxes and insurance are expensed as incurred.

*Impairment Review*

Investments in long-lived assets, including our investments in real estate, are individually reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the long-lived assets might not be recoverable, which is referred to as a “triggering event” or an “impairment indicator.” Indicators of potential impairment include the following:

- Change in strategy resulting in an increased or decreased holding period;
- Lower stabilized occupancy levels;
- Deterioration of the rental market as evidenced by rent decreases, record-high capital expense obligations, and/or elevated concessions such as tenant improvement, over numerous quarters;
- Properties with recent impairment issues that are adjacent to or located in the same submarket;
- Significant decrease in properties’ market price;
- Tenant financial problems; and/or
- Comparable market barriers of competitors in the same submarket.

The carrying amount of long-lived assets to be held and used is deemed not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the asset. Triggering events or impairment indicators for long-lived assets to be held and used are assessed by property and include significant fluctuations in estimated net operating income, changes in leasing activity, significant near-term lease expirations, current and historical operating and/or cash flow losses, rental rates, and other market factors.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

When conducting the impairment review of our investments in real estate, we assess the expected undiscounted cash flows based upon numerous factors. These factors include, but are not limited to, the credit quality of our tenants, available market information, known trends, current market/economic conditions that may affect the asset, and historical and forecasted financial and operating information relating to the property, such as net operating income, leasing activity statistics, vacancy projections, renewal percentage, and rent collection rates. If the undiscounted cash flows expected to be generated by a property are less than its carrying amount, the Company determines the fair value of the property and an impairment loss is recorded to write down the carrying amount of such property to its fair value. Based on its review, management concluded that no additional impairments were required on Brookfield DTLA's real estate properties during the each of the year ended December 31, 2025 and 2024.

The Company's investment in its unconsolidated real estate joint venture is also reviewed for impairment quarterly or when conditions exist that may indicate that the decrease in the carrying amount of the investment has occurred and is other than temporary. Triggering events or impairment indicators for the Company's unconsolidated real estate joint venture include its recurring operating losses, and other events such as significant changes in construction costs, estimated completion dates, intended holding periods, and other factors related to the Beaudry development. Upon determination that an other-than-temporary impairment has occurred, a write-down is recognized to reduce the carrying amount of the investment to its estimated fair value. Based on its review, management concluded that Brookfield DTLA's investment in its unconsolidated real estate joint venture was not impaired as of December 31, 2025 and 2024. During the year ended December 31, 2025, equity in loss of unconsolidated real estate joint venture increased significantly as a result of an impairment charge on investments in real estate related to the Beaudry, reflecting a decline in the fair value of Beaudry due to slower leasing velocity and demand in Downtown Los Angeles.

*Assets & Liabilities, Held for Sale*

As of December 31, 2025, assets and liabilities held for sale consisted of certain assets and liabilities of EY Plaza and BOA Plaza (the "Disposal Group"). As of 2024, assets and liabilities held for sale consisted of certain assets and liabilities of EY Plaza only. See [Note 14— Assets Classified as Held for Sale](#) for details.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

During the six months ended June 30, 2023, EY Plaza was placed into receivership by court due to defaults on loan secured by this property. Similarly, in June 2025, BOA Plaza was placed into receivership by court due to maturity default which occurred in September 2024. As a result of the receivers' appointment and its contractual rights, the receivers are managing the operations of the EY Plaza and BOA Plaza properties. We do not have direct access to the rental payments as tenants are required to deposit payments into restricted lockbox accounts, controlled by the receivers. While we retain an ownership interest in the properties, we no longer believe we will be able to successfully modify the loans encumbering these properties. We will cooperate in any sale or foreclosure of the properties and will focus on an orderly exit from the assets, although there is no assurance that we will be able to achieve a resolution on a timely basis. As a result, certain assets and liabilities of EY Plaza and BOA Plaza (the "Disposal Group") are classified as Held for Sale upon transfer to the receivership during the three months ended June 30, 2023 and June 30, 2025, respectively, as criteria set forth in the *Long-Lived Assets Classified as Held for Sale* Subsections of FASB Codification Topic 360 are met. The Company recorded an impairment charge for EY Plaza of \$21.1 million upon the transfer. No impairment charge was recorded upon classification to held for sale for BOA Plaza as the property's carrying amount is lower than its estimated fair value less costs to sell. The Disposal Group is reported at the lower of its carrying amount or its estimated fair value less costs to sell. Depreciation and amortization of the Disposal Group cease upon designation as held for sale.

EY Plaza and BOA Plaza were marketed for sale by the receivers in the second half of 2025 and the three months ended December 31, 2025, respectively.

Subsequent to December 31, 2025, in March 2026, a wholly-owned subsidiary of the Company entered into a purchase and sale agreement to sell FIGat7th for a gross sale price which will fully satisfy the outstanding debt. The disposition is expected to be completed in the second quarter of 2026. In connection with this disposition, certain assets and liabilities of FIGat7th will be classified as held for sale during the three months ended March 31, 2026 as criteria set forth in the *Long-Lived Assets Classified as Held for Sale* Subsections of FASB Codification Topic 360 are met. Net sales proceeds from the disposition will be used to make repayment on the mortgage loan of \$61.7 million secured by this property.

*Cash and Cash Equivalents*

Cash and cash equivalents include cash, deposits with major commercial banks, and short-term investments with an original maturity of three months or less.

*Restricted Cash*

Restricted cash consists primarily of deposits for leasing costs, tenant improvements and capital expenditures; real estate taxes and insurance reserves, debt service reserves and other items as required by certain of the Company's secured debt agreements. It also includes cash accounts controlled by loan administrative agents, receivers or lenders pursuant to cash sweep events associated with the loans secured by certain properties. See [Note 3 — Restricted Cash](#) for details.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Rents, Deferred Rents and Other Receivables, Net*

Deferred rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements.

The Company offers various types of lease incentives to induce tenants to sign a lease, including free rent lease periods, and various allowances such as cash paid to tenants and for tenant improvements that are the assets of the tenants. The Company records these allowances as tenant inducements, which are included in rents, deferred rents and other receivables in the consolidated balance sheet and amortized as a reduction to lease income on a straight-line basis over the term of the related lease.

Under ASC Topic 842, *Leases*, Brookfield DTLA must assess on an individual lease basis whether it is probable that the Company will collect future lease payments throughout the term of the lease. The Company considers the tenant's payment history and current credit status when assessing collectability. If the collectability of the lease payments is probable at lease commencement, the Company recognizes lease income over the term of the lease on a straight-line basis. During the term of the lease, Brookfield DTLA monitors the credit quality and any related material changes of our tenants by (i) reviewing financial statements of the tenants that are publicly available or that are required to be delivered to us pursuant to the applicable lease, (ii) monitoring news reports regarding our tenants and their respective businesses, (iii) monitoring the tenant's payment history and current credit status, and (iv) analyzing current economic trends, and reasonable and supportable forecasts of future economic conditions. When collectability is not deemed probable at the lease commencement date, the Company's lease income is constrained to the lesser of (i) the income that would have been recognized if collection were probable, or (ii) the lease payments that have been collected from the lessee. If the collectability assessment changes to probable after the lease commencement date, any difference between the lease income that would have been recognized if collectability had always been assessed as probable and the lease income recognized to date is recognized as a current-period adjustment to lease income. If the collectability assessment changes to not probable after the lease commencement date, lease income is reversed to the extent that the lease payments that have been collected from the lessee are less than the lease income recognized to date. Changes to the collectability of operating leases are recorded as adjustments to lease income in the consolidated statements of operations. As the result of our assessment of the collectability of amounts due under leases with our tenants, the Company wrote off (recovered) lease income that were (previously) deemed uncollectible totaling \$177 thousand and \$187 thousand, respectively, during the years ended December 31, 2025 and 2024.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Intangible Assets and Liabilities, Net*

Brookfield DTLA evaluates each acquisition of real estate to determine whether the integrated set of assets and activities meets the definition of a business and needs to be accounted for as a business combination. An acquisition of an integrated set of assets and activities that does not meet the definition of a business is accounted for as an asset acquisition. For acquisitions of real estates that are accounted for as business combinations, the Company allocates the acquisition consideration (excluding acquisition costs) to the assets acquired, liabilities assumed, noncontrolling interests, and any previously existing ownership interests at fair value as of the acquisition date. Acquired assets include tangible real estate assets consisting primarily of land, buildings, and tenant improvements, as well as identifiable intangible assets and liabilities, consisting primarily of acquired above- and below-market leases, in-place leases and tenant relationships.

The principal valuation technique employed by Brookfield DTLA in determining the fair value of identified assets acquired and liabilities assumed is the income approach, which is then compared to the cost approach. Tangible values for investments in real estate are calculated based on replacement costs for like-type quality assets. Above- and below-market lease values are determined by comparing in-place rents with current market rents. In-place lease amounts are determined by calculating the potential lost revenue during the replacement of the current leases in place. Leasing commissions and legal/marketing fees are determined based upon market allowances pro-rated over the remaining lease terms. Loans assumed in an acquisition are analyzed using current market terms for similar debt.

The value of acquired above- and below-market leases are amortized and recorded as either a decrease (in the case of above-market leases) or an increase (in the case of below-market leases) to lease income in the consolidated statements of operations over the remaining terms of the associated leases. The value of tenant relationships is amortized as an expense over the expected term of the relationship, which includes an estimated probability of lease renewal. The value of in-place leases is amortized as an expense over the remaining life of the leases. Amortization of tenant relationships and in-place leases is included as part of depreciation and amortization in the consolidated statements of operations.

*Deferred Charges, Net*

Deferred charges mainly include initial direct costs, primarily commissions related to the leasing of the Company's office properties, and are stated net of accumulated amortization of \$33.6 million and \$33.4 million as of December 31, 2025 and 2024, respectively.

All leasing commissions paid for new or renewed leases are capitalized and deferred. Deferred leasing costs are amortized on a straight-line basis over the initial fixed terms of the related leases as part of depreciation and amortization expense in the consolidated statements of operations. Costs to negotiate or arrange a lease, regardless of its outcome, such as tax or legal advice to negotiate lease terms, and lessor costs related to advertising or soliciting potential tenants, are expensed as incurred.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Due From/To Affiliates*

Amounts due from/to affiliates consisted of related party receivables from and payables due to affiliates of BPY and Brookfield Corporation, primarily related to lease income, parking revenue, and fees for property and asset management and other services. See [Note 12—“Related Party Transactions.”](#)

*Prepaid and Other Assets, Net*

Prepaid and other assets, net, mainly include prepaid insurance, and furniture, fixtures and equipment.

*Secured Debt, Net*

Debt secured by our properties is presented in the consolidated balance sheets net of unamortized debt financing costs.

Debt financing costs totaling \$163 thousand and \$1.5 million were amortized during the years ended December 31, 2025 and 2024, respectively, over the terms of the related loans using the effective interest method and are included as part of interest expense in the consolidated statements of operations. Any unamortized amounts remaining upon early repayment of debt are written off, and the related costs and accumulated amortization are removed from the consolidated balance sheets.

*Mezzanine Equity*

Mezzanine equity in the consolidated balance sheets is comprised of the Series A preferred stock, a Series A-1 preferred interest, a senior participating preferred interest, and a Series B preferred interest (collectively, the “[Preferred Interests](#)”). The Series A-1 preferred interest, senior participating preferred interest and Series B preferred interest are held by a noncontrolling interest holder. The Preferred Interests are classified as mezzanine equity because they are callable, and the holder of the Series A-1 preferred interest, senior participating preferred interest, Series B preferred interest, and some of the Series A preferred stock indirectly controls the ability to elect to redeem such instruments, through its controlling interest in the Company and its subsidiaries. There is no commitment or obligation on the part of Brookfield DTLA or DTLA Holdings to redeem the Preferred Interests.

The Preferred Interests included within mezzanine equity were recorded at fair value on the date of issuance and have been adjusted to the greater of their carrying amount or redemption value as of each reporting period. Adjustments to increase or decrease the carrying amount to redemption value are recorded in the consolidated statements of operations as redemption measurement adjustments.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Revenue Recognition*

*Lease Income*

Brookfield DTLA's lease income primarily represents revenue related to agreements for rental of our investments in real estate, subject to ASC Topic 842, *Leases*. All of the leases in which the Company is the lessor are classified as operating leases. The Company's leases do not have guarantees of residual value of the underlying assets. We manage the risk associated with the residual value of our leased assets by carefully selecting our tenants and monitoring their credit quality throughout their respective lease terms. Upon the expiration or termination of a lease, the Company often has the ability to re-lease the space with an existing tenant or to a new tenant within a reasonable amount of time.

The Company's lease income is comprised of variable payments including fixed and contingent rental payments and tenant recoveries. Fixed contractual payments from the Company's leases are recognized on a straight-line basis over the terms of the respective leases. This means that, with respect to a particular lease, actual amounts billed in accordance with the lease during any given period may be higher or lower than the amount of lease income recognized during the period. Straight-line rental revenue is commenced when the tenant assumes control of the leased premises.

Certain leases with retail tenants also provide for the payment by the lessee of additional rent based on a percentage of the tenant's sales. Percentage rents are recognized as lease income in the consolidated statements of operations only after the tenant sales thresholds have been achieved.

Tenant recoveries, including reimbursements of utilities, repairs and maintenance, common area expenses, real estate taxes and insurance, and other operating expenses, are recognized as part of lease income in the consolidated statements of operations in the period when the applicable expenses are incurred and the tenant's obligation to reimburse us arises.

Some of the Company's leases have termination options that allow the tenant to terminate the lease prior to the end of the lease term under certain circumstances. Termination options generally become effective halfway or further into the original lease term and require advance notification from the tenant and payment of a termination fee that reimburses the Company for a portion of the remaining rent under the original lease term and the undepreciated lease inception costs such as commissions, tenant improvements and lease incentives. Termination fees are recognized as part of lease income in the consolidated statements of operations at the later of when the tenant has vacated the space or the lease has expired, a fully executed lease termination agreement has been delivered to the Company, the amount of the fee is determinable and collectability of the fee is reasonably assured.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Parking Revenue*

Parking revenue is recognized in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, when the services are provided and the performance obligations are satisfied, which normally occurs at a point in time.

*Income Taxes*

Brookfield DTLA made elections to treat certain subsidiaries as real estate investment trusts (“REIT Subs”) pursuant to Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with the tax period ended December 31, 2013. The REIT Subs conduct their operations with the intent to continue to qualify as a REIT. Accordingly, such REIT Subs are not subject to U.S. federal income tax, provided that they continue to qualify as a REIT and make distributions to stockholders, if any, that generally equal or exceed its taxable income.

Brookfield DTLA has also elected to treat certain of its subsidiaries as taxable REIT subsidiaries (“TRS”). A TRS is permitted to engage in activities that the REIT cannot engage in directly, such as performing non-customary services for the Company’s tenants, holding assets that the Company cannot hold directly and conducting certain affiliate transactions. A TRS is subject to both federal and state income taxes. The Company’s various TRS did not have significant tax provisions or deferred income taxes during the years ended December 31, 2025 and 2024.

Qualification and taxation as a REIT depend upon REIT Subs’ ability to meet the various qualification tests imposed under the Code related to annual operating results, asset diversification, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that the REIT Subs will be organized or be able to operate in a manner so as to continue to qualify or remain qualified as REITs. If a REIT Sub fails to qualify as a REIT in any taxable year, it will be subject to federal and state income tax on our taxable income at regular corporate tax rates, and it may be ineligible to qualify as a REIT for four subsequent tax years. The REIT Subs may be subject to certain state or local income taxes, or franchise taxes on its REIT activities.

Brookfield DTLA Fund Office Trust Inc. was liquidated during March 2025 as part of an effort to simplify the holding structure. The 125 accommodating shareholders for this REIT were redeemed on February 18, 2025. The REIT adopted a plan of liquidation effective February 25, 2025 and was legally dissolved by the end of March 2025. A final short year corporate return, Form 1120, was filed for this entity. As a result of the dissolution, the net operating loss carryforwards (“NOLs”) associated with this REIT will be transferred to its owner, Brookfield DTLA Fund Office Trust Investor Inc.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

As of December 31, 2025 and 2024, REIT Subs and TRS had combined NOLs totaling \$712.2 million and \$461.9 million, respectively. Net operating losses generated prior to 2018 expire between 2033 and 2037. Net operating losses generated during 2018 and after have an indefinite carryover. REIT Subs and TRS do not expect to utilize these NOLs and as a result, the deferred tax assets have full valuation allowances and therefore no impact to the consolidated balance sheets as of December 31, 2025 and 2024.

The Company recognizes tax benefits from uncertain tax positions when it is probable that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more likely than not recognition threshold. The Company had no unrecognized tax benefits as of December 31, 2025 and 2024, and does not expect its unrecognized tax benefits balance to change during the next 12 months. As of December 31, 2025, the Company is statutorily open to audit by the Internal Revenue Service for the 2022 through 2024 tax years and is statutorily open to audit by state taxing authorities for the 2021 through 2024 tax years.

*Other Financial Instruments*

Brookfield DTLA's other financial instruments that are exposed to concentrations of credit risk consist primarily of cash and lease receivables. Brookfield DTLA assesses collectibility of lease receivables by monitoring the credit quality and any related material changes of our tenants. This involves (i) reviewing financial statements of the tenants that are publicly available or that are required to be delivered to us pursuant to the applicable lease, (ii) monitoring news reports regarding our tenants and their respective businesses, (iii) monitoring the tenant's payment history and current credit status, and (iv) analyzing current economic trends. As a consequence, management believes that its lease receivable credit risk exposure is limited. Brookfield DTLA places its temporary cash investments with federally insured institutions. Cash balances with any one institution may at times be in excess of the federally insured limits.

*Fair Value Measurements*

Under GAAP, the Company is required to measure certain financial instruments at fair value on a recurring basis, such as interest rate cap contracts. In addition, the Company is required to measure other financial instruments and balances at fair value on a non-recurring basis (e.g., carrying value of impaired long-lived assets such as investments in real estate and unconsolidated real estate joint venture). Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date and, in many cases, requires management to make a number of significant judgments. Based on the observable inputs used in the valuation techniques, Brookfield DTLA classifies its assets and liabilities measured and disclosed at fair value in accordance with a three-level hierarchy (i.e., Level 1, Level 2 and Level 3) established under ASC Topic 820, *Fair Value Measurement*.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

The Company estimates the fair value of its debt by calculating the credit-adjusted present value of principal and interest payments for each loan. The calculation incorporates observable market interest rates, which management considers to be Level 2 inputs, assumes that each loan will be outstanding until maturity, and excludes any options to extend the maturity date of the loan available per the terms of the loan agreement, if any. See [Note 11—“Fair Value Measurements and Disclosures”](#).

*Recently Issued Accounting Literature**New Accounting Pronouncements Adopted*

There have been no new accounting pronouncements adopted during the year ended December 31, 2025.

*Accounting Pronouncements Issued But Not Yet Adopted*

The Company does not anticipate any recently issued accounting standards pronouncements to have a significant impact on the consolidated financial position or results of operations in these or future consolidated financial statements.

**Note 3—Restricted Cash**

Restricted cash as of December 31, 2025 and 2024 is summarized as follows:

	As of December 31,	
	2025	2024
Cash sweep reserves	\$ 128,864	\$ 66,984
Receivership restricted cash balance	22,355	2,887
Tax and insurance	11,149	8,165
Leasing costs, tenant improvements and capital expenditure reserves	6,275	2,959
Parking and security deposit reserves	3,640	3,663
<b>Restricted Cash</b>	<b>\$ 172,283</b>	<b>\$ 84,658</b>

As of December 31, 2025, total restricted cash balance included \$79.8 million held for EY Plaza and BOA Plaza (which are in receivership), mainly comprised of \$50.2 million of cash sweep reserves, \$22.4 million of receivership restricted cash balance, \$3.6 million of parking and security deposit reserves, \$2.2 million of tax and insurance, and \$1.4 million of leasing costs, tenant improvements and capital expenditure reserves. As of December 31, 2024, total restricted cash balance included \$26.0 million held for EY Plaza (which was in receivership as of December 31, 2024), mainly comprised of \$19.2 million of cash sweep reserves, \$3.7 million parking and security deposit reserves and \$2.9 million of receivership restricted cash balance.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

**Note 4—Rents, Deferred Rents and Other Receivables, Net**

Brookfield DTLA’s rents, deferred rents and other receivables are comprised of the following:

	As of December 31,	
	2025	2024
Straight-line and other deferred rents	\$ 73,757	\$ 82,051
Tenant inducements receivable	29,458	26,737
Tenant receivables	4,546	6,277
Other receivables	1,390	1,973
Rents, deferred rents and other receivables, gross	109,151	117,038
Less: accumulated amortization of tenant inducements	(14,991)	(12,212)
<b>Rents, deferred rents and other receivables, net</b>	<b>\$ 94,160</b>	<b>\$ 104,826</b>
Less: rents, deferred rents and other receivables, net held for sale	(49,018)	(17,459)
<b>Rents, deferred rents and other receivables, net</b>	<b>\$ 45,142</b>	<b>\$ 87,367</b>

See [Note 2 “Basis of Presentation and Summary of Significant Accounting Policies— Rent, Deferred Rents and Other Receivables, Net”](#) for a discussion of assessments regarding the collectability of rents and deferred rent receivables and related adjustments made during the years ended December 31, 2025 and 2024.

**Note 5—Intangible Assets and Liabilities**

Brookfield DTLA’s intangible assets and liabilities are summarized as follows:

	As of December 31,	
	2025	2024
<i>Intangible Assets</i>		
In-place leases	\$ 8,235	\$ 8,878
Tenant relationships	434	644
Above-market leases	—	426
Intangible assets, gross	8,669	9,948
Less: accumulated amortization	(7,423)	(7,963)
Less: intangible assets held for sale	(113)	(86)
<b>Intangible assets, net</b>	<b>\$ 1,133</b>	<b>\$ 1,899</b>
<i>Intangible Liabilities</i>		
Below-market leases	\$ 1,852	\$ 1,852
Less: accumulated amortization	(340)	(189)
<b>Intangible liabilities, net</b>	<b>\$ 1,512</b>	<b>\$ 1,663</b>

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

A summary of the effect of amortization/accretion of intangible assets and liabilities reported in the consolidated financial statements is as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Lease income	\$ (411)	\$ (458)
Depreciation and amortization expense	\$ 328	\$ 756

As of December 31, 2025, amortization of intangible assets and liabilities in future periods is as follows:

	<u>In-Place Leases</u>	<u>Other Intangible Assets</u>	<u>Intangible Liabilities</u>
2026	\$ 113	\$ —	\$ 151
2027	113	—	151
2028	113	—	151
2029	113	—	151
2030	113	—	151
Thereafter	568	—	757
<b>Total future amortization of intangibles</b>	<u>\$ 1,133</u>	<u>\$ —</u>	<u>\$ 1,512</u>

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

**Note 6—Secured Debt, Net**

Brookfield DTLA’s secured debt as of December 31, 2025 and 2024 is as follows:

	Maturity Date	Contractual Interest Rates	Principal Amount as of December 31,	
			2025	2024
<b>Variable-Rate Loans:</b>				
EY Plaza <sup>(1)</sup>	4/12/2023	SOFR + 2.86%	\$ 275,000	\$ 275,000
EY Plaza <sup>(1)</sup>	4/12/2023	SOFR + 6.85%	30,000	30,000
Wells Fargo Center–South Tower <sup>(2)</sup>	11/4/2023	SOFR + 3.50%	266,946	266,946
Wells Fargo Center–North Tower <sup>(3)</sup>	1/8/2024	SOFR + 1.76%	400,000	400,000
Wells Fargo Center–North Tower <sup>(3)(5)</sup>	1/8/2024	SOFR + 4.11%	68,565	68,565
Wells Fargo Center–North Tower <sup>(3)(4)(5)</sup>	1/8/2024	SOFR + 5.11%	37,086	37,086
<b>Total variable-rate loans</b>			<b>1,077,597</b>	<b>1,077,597</b>
<b>Fixed-Rate Debt:</b>				
BOA Plaza	9/1/2024 <sup>(6)</sup>	4.05 %	400,000	400,000
FIGat7th <sup>(7)(8)</sup>	4/1/2026	8.00 %	61,685	60,515
<b>Total fixed-rate debt</b>			<b>461,685</b>	<b>460,515</b>
<b>Total secured debt, gross</b>			<b>1,539,282</b>	<b>1,538,112</b>
Less: unamortized debt financing costs			(25)	(189)
<b>Total secured debt, net</b>			<b>\$ 1,539,257</b>	<b>\$ 1,537,923</b>

- (1) In May 2023, the EY Plaza Loans were placed into receivership by court order due to defaults on loans secured by the property. In the second half of 2025, EY Plaza was marketed for sale by the receiver. As of the issuance date of this Annual Report, a buyer has been identified. See [Note 2 — Basis of Presentation and Summary of Significant Accounting Policies — Assets Held for Sale](#) for details.
- (2) The loan is currently in maturity default. Effective November 4, 2023, pursuant to the Forbearance and Loan Modification Agreement and subsequent amendment agreements, the lenders agreed to forbear from exercising its rights and remedies with respect to the defaults until May 4, 2026. During this forbearance period from November 4, 2023 through May 4, 2026, interest payments are temporarily suspended, while interests continue to accrue at the increased interest rate of SOFR+3.50%, compared to original interest rate of SOFR+1.91%. The property is currently in a cash sweep with the lenders.
- (3) The loans are currently in maturity default and a cash sweep. In April 2025, Brookfield DTLA was made aware of a notice of default (the "Notice") issued by the senior lenders' administrative loan agent to the borrower of the \$400.0 million Wells Fargo Center — North Tower senior loan, North Tower, LLC, a wholly-owned subsidiary of Brookfield DTLA. The Notice states that the lenders declared that all outstanding balances of the senior loan and interests to be immediately due and payable, and elected to foreclose on collateralized property.
- (4) Brookfield Corporation owns a significant interest in a company whose subsidiary is the lender of this loan.
- (5) In October 2023, the Company entered into an amendment to the mezzanine loan agreements where the debt service payments under forbearance during the year ended December 31, 2023 shall be added to the outstanding loan balances. As of both December 31, 2025 and 2024, Mezzanine I and Mezzanine II loans included paid-in-kind ("PIK") interest of \$3.6 million and \$2.1 million, respectively.
- (6) The loan is currently in maturity default which triggered a cash sweep. In June 2025, BOA Plaza was placed into receivership by court order. During the three months ended December 31, 2025, BOA Plaza was marketed for sale by the receiver.
- (7) In March 2026, a wholly-owned subsidiary of the Company entered into a purchase and sale agreement to sell FIGat7th. The loan will mature on April 1, 2026, with an option to extend the maturity date to May 29, 2026 upon satisfaction of certain conditions related to the sale process of FIGat7th.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

- (8) The 8.0% fixed interest rate comprised of 6.0% payable current, and 2.0% deferred and payable at maturity. The 2.0% deferred interest (also called PIK interest) is added to the principal balance so that the interest is paid, together with the principal, at maturity. As of December 31, 2025 and 2024, the total amount of PIK interest included in the principal balance amounted \$3.2 million and \$2.0 million, respectively.

*Debt Maturities*

The following table provides information regarding the Company’s minimum future principal payments due on the Company’s secured debt as of December 31, 2025:

2026	\$	61,685
Principal loan balances with maturity prior to December 31, 2025		1,477,597
<b>Total secured debt</b>	<b>\$</b>	<b>1,539,282</b>

*Non-Recourse Carve Out Guarantees*

All of our secured debt is subject to “non-recourse carve out” guarantees that expire upon elimination of the underlying loan obligations. In connection with these loans, Brookfield DTLA entered into “non-recourse carve out” guarantees, which provide for these otherwise non-recourse loans to become partially or fully recourse against DTLA Holdings, if certain triggering events (as defined in the loan agreements) occur. None of these triggering events occurred during the year ended December 31, 2025.

**Note 7—Accounts Payable and Other Liabilities**

Brookfield DTLA’s accounts payable and other liabilities are comprised of the following:

	As of December 31,	
	2025	2024
Tenant improvements and inducements payable	\$ 7,232	\$ 10,392
Unearned rent and tenant payables	18,573	17,603
Accrued capital expenditures and leasing commissions	1,554	1,289
Accrued debt interest and penalty	223,138	117,200
Accrued expenses and other liabilities	15,528	4,635
<b>Accounts payable and other liabilities</b>	<b>\$ 266,025</b>	<b>\$ 151,119</b>
Less: Accounts payable and other liabilities held for sale	(19,903)	(13,293)
<b>Accounts payable and other liabilities</b>	<b>\$ 246,122</b>	<b>\$ 137,826</b>

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 8—Noncontrolling Interests**

*Mezzanine Equity Component*

Mezzanine equity in the consolidated balance sheets is comprised of the following:

*Series A Preferred Stock.* Brookfield DTLA is authorized to issue up to 10,000,000 shares of Series A preferred stock, \$0.01 par value per share, with a liquidation preference of \$25.00 per share. As of December 31, 2025 and 2024, 9,730,370 shares of Series A preferred stock were outstanding, of which 9,357,469 shares were issued to third parties and 372,901 shares were issued to DTLA Fund Holding Co., a subsidiary of DTLA Holdings.

*Series A Preferred Interest.* The Series A preferred interest in Fund II is indirectly held by the Company through wholly owned subsidiaries (subject to certain REIT accommodation preferred interests).

*Series A-1 Preferred Interest.* The Series A-1 preferred interest is held by DTLA Holdings or wholly-owned subsidiaries of DTLA Holdings.

*Senior Participating Preferred Interest.* Brookfield DTLA Fund Properties III LLC (“Fund III”), a wholly-owned subsidiary of DTLA Holdings, issued a senior participating preferred interest to DTLA Holdings in connection with the formation of Brookfield DTLA and the MPG acquisition.

*Series B Preferred Interest.* At the time of the merger with MPG, DTLA Holdings made a commitment to contribute up to \$260.0 million in cash or property to Fund II, which directly or indirectly owns the Brookfield DTLA properties. Pursuant to the latest amendments to the Limited Liability Company Agreement of Fund II, such contribution commitment by DTLA Holdings increased to \$425.0 million. As of December 31, 2025, \$60.8 million is available to the Company under this commitment for future funding. The Series B preferred interest in Fund II held by DTLA Holdings is senior to the interest in Fund II indirectly held by the Company and has a priority on distributions senior to the equity securities of such subsidiaries held indirectly by the Company and, as a result, rank senior to the Series A preferred stock. The Series B preferred interest in Fund II may limit the amount of funds available to the Company for any purpose, including for dividends or other distributions to holders of its capital stock, including the Series A preferred stock.

The Series A-1 preferred interest, senior participating preferred interest and Series B preferred interest are held by a noncontrolling interest holder. Series A preferred stock, Series A-1 preferred interest, senior participating preferred interest and Series B preferred interest (collectively, the “Preferred Interests”) are classified as mezzanine equity because they are callable, and the holder of the Series A-1 preferred interest, senior participating preferred interest, Series B preferred interest, and some of the Series A preferred stock indirectly controls the ability to elect to redeem such instruments, through its controlling interest in the Company and its subsidiaries. See [Note 9—“Mezzanine Equity.”](#)

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Stockholders' Deficit Component*

Common interests held by DTLA Holdings are presented as “noncontrolling interests” as part of Stockholders’ Deficit in the consolidated balance sheets.

**Note 9—Mezzanine Equity**

A summary of the change in mezzanine equity is as follows:

	Number of Shares of Series A Preferred Stock	Series A Preferred Stock	Noncontrolling Interests			Total Mezzanine Equity
			Series A-1 Preferred Interest	Senior Participating Preferred Interest	Series B Preferred Interest	
<b>Balance, December 31, 2023</b>	9,730,370	\$ 502,675	\$ 486,878	\$ (62)	\$ 206,247	\$ 1,195,738
Issuance of Series B preferred interest					12,431	12,431
Dividends		18,549				18,549
Preferred returns			17,212		20,118	37,330
Redemption measurement adjustments				8		8
Contributions from noncontrolling interests				162		162
Distributions to noncontrolling interests				(108)	(3,638)	(3,746)
<b>Balance, December 31, 2024</b>	<u>9,730,370</u>	<u>521,224</u>	<u>504,090</u>	<u>—</u>	<u>235,158</u>	<u>1,260,472</u>
Issuance of Series B preferred interest					156	156
Dividends		18,547				18,547
Preferred returns			17,213		22,209	39,422
Redemption measurement adjustments				—		—
Contributions from noncontrolling interests				—		—
Distributions to noncontrolling interests				—	(4)	(4)
<b>Balance, December 31, 2025</b>	<u>9,730,370</u>	<u>\$ 539,771</u>	<u>\$ 521,303</u>	<u>\$ —</u>	<u>\$ 257,519</u>	<u>\$ 1,318,593</u>

*Series A Preferred Stock*

As of December 31, 2025, the Series A preferred stock is reported at its redemption value of \$539.8 million calculated using the redemption price of \$243.3 million plus \$296.5 million of accumulated and unpaid dividends on such Series A preferred stock through December 31, 2025.

No dividends were declared on the Series A preferred stock during the years ended December 31, 2025 and 2024. Dividends on the Series A preferred stock are cumulative, and therefore, will continue to accrue at an annual rate of \$1.90625 per share.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

The Series A preferred stock does not have a stated maturity and is not subject to any sinking fund or mandatory redemption provisions. We may, at our option, redeem the Series A preferred stock, in whole or in part, for \$25.00 per share, plus all accumulated and unpaid dividends on such Series A preferred stock up to and including the redemption date. Other than as required under the “Distribution Waterfall” in this footnote, there is no commitment or obligation on the part of Brookfield DTLA or DTLA Holdings to redeem or make distributions to the Series A preferred stock. The Series A preferred stock is not convertible into or exchangeable for any other property or securities of Brookfield DTLA.

*Noncontrolling Interests*

There is no commitment or obligation on the part of Brookfield DTLA or DTLA Holdings to redeem the Preferred Interests.

*Series A-1 Preferred Interest*

As of December 31, 2025, the Series A-1 preferred interest is reported at its redemption value of \$521.3 million calculated using its liquidation value of \$225.7 million plus \$295.6 million of unpaid interest through December 31, 2025. Interest earned on the Series A-1 preferred interest is cumulative and accrues at an annual rate of 7.625%.

*Senior Participating Preferred Interest*

As of December 31, 2025, the senior participating preferred interest is reported at its redemption value of \$0.0 million using the 4.0% participating interest in the residual value of BOA Plaza, EY Plaza and FIGat7th upon disposition or liquidation.

*Series B Preferred Interest*

As of December 31, 2025, the Series B preferred interest is reported at its redemption value of \$257.5 million calculated using its liquidation value of \$203.2 million plus \$54.3 million of unpaid preferred returns on such Series B preferred interest through December 31, 2025. Brookfield DTLA is entitled to receive a market rate of return on its contributions, currently 9.0% as of December 31, 2025.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Distribution Waterfall*

Brookfield DTLA may, at its discretion, distribute all or a portion of its available cash (as defined in the limited liability company agreement of Fund II) in the following priority: (1)

- First to: Series B preferred interest unpaid preferred return
- Second to: Series B preferred interest unreturned preferred capital
- Third, proportionally in respect of unpaid preferred return to:
- Series A preferred interest unpaid preferred return (2)
- Series A-1 preferred interest unpaid preferred return (3)
- Fourth, proportionally in respect of unreturned capital to: (2) (4)
- Series A preferred interest unreturned capital
- Series A-1 preferred interest unreturned capital (3)
- And fifth to: Common interests to Brookfield DTLA and DTLA Holdings (5)

- (1) Cash available to Fund II arises from its interests in its investments. Fund II owns indirectly all of the interests in Wells Fargo Center–South Tower, Wells Fargo Center–North Tower, and an interest in the 755 South Figueroa development site which will decrease as capital is called to fund the development. See [Note 1 — “Organization and Description of Business”](#). In addition, Fund II owns 96% indirectly of the interests in EY Plaza, FIGat7th and BOA Plaza (the “Fund III Assets”). DTLA Holdings owns the remaining 4% interest in the Fund III Assets. The amounts due to DTLA Holdings on the senior participating preferred interest for its preferred return and unreturned capital in Fund III were fully paid as of December 31, 2015. All of Fund II’s interests in these assets are subject to certain REIT accommodation preferred interests. This waterfall may be affected by future equity issuances in respect of Fund II, Fund III, Fund IV, or their subsidiaries, and are subject to all of the indebtedness of the entities.
- (2) The Fund II Series A preferred interest is comprised of two parts, one is a preferred component with the analogous economic terms as the Company’s Series A Preferred Stock and a common component, which is junior to the preferred component of the Series A interest on analogous terms to the relationship between the Company’s Series A Preferred Stock and Common Stock. The Series A preferred interest is junior to the Fund II Series B preferred interest. See [Note 7 — “Noncontrolling Interests — Series B Preferred Interest”](#). Amounts paid in respect of the Fund II’s Series A preferred interest are generally available upon distribution to the Company for further distribution in respect of the Company’s Series A Preferred Stock, and, when and if distributed in respect of the Series A Preferred Stock, will be distributed first to accumulated and unpaid dividends and to reduce its unreturned liquidation capital.
- (3) DTLA Holdings in its capacity as the holder of the Series A-1 preferred interest can waive receipt of distributions that would otherwise be made to it in respect of the Series A-1 preferred interest and such amounts shall be paid instead to the Series A preferred interest or as otherwise provided by the subsequent provisions of the waterfall. Any amounts waived by DTLA Holdings shall not reduce the Series A-1 unpaid preferred return or unreturned capital.
- (4) Applicable if distribution is (a) in connection with a liquidating event or redemption or (b) at the election of Brookfield DTLA.
- (5) Based on the interests of the Series A and Series B interests of the Fund after repayment of the preferred capital portion of each of them, until the Senior A junior unreturned liquidation capital is reduced to zero.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 10—Stockholders’ Deficit**

*Common Stock*

Brookfield DTLA is authorized to issue up to 1,000,000 shares of common stock, \$0.01 par value per share. As of December 31, 2025 and 2024, 1,000 shares of common stock were issued and outstanding. No dividends were declared on the Company’s common stock during the years ended December 31, 2025 and 2024.

Brookfield DTLA has not paid any cash dividends on its common stock in the past. Any future dividends declared would be at the discretion of Brookfield DTLA’s board of directors and would depend on its financial condition, results of operations, contractual obligations and the terms of its financing agreements at the time a dividend is considered, and other relevant factors.

*Additional Paid-in Capital*

During the years ended December 31, 2025 and 2024, Brookfield DTLA recorded contributions to additional paid-in capital totaling \$0.1 million and \$0.5 million, respectively, from DTLA Holdings, which were used for general corporate purposes.

**Note 11— Fair Value Measurements and Disclosures**

*Fair Value Measurement*

ASC Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value. The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the “exit price”).

ASC Topic 820 established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three categories:

- Level 1— Quoted prices (unadjusted) in active markets that are accessible at the measurement date.
- Level 2— Observable prices that are based on inputs not quoted in active markets but corroborated by market data.
- Level 3— Unobservable prices that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Brookfield DTLA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible, as well as consider counterparty credit risk in its assessment of fair value.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)***Recurring Measurements—*

As of both December 31, 2025 and 2024, there were no assets or liabilities measured at fair value on a recurring basis.

*Nonrecurring Measurements—*

As of December 31, 2025 and 2024, there were no assets measured at fair value on a nonrecurring basis, as no additional impairments of Brookfield DTLA's real estate properties were recorded during the years ended December 31, 2025 and 2024.

The Company uses the discounted cash flow method to assess the fair value of investments in real estate. All inputs used to value investments in real estate fall within Level 3 of the fair value hierarchy. Even if observable market data is available, such inputs are considered Level 3 if any significant data point used in the valuation process is not observable. When estimating the fair value of our investments in real estate, we assessed the expected undiscounted cash flows based upon numerous factors. These factors include, but are not limited to, available market information, known trends, current market/economic conditions that may affect the asset, and historical and forecasted financial and operating information relating to the property, such as net operating income, leasing activity statistics, vacancy projections, renewal percentage, and rent collection rates. Fair value is primarily determined by discounting the expected future cash flows, generally over a term of 10 years including a terminal value based on the application of a capitalization rate to estimated year 11 cash flows. The measurement of the fair value of the Company's investment is impacted by the discount rate and terminal capitalization rate utilized in the discounted cash flows model which are significant unobservable inputs.

*Disclosures about Fair Value of Financial Instruments—*

Secured debt — The Company estimates the fair value of its debt by calculating the credit-adjusted present value of principal and interest payments for each loan. The calculation incorporates observable market interest rates (Level 2 inputs), assumes that each loan will be outstanding until maturity, and excludes any options to extend the maturity date of the loan available per the terms of the loan agreement, if any. For loans where the principal balance is higher than the reported appraised value, the fair value of the debt is set equal to the negative of the property floor, effectively setting the net fair value at \$0. The table below presents the estimated fair value and carrying value of the Company's secured debt included in liabilities:

	As of December 31,	
	2025	2024
Fair Value	\$ 1,539,082	\$ 1,545,231
Carrying Value	\$ 1,539,257	\$ 1,537,923

Other financial instruments — The carrying values of cash and cash equivalents, restricted cash, tenant and other receivables, other assets, accounts payable and other liabilities, and balances with affiliates approximate fair value because of the short-term nature of these instruments.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 12—Related Party Transactions**

*Management Agreements*

Certain subsidiaries of Brookfield DTLA have entered into arrangements with the Manager, pursuant to which the Manager provides property management and various other services. The following table presents the basis of fees incurred to the Manager and Brookfield affiliates during the years ended December 31, 2025 and 2024:

<b>Fee Type</b>	<b>Affiliate</b>	<b>Fee Description</b>
Property management	The Manager	2.75% of rents collected / gross receipts (as defined in the management agreements)
Leasing	The Manager and Brookfield affiliates	1.00% to 4.00% of expected rents, depending on the terms of the lease and whether a third-party broker was paid a commission for the transaction
Construction management	The Manager	3.00% of hard and soft construction costs
Entitlement	Affiliate of the Manager	20.00% of the entitlement costs incurred by BOA Plaza, if the entitlement budget is less than \$3,000,000

A summary of fees and costs incurred by the applicable Brookfield DTLA subsidiaries under these arrangements is as follows:

	<b>For the Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Property management (1)	\$ 3,900	\$ 5,427
Leasing	\$ 847	\$ 228
Construction management (1)	\$ 21	\$ 182
Entitlement	\$ 2	\$ 54
General, administrative and reimbursable expenses	\$ 1,147	\$ 2,459

(1) The court-appointed receiver ended the Brookfield management agreements on August 1, 2023 for EY Plaza and June 1, 2025 for BOA Plaza.

Property management fee and general, administrative and reimbursable expenses are included in rental property operating and maintenance expense in the consolidated statements of operations. Leasing fees are capitalized as deferred charges, construction management and entitlement fees are capitalized as part of investments in real estate.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

*Insurance Agreements*

Properties held by certain Brookfield DTLA subsidiaries and affiliates are covered under insurance policies entered into by the Manager. Insurance premiums for Brookfield DTLA’s properties are paid by the Manager. Brookfield DTLA reimburses the Manager for fees and expenses related to such policies that have been allocated to the Company’s properties as determined by the Manager in its reasonable discretion taking into consideration certain facts and circumstances, including the value of the Company’s properties.

A summary of costs incurred by the applicable Brookfield DTLA subsidiaries and affiliates under this arrangement, which are included in rental property operating and maintenance expense in the consolidated statements of operations, is as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Insurance expense (1)	\$ 9,911	\$ 11,975

(1) The Company’s terrorism insurance coverage is purchased through a captive facility that is an affiliate of BPY. Insurance premiums incurred in connection with this arrangement totaled \$111 thousand and \$197 thousand, respectively, during the years ended December 31, 2025 and 2024.

*Other Related Party Transactions with Brookfield Corporation Affiliates*

A summary of the impact of other related party transactions with Brookfield Corporation affiliates on the Company’s consolidated statements of operations is as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Lease income (1)	\$ 19,222	\$ 13,006
Parking revenue (1)	\$ 988	\$ 988
Lease income — regional office (2)	\$ 1,448	\$ 1,404
Interest expense (3)	\$ 3,473	\$ 3,916

(1) In September 2019, Brookfield Corporation acquired a significant interest in Oaktree Capital Group, LLC (“Oaktree”), an existing tenant at Wells Fargo Center–North Tower. Lease income and parking revenue from Oaktree and its subsidiaries have been reported as related party transactions since the date of acquisition by Brookfield Corporation. During the year ended December 31, 2025, Wells Fargo Center—North Tower recorded an early lease termination income of \$7.5 million from Oaktree Capital Group, LLC in connection with the early termination of its lease.

(2) Represents lease income charged to Brookfield Properties (USA II) LLC by Wells Fargo Center–North Tower related to the Company’s regional office space effective May 2022.

(3) A subsidiary of Oaktree is the lender of the \$37.1 million Mezzanine II loan secured by Wells Fargo Center–North Tower. The loan is in maturity default. Since April 2023, the lender of the Mezzanine II loan agreed to forbear from exercising any remedy because of non-payment of the monthly debt service payments for the loan. Mezzanine II loan interest expense is reported in “interest expense” in the consolidated statements of operations. The interest payable balance was \$8.5 million and \$5.1 million as of December 31, 2025 and 2024, respectively, reported in “Due to Affiliates” in the consolidated balance sheets. As of both December 31, 2025 and 2024, \$2.1 million of forborne interest was included in the principal balance in accordance with the loan agreement as amended. See [Note 6—“Secured Debt, Net.”](#) for details.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

The Manager or its affiliates may incur certain out-of-pocket expenses on behalf of the Company and pass through such expenses at cost to the Company.

**Note 13—Future Minimum Base Rents**

Brookfield DTLA leases space to tenants primarily under non-cancelable operating leases that generally contain provisions for payment of base rent plus reimbursement of certain operating expenses. The table below presents the undiscounted cash flows for future minimum base rents on our non-cancelable office and retail leases as of December 31, 2025:

2026	\$	96,523
2027		86,034
2028		82,267
2029		75,301
2030		68,144
Thereafter		204,733
<b>Total future minimum base rents</b>	<b>\$</b>	<b>613,002</b>

**Note 14—Assets Classified as Held for Sale**

The major classes of assets and liabilities associated with the Disposal Group that were classified as held for sale as of December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Investments in real estate, net	\$ 594,697	\$ 267,727
Rents, deferred rents and other receivables, net	49,018	17,459
Intangible assets, net	113	86
Deferred charges, net	18,288	7,871
Prepaid and other assets, net	77	77
<b>Assets held for sale</b>	<b>\$ 662,193</b>	<b>\$ 293,220</b>
Accounts payable and other liabilities	\$ 19,903	\$ 13,293
<b>Liabilities associated with assets held for sale</b>	<b>\$ 19,903</b>	<b>\$ 13,293</b>

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 15—Commitments and Contingencies**

*Litigation*

Brookfield DTLA and its subsidiaries may be subject to pending legal proceedings and litigation incidental to its business. After consultation with legal counsel, management believes that any liability that may potentially result upon resolution of such matters is not expected to have a material adverse effect on the Company's business, financial condition or consolidated financial statements as a whole.

*Concentration of Tenant Credit Risk*

Credit risk arises from the possibility that tenants may be unable to fulfill their lease commitments. Brookfield DTLA's properties are typically leased to high credit-rated tenants for lease terms ranging from five to ten years, although we also enter into some shorter as well as longer-term leases. As our entire portfolio is located in the LACBD, any specific economic changes within that location could affect our tenant base, and by extension, our profitability.

Brookfield DTLA generally does not require collateral or other security from its tenants, other than security deposits or letters of credit. Our credit risk is mitigated by the high quality of our existing tenant base, review of prospective tenants' risk profiles prior to lease execution, and frequent monitoring of our tenant portfolio to identify problem tenants. However, since we may have a concentration of lease income from certain tenants, the inability of those tenants to make payments under their leases could have a material adverse effect on our results of operations, cash flows or financial condition.

*Capital Commitments*

As of December 31, 2025, the Company had \$15.0 million in tenant-related commitments, including tenant improvements, tenant inducements and leasing commissions, which are based on executed leases. As of December 31, 2025, \$7.5 million of our tenant-related commitments, including those related to properties under receivership, are expected to be paid in 2026.

*Liens*

There are certain mechanics liens that have been filed against EY Plaza which is currently under lender control due to events of default under the property debt (See [Note 6—“Secured Debt, Net.”](#)). These liens are for work completed by contractors and accrued by the Company but remain unpaid as of the date of this Annual Report. These liens are collateralized by the building's assets and attached to the property title and will either be resolved by the lender or transfer to the next owner of the property as part of the settlement of the related mortgage debt.

**BROOKFIELD DTLA FUND OFFICE TRUST INVESTOR INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**Note 16—Subsequent Events**

The Company has evaluated the impact of all subsequent events through March 26, 2026, which is the date that these consolidated financial statements were available to be issued. No material events, other than those disclosed elsewhere in these consolidated financial statements, have occurred subsequent to December 31, 2025, which require further disclosure in the consolidated financial statements.