

OFFICE PROPERTIES
INCOME TRUST

THIRD QUARTER 2022

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.

Detroit, MI

Exhibit 99.2



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Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this document.

Unless otherwise noted, all data presented in this supplemental operating and financial data report excludes three properties, which are encumbered by \$82.0 million of mortgage notes, owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

See page [14](#) for information regarding these joint ventures and related mortgage notes.

OPI
Nasdaq Listed

The Company:

Office Properties Income Trust, or OPI, we, our, or us, is a real estate investment trust, or REIT, focused on owning and leasing high quality office properties to tenants with high credit quality characteristics in select, growth-oriented U.S. markets. The majority of our properties are office buildings. OPI is included in 159 market indices and comprises more than 1% of the following indices as of September 30, 2022: BI North America Office REIT Valuation Peers (BROFFRTV), Bloomberg Real Estate Investment Trust Mid Cap Index (BBREMIDC), Invesco KBW Premium Yield Equity REIT ETF INAV Index (KBWYIV), Invesco S&P SmallCap Low Volatility ETF INAV Index (XSLVIV), Invesco S&P SmallCap Financials ETF INAV Index (PSCFIV) and Hoya Capital High Dividend Yield Index (GTR) (RIET).

Management:

OPI is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of September 30, 2022, RMR had over \$37 billion of real estate assets under management and the combined RMR managed companies had approximately \$12 billion of annual revenues, 2,100 properties and over 38,000 employees. We believe that being managed by RMR is a competitive advantage for OPI because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services if we were self managed.

Corporate Headquarters:

Two Newton Place
255 Washington Street, Suite 300
Newton, MA 02458-1634
(617) 219-1440

Stock Exchange Listing:

Nasdaq

Trading Symbols:

Common Shares: OPI
Senior Unsecured Notes due 2050: OPINL

Snapshot (as of September 30, 2022):

Total properties: 162
Rentable sq. ft.: 21.2 million
Percent leased: 90.7%

Board of Trustees

Donna D. Fraiche
Independent Trustee

Barbara D. Gilmore
Independent Trustee

John L. Harrington
Independent Trustee

William A. Lamkin
Independent Trustee

Elena B. Poptodorova
Lead Independent Trustee

Jeffrey P. Somers
Independent Trustee

Mark A. Talley
Independent Trustee

Jennifer B. Clark
Managing Trustee

Adam D. Portnoy
*Chair of the Board &
Managing Trustee*

Executive Officers

Christopher J. Bilotto
*President and Chief Operating
Officer*

Matthew C. Brown
Chief Financial Officer and Treasurer

Contact Information

Investor Relations

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Moody's: Baa3
S&P Global: BBB-

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OPI is followed by the analysts and its credit is rated by the rating agencies listed on this page. Please note that any opinions, estimates or forecasts regarding OPI's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of OPI or its management. OPI does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

Key Financial Data

(dollars in thousands, except per share data)

	As of and for the Three Months Ended					
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	As of 9/30/2022
Selected Balance Sheet Data:						
Total gross assets	\$ 4,507,422	\$ 4,578,277	\$ 4,703,791	\$ 4,737,595	\$ 4,699,286	
Total assets	\$ 3,968,986	\$ 4,062,658	\$ 4,197,693	\$ 4,241,683	\$ 4,239,878	
Total liabilities	\$ 2,562,821	\$ 2,647,208	\$ 2,740,611	\$ 2,744,974	\$ 2,733,898	
Total shareholders' equity	\$ 1,406,165	\$ 1,415,450	\$ 1,457,082	\$ 1,496,709	\$ 1,505,980	
Selected Income Statement Data:						
Rental income	\$ 137,683	\$ 141,316	\$ 147,354	\$ 147,287	\$ 147,572	
Net income (loss)	\$ 16,964	\$ (16,056)	\$ (13,407)	\$ 16,945	\$ 3,712	
NOI	\$ 85,546	\$ 92,416	\$ 96,481	\$ 92,379	\$ 93,579	
Adjusted EBITDAre	\$ 79,957	\$ 86,422	\$ 91,241	\$ 86,304	\$ 87,604	
FFO	\$ 53,802	\$ 58,622	\$ 62,722	\$ 62,567	\$ 63,951	
Normalized FFO	\$ 53,802	\$ 58,923	\$ 62,722	\$ 58,083	\$ 59,598	
CAD	\$ 28,072	\$ 37,823	\$ 51,006	\$ 42,649	\$ 30,877	
Rolling four quarter CAD	\$ 159,550	\$ 162,355	\$ 158,363	\$ 155,009	\$ 154,704	
Per Common Share Data (basic and diluted):						
Net income (loss)	\$ 0.35	\$ (0.33)	\$ (0.28)	\$ 0.35	\$ 0.08	
FFO	\$ 1.11	\$ 1.21	\$ 1.30	\$ 1.30	\$ 1.33	
Normalized FFO	\$ 1.11	\$ 1.22	\$ 1.30	\$ 1.20	\$ 1.24	
CAD	\$ 0.58	\$ 0.78	\$ 1.06	\$ 0.88	\$ 0.64	
Rolling four quarter CAD	\$ 3.30	\$ 3.36	\$ 3.28	\$ 3.21	\$ 3.21	
Dividends:						
Annualized dividends paid per share during the period	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20	
Annualized dividend yield (at end of period)	15.7%	11.0%	8.6%	8.9%	8.7%	
Normalized FFO payout ratio	49.5%	45.1%	42.3%	45.8%	44.4%	
Rolling four quarter CAD payout ratio	66.7%	65.5%	67.1%	68.5%	68.5%	

Capitalization:

Total common shares (at end of period)	48,566,206
Closing price (at end of period)	\$ 14.05
Equity market capitalization (at end of period)	\$ 682,355
Debt (principal balance)	2,419,901
Total market capitalization	<u>\$ 3,102,256</u>

Liquidity:

Cash and cash equivalents	\$ 14,005
Availability under \$750,000 unsecured revolving credit facility	615,000
Total liquidity	<u>\$ 629,005</u>

Condensed Consolidated Balance Sheets



OFFICE PROPERTIES
INCOME TRUST

(dollars in thousands, except per share data)

	September 30, 2022	December 31, 2021
ASSETS		
Real estate properties:		
Land	\$ 826,948	\$ 874,108
Buildings and improvements	3,049,397	3,036,978
Total real estate properties, gross	3,876,345	3,911,086
Accumulated depreciation	(538,436)	(495,912)
Total real estate properties, net	3,337,909	3,415,174
Assets of properties held for sale	4,498	26,598
Investments in unconsolidated joint ventures	35,070	34,838
Acquired real estate leases, net	396,263	505,629
Cash and cash equivalents	14,005	83,026
Restricted cash	1,520	1,489
Rents receivable	105,391	112,886
Due from related persons	464	—
Deferred leasing costs, net	63,951	53,883
Other assets, net	9,915	8,160
Total assets	<u>\$ 3,968,986</u>	<u>\$ 4,241,683</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 135,000	\$ —
Senior unsecured notes, net	2,185,974	2,479,772
Mortgage notes payable, net	72,841	98,178
Liabilities of properties held for sale	1,217	594
Accounts payable and other liabilities	152,945	142,609
Due to related persons	—	6,787
Assumed real estate lease obligations, net	14,844	17,034
Total liabilities	<u>2,562,821</u>	<u>2,744,974</u>
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value: 200,000,000 shares authorized, 48,566,206 and 48,425,665 shares issued and outstanding, respectively	486	484
Additional paid in capital	2,619,041	2,617,169
Cumulative net income	163,216	175,715
Cumulative common distributions	(1,376,578)	(1,296,659)
Total shareholders' equity	<u>1,406,165</u>	<u>1,496,709</u>
Total liabilities and shareholders' equity	<u>\$ 3,968,986</u>	<u>\$ 4,241,683</u>



Condensed Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Rental income	\$ 137,683	\$ 147,572	\$ 426,353	\$ 429,195
Expenses:				
Real estate taxes	16,414	20,067	49,642	52,133
Utility expenses	7,986	7,389	20,671	19,131
Other operating expenses	27,737	26,537	81,597	76,874
Depreciation and amortization	52,988	59,533	170,993	178,991
Loss on impairment of real estate	—	(3)	21,820	55,854
Acquisition and transaction related costs ⁽¹⁾	—	—	224	—
General and administrative ⁽²⁾	6,564	448	19,353	24,690
Total expenses	111,689	113,971	364,300	407,673
Gain on sale of real estate	16,925	36	7,437	54,154
Interest and other income	56	—	73	7
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,176, \$2,442, \$6,946 and \$7,366, respectively)	(24,969)	(26,929)	(78,923)	(84,728)
Loss on early extinguishment of debt	—	(2,274)	(77)	(14,068)
Income (loss) before income tax expense and equity in net losses of investees	18,006	4,434	(9,437)	(23,113)
Income tax expense	(90)	(34)	(431)	(348)
Equity in net losses of investees	(952)	(688)	(2,631)	(1,664)
Net income (loss)	\$ 16,964	\$ 3,712	\$ (12,499)	\$ (25,125)
Weighted average common shares outstanding (basic)	48,286	48,211	48,260	48,179
Weighted average common shares outstanding (diluted)	48,286	48,244	48,260	48,179
Per common share amounts (basic and diluted):				
Net income (loss)	\$ 0.35	\$ 0.08	\$ (0.27)	\$ (0.52)
Additional Data:				
General and administrative expenses / total assets (at end of period)	0.17%	0.01%	0.49%	0.58%
Non-cash straight line rent adjustments included in rental income	\$ 1,765	\$ 3,924	\$ 7,226	\$ 13,128
Lease value amortization included in rental income	\$ (204)	\$ (447)	\$ (780)	\$ (1,836)
Lease termination fees included in rental income	\$ 83	\$ 55	\$ 7,200	\$ 55
Non-cash amortization included in other operating expenses ⁽³⁾	\$ 121	\$ 121	\$ 363	\$ 363
Non-cash amortization included in general and administrative expenses ⁽³⁾	\$ 151	\$ 151	\$ 453	\$ 453

- (1) Acquisition and transaction related costs for the nine months ended September 30, 2022 represent costs related to an acquisition opportunity that did not materialize.
- (2) Incentive fees under our business management agreement with RMR are payable after the end of each calendar year, are calculated based on common share total return, as defined, and are included in general and administrative expense in our condensed consolidated statements of income (loss). In calculating net income (loss) in accordance with GAAP, we recognize estimated business management incentive fee expense, if any, in the first, second and third quarters. Although we recognize this expense, if any, in the first, second and third quarters for purposes of calculating net income (loss), we do not include such expense in the calculations of Adjusted EBITDA or Normalized FFO until the fourth quarter, when the amount of the business management incentive fee expense for the calendar year, if any, is determined. No estimated business management incentive fee expense was included in net income (loss) for the three and nine months ended September 30, 2022. Net income for the three months ended September 30, 2021 includes the reversal of \$6,627 of previously accrued estimated business management incentive fee expense. Net loss for the nine months ended September 30, 2021 includes \$4,484 of estimated business management incentive fee expense.
- (3) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our former investment in The RMR Group Inc., or RMR Inc., common stock in June 2015. This liability is being amortized on a straight line basis through December 31, 2035 as an allocated reduction to business management fee expense and property management fee expense, which are included in general and administrative and other operating expenses, respectively.

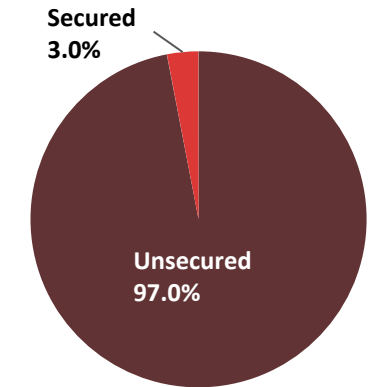
Debt Summary

As of September 30, 2022

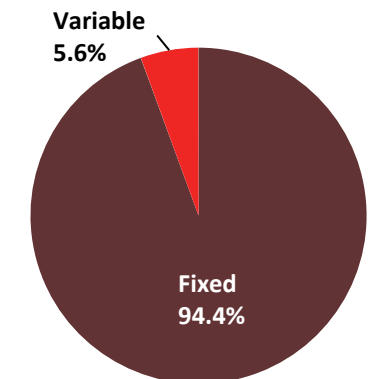
(dollars in thousands)

	Coupon Rate ⁽¹⁾	Interest Rate ⁽²⁾	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Floating Rate Debt:						
\$750,000 unsecured revolving credit facility ^{(3) (4)}	3.918%	3.918%	\$ 135,000	1/31/2023	\$ 135,000	0.3
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2024	4.250%	4.404%	350,000	5/15/2024	350,000	1.6
Senior unsecured notes due 2025	4.500%	4.521%	650,000	2/1/2025	650,000	2.3
Senior unsecured notes due 2026	2.650%	2.815%	300,000	6/15/2026	300,000	3.7
Senior unsecured notes due 2027	2.400%	2.541%	350,000	2/1/2027	350,000	4.3
Senior unsecured notes due 2031	3.450%	3.550%	400,000	10/15/2031	400,000	9.0
Senior unsecured notes due 2050	6.375%	6.375%	162,000	6/23/2050	162,000	27.7
Subtotal / weighted average	3.825%	3.918%	2,212,000		2,212,000	5.8
Secured Fixed Rate Debt:						
Mortgage debt - One property in Chicago, IL	3.700%	4.210%	50,000	6/1/2023	50,000	0.7
Mortgage debt - One property in Washington, DC ⁽⁵⁾	4.800%	4.190%	22,901	6/1/2023	22,584	0.7
Subtotal / weighted average	4.046%	4.204%	72,901		72,584	0.7
Total / weighted average	3.837%	3.927%	\$ 2,419,901		\$ 2,419,584	5.3

Secured vs. Unsecured Debt



Fixed vs. Variable Rate Debt



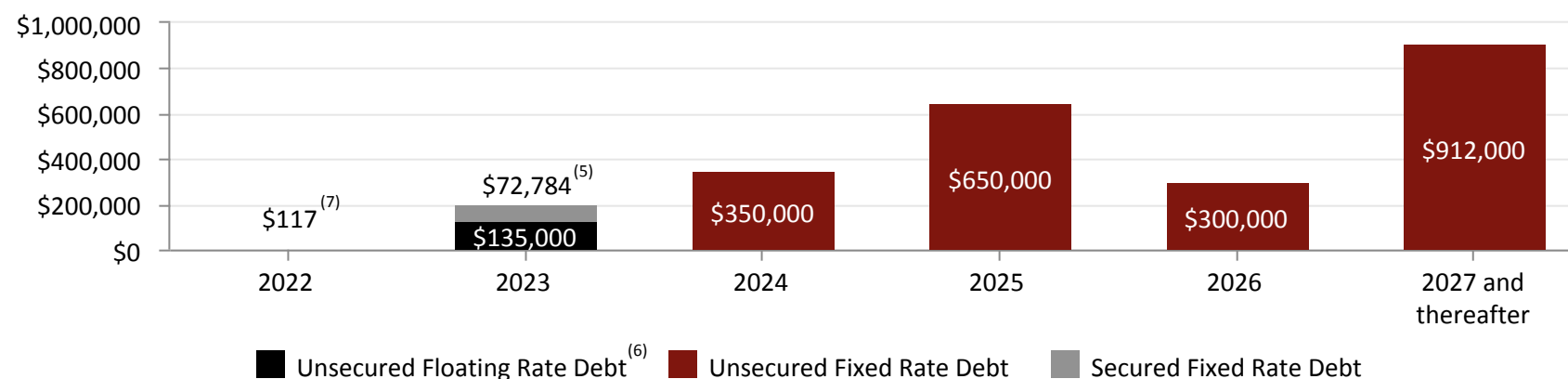
See accompanying notes on the following page.

Debt Maturity Schedule

As of September 30, 2022

(dollars in thousands)

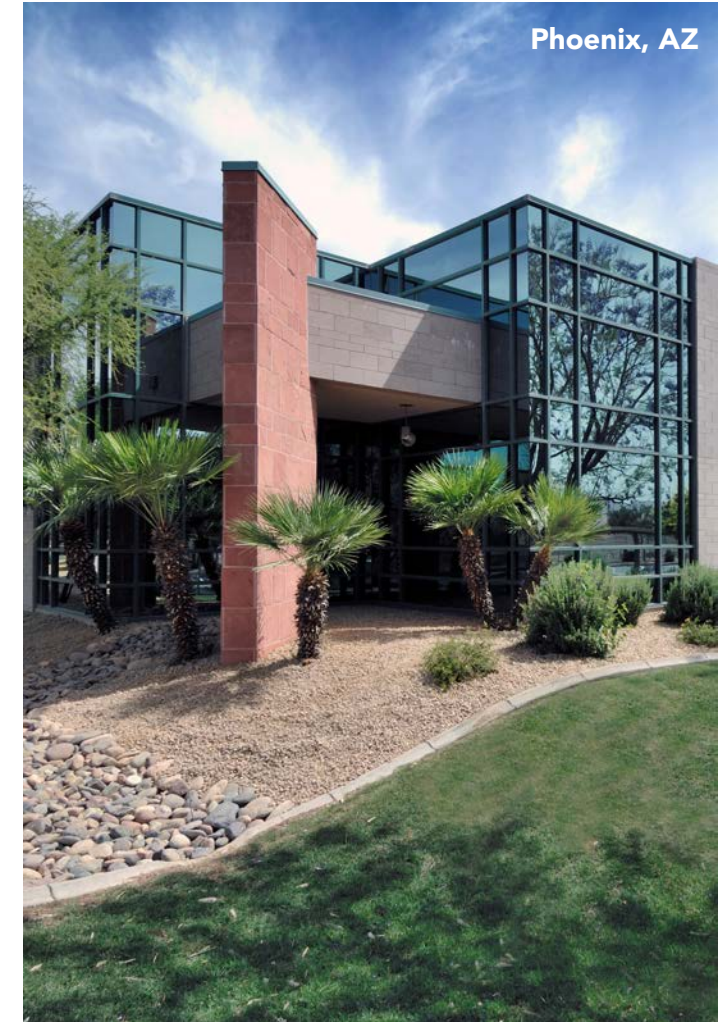
Year	Unsecured Floating Rate Debt	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total Debt	% of Total Debt
2022	\$ —	\$ —	\$ 117	\$ 117	—%
2023	135,000 ⁽⁶⁾	—	72,784 ⁽⁵⁾	207,784	8.6%
2024	—	350,000	—	350,000	14.4%
2025	—	650,000	—	650,000	26.9%
2026	—	300,000	—	300,000	12.4%
2027 and thereafter	—	912,000	—	912,000	37.7%
Total principal balance	\$ 135,000	\$ 2,212,000	\$ 72,901	\$ 2,419,901	100.0%
Percent of total principal balance	5.6%	91.4%	3.0%	100.0%	



- (1) Reflects the interest rate stated in, or determined pursuant to, the contract terms.
- (2) Includes the effect of mark to market accounting for certain mortgages and discounts and premiums on senior unsecured notes. Excludes the effect of debt issuance costs amortization.
- (3) We are required to pay interest on borrowings under our revolving credit facility at a rate of LIBOR plus a premium of 110 basis points per annum. We also pay a facility fee of 25 basis points per annum on the total amount of lending commitments under our revolving credit facility. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. The interest rate listed is as of September 30, 2022 and excludes the 25 basis point facility fee. Subject to the payment of an extension fee and meeting certain other conditions, we may extend the maturity date of our revolving credit facility by two additional six month periods.
- (4) The maximum aggregate borrowing availability under the credit agreement governing our revolving credit facility may be increased to up to \$1,950,000 in certain circumstances.
- (5) In October 2022, we prepaid \$22,901 of secured fixed rate debt with a June 2023 maturity, at a discounted amount of \$22,176 plus accrued interest.
- (6) Represents the amount, if any, outstanding under our revolving credit facility at September 30, 2022.
- (7) Represents Secured Fixed Rate Debt payments in 2022.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

Phoenix, AZ



	As of and for the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Leverage Ratios:					
Net debt / total gross assets	53.4%	54.4%	53.4%	53.3%	54.4%
Net debt / gross book value of real estate assets	47.7%	49.4%	49.1%	49.0%	50.4%
Secured debt / total assets	1.8%	1.8%	2.3%	2.3%	2.3%
Variable rate debt / net debt	5.6%	9.2%	0.0%	0.0%	0.0%
Coverage Ratios:					
Adjusted EBITDAre / interest expense	3.2x	3.3x	3.3x	3.1x	3.3x
Net debt / rolling four quarter Adjusted EBITDAre ⁽¹⁾	7.0x	7.1x	7.2x	7.2x	7.2x
Public Debt Covenants:					
Total debt / adjusted total assets (maximum 60.0%)	47.4%	48.4%	49.2%	49.2%	49.9%
Secured debt / adjusted total assets (maximum 40.0%)	1.4%	1.4%	1.8%	1.9%	1.9%
Consolidated income available for debt service / debt service (minimum 1.50x)	3.2x	3.4x	3.5x	3.5x	3.6x
Total unencumbered assets / unsecured debt (minimum 150.0%)	209.5%	204.9%	200.7%	200.7%	197.8%

(1) The ratio of net debt / annualized Adjusted EBITDAre for the three months ended September 30, 2022 was 7.5x.

Capital Expenditures Summary and Significant Redevelopment Information

(dollars and sq. ft. in thousands, except per sq. ft. data)

Capital Expenditures Summary

	For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Lease related costs	\$ 17,297	\$ 16,131	\$ 8,664	\$ 7,492	\$ 17,074
Building improvements	8,585	4,702	2,783	8,545	9,267
Recurring capital expenditures	25,882	20,833	11,447	16,037	26,341
Development, redevelopment and other activities	36,811	40,302	37,524	25,327	13,272
Total capital expenditures	<u>\$ 62,693</u>	<u>\$ 61,135</u>	<u>\$ 48,971</u>	<u>\$ 41,364</u>	<u>\$ 39,613</u>
Average rentable sq. ft. during period	21,851	22,716	23,106	23,273	23,683
Building improvements per average sq. ft. during period	\$ 0.39	\$ 0.21	\$ 0.12	\$ 0.37	\$ 0.39

Significant Redevelopment Information as of September 30, 2022

Address	Location	Sq. Ft.	Estimated Project Costs ⁽²⁾	Total Costs Incurred	Estimated Completion ⁽³⁾
20 Massachusetts Avenue ⁽¹⁾	Washington, D.C.	340	\$ 215,000	\$ 125,667	Q2 2023
351, 401, 501 Elliott Ave West	Seattle, WA	300	162,000	27,934	Q2 2023
Total significant redevelopment projects		<u>640</u>	<u>\$ 377,000</u>	<u>\$ 153,601</u>	

(1) Upon completion of this redevelopment project, the property will contain approximately 430 rentable sq. ft.

(2) Estimated project costs include future, estimated lease related costs that will be incurred subsequent to the estimated completion date.

(3) Estimated completion date can depend on various factors, including when lease agreements are signed with tenants. Therefore, the actual completion dates may vary.



Montgomery, AL

Property Acquisitions and Dispositions Information Since January 1, 2022

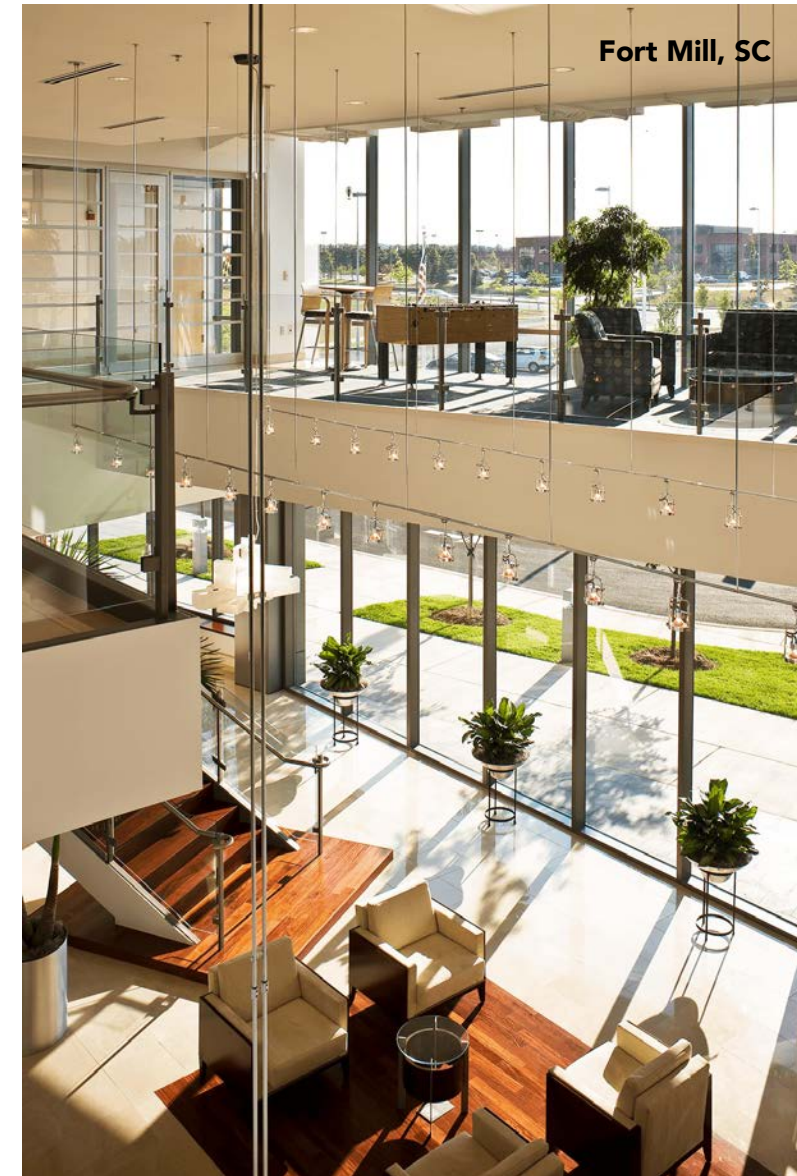
(dollars and sq. ft. in thousands)

Acquisitions:

We have not acquired any properties since January 1, 2022.

Dispositions:

Date Sold	Location	Number of Properties	Sq. Ft.	Gross Sales Price
1/14/2022	Rockville, MD	1	129	\$ 6,750
2/10/2022	Chesapeake, VA	2	172	18,945
3/31/2022	Milwaukee, WI	1	29	3,775
5/10/2022	Holtsville, NY	1	264	28,500
6/28/2022	Fairfax, VA	1	184	19,750
7/11/2022	Houston, TX	1	206	9,800
8/24/2022	Birmingham, AL	3	448	16,050
8/29/2022	Erlanger, KY	1	86	2,600
9/13/2022	Chesapeake, VA	2	214	24,000
9/16/2022	Everett, WA	2	112	31,500
9/16/2022	Salem, OR	1	233	34,250
	Total	16	2,077	\$ 195,920



Investments in Unconsolidated Joint Ventures

As of September 30, 2022

(dollars and sq. ft. in thousands)

Unconsolidated Joint Ventures:

Joint Venture	OPI Ownership	OPI Investment	Number of Properties	Location	Sq. Ft.	Occupancy	Weighted Average Remaining Lease Term ⁽¹⁾
Prosperity Metro Plaza	51%	\$ 19,586	2	Fairfax, VA	329	74.9%	3.4 years
1750 H Street, NW	50%	15,484	1	Washington, D.C.	115	37.8%	10.1 years
Total / Weighted Average		<u>\$ 35,070</u>	<u>3</u>		<u>444</u>	65.3%	4.5 years

Outstanding Unconsolidated Debt:

Joint Venture	OPI Ownership	Interest Rate ⁽²⁾	Maturity Date	Principal Balance	Annualized Debt Service	Principal Balance at Maturity	OPI Share of Principal Balance ⁽³⁾
Prosperity Metro Plaza ⁽⁴⁾	51%	4.090%	12/1/2029	\$ 50,000	\$ 2,045	\$ 45,246	\$ 25,500
1750 H Street, NW	50%	3.690%	8/1/2024	32,000	1,181	32,000	16,000
Total / Weighted Average		3.934%		<u>\$ 82,000</u>	<u>\$ 3,226</u>	<u>\$ 77,246</u>	<u>\$ 41,500</u>

Results of Operations - Unconsolidated Joint Ventures: ⁽⁵⁾

	For the Three Months Ended September 30, 2022			For the Nine Months Ended September 30, 2022		
	Prosperity Metro Plaza	1750 H Street, NW	Total	Prosperity Metro Plaza	1750 H Street, NW	Total
Equity in losses	\$ (421)	\$ (531)	\$ (952)	\$ (1,035)	\$ (1,596)	\$ (2,631)
Depreciation and amortization	653	122	775	1,905	364	2,269
Other expenses, net ⁽⁶⁾	251	149	400	765	465	1,230
NOI	483	(260)	223	1,635	(767)	868
Lease value amortization included in rental income ⁽⁷⁾	(1)	—	(1)	(3)	—	(3)
Non-cash straight line rent adjustments included in rental income ⁽⁷⁾	(90)	(18)	(108)	(95)	(14)	(109)
Cash Basis NOI	<u>\$ 392</u>	<u>\$ (278)</u>	<u>\$ 114</u>	<u>\$ 1,537</u>	<u>\$ (781)</u>	<u>\$ 756</u>
Distributions received / (contributions) paid by OPI	<u>\$ —</u>	<u>\$ (712)</u>	<u>\$ (712)</u>	<u>\$ 51</u>	<u>\$ (2,914)</u>	<u>\$ (2,863)</u>

(1) Lease term is weighted based on annualized rental income.

(2) Includes the effect of interest rate protection and mark to market accounting.

(3) Reflects our proportionate share of the principal debt balances based on our ownership percentage of the applicable joint venture; none of the debt is recourse to us.

(4) The mortgage loan requires interest-only payments through December 2024, at which time the loan requires principal and interest payments through its maturity date.

(5) Reflects our proportionate share of operating results based on our ownership percentage of the respective joint ventures.

(6) Includes interest expense, net of other income.

(7) Our unconsolidated joint ventures report rental income on a straight line basis over the terms of the respective leases; accordingly, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to the unconsolidated joint ventures by their tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

Calculation and Reconciliation of NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended					For the Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Calculation of NOI and Cash Basis NOI:							
Rental income	\$ 137,683	\$ 141,316	\$ 147,354	\$ 147,287	\$ 147,572	\$ 426,353	\$ 429,195
Property operating expenses	(52,137)	(48,900)	(50,873)	(54,908)	(53,993)	(151,910)	(148,138)
NOI	85,546	92,416	96,481	92,379	93,579	274,443	281,057
Non-cash straight line rent adjustments included in rental income	(1,765)	(2,775)	(2,686)	(2,240)	(3,924)	(7,226)	(13,128)
Lease value amortization included in rental income	204	233	343	452	447	780	1,836
Lease termination fees included in rental income	(83)	(2,175)	(4,942)	(761)	(55)	(7,200)	(55)
Non-cash amortization included in property operating expenses ⁽¹⁾	(121)	(121)	(121)	(121)	(121)	(363)	(363)
Cash Basis NOI	<u>\$ 83,781</u>	<u>\$ 87,578</u>	<u>\$ 89,075</u>	<u>\$ 89,709</u>	<u>\$ 89,926</u>	<u>\$ 260,434</u>	<u>\$ 269,347</u>
Reconciliation of Net Income (Loss) to NOI and Cash Basis NOI:							
Net income (loss)	\$ 16,964	\$ (16,056)	\$ (13,407)	\$ 16,945	\$ 3,712	\$ (12,499)	\$ (25,125)
Equity in net losses of investees	952	833	846	837	688	2,631	1,664
Income tax expense (benefit)	90	(190)	531	(97)	34	431	348
Income (loss) before income tax expense (benefit) and equity in net losses of investees	18,006	(15,413)	(12,030)	17,685	4,434	(9,437)	(23,113)
Loss on early extinguishment of debt	—	77	—	—	2,274	77	14,068
Interest expense	24,969	26,515	27,439	27,657	26,929	78,923	84,728
Interest and other income	(56)	(16)	(1)	—	—	(73)	(7)
(Gain) loss on sale of real estate	(16,925)	11,637	(2,149)	(24,200)	(36)	(7,437)	(54,154)
General and administrative	6,564	7,083	5,706	2,168	448	19,353	24,690
Acquisition and transaction related costs ⁽²⁾	—	224	—	—	—	224	—
Loss on impairment of real estate	—	4,773	17,047	6,566	(3)	21,820	55,854
Depreciation and amortization	52,988	57,536	60,469	62,503	59,533	170,993	178,991
NOI	85,546	92,416	96,481	92,379	93,579	274,443	281,057
Non-cash amortization included in property operating expenses ⁽¹⁾	(121)	(121)	(121)	(121)	(121)	(363)	(363)
Lease termination fees included in rental income	(83)	(2,175)	(4,942)	(761)	(55)	(7,200)	(55)
Lease value amortization included in rental income	204	233	343	452	447	780	1,836
Non-cash straight line rent adjustments included in rental income	(1,765)	(2,775)	(2,686)	(2,240)	(3,924)	(7,226)	(13,128)
Cash Basis NOI	<u>\$ 83,781</u>	<u>\$ 87,578</u>	<u>\$ 89,075</u>	<u>\$ 89,709</u>	<u>\$ 89,926</u>	<u>\$ 260,434</u>	<u>\$ 269,347</u>

- (1) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our former investment in RMR Inc. common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees expense, which is included in property operating expenses.
- (2) For more information regarding acquisition and transaction related costs, see footnote (1) on page 8.

Reconciliation and Calculation of Same Property NOI and Same Property Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
Reconciliation of NOI to Same Property NOI:				
Rental income	\$ 137,683	\$ 147,572	\$ 426,353	\$ 429,195
Property operating expenses	(52,137)	(53,993)	(151,910)	(148,138)
NOI	85,546	93,579	274,443	281,057
Less: NOI of properties not included in same property results	(1,199)	(7,811)	(34,793)	(37,713)
Same Property NOI	<u>\$ 84,347</u>	<u>\$ 85,768</u>	<u>\$ 239,650</u>	<u>\$ 243,344</u>
Calculation of Same Property Cash Basis NOI:				
Same Property NOI	\$ 84,347	\$ 85,768	\$ 239,650	\$ 243,344
Add: Lease value amortization included in rental income	180	352	1,105	1,504
Less: Non-cash straight line rent adjustments included in rental income	(1,817)	(3,674)	(6,237)	(12,209)
Lease termination fees included in rental income	(83)	(55)	(3,465)	(55)
Non-cash amortization included in property operating expenses ⁽¹⁾	(109)	(98)	(313)	(273)
Same Property Cash Basis NOI	<u>\$ 82,518</u>	<u>\$ 82,293</u>	<u>\$ 230,740</u>	<u>\$ 232,311</u>



Miami, FL

(1) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our former investment in RMR Inc. common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees expense, which is included in other operating expenses.

Calculation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended				For the Nine Months Ended		
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Net income (loss)	\$ 16,964	\$ (16,056)	\$ (13,407)	\$ 16,945	\$ 3,712	\$ (12,499)	\$ (25,125)
Add (less): Interest expense	24,969	26,515	27,439	27,657	26,929	78,923	84,728
Income tax expense (benefit)	90	(190)	531	(97)	34	431	348
Depreciation and amortization	52,988	57,536	60,469	62,503	59,533	170,993	178,991
EBITDA	95,011	67,805	75,032	107,008	90,208	237,848	238,942
Add (less): Loss on impairment of real estate	—	4,773	17,047	6,566	(3)	21,820	55,854
(Gain) loss on sale of real estate	(16,925)	11,637	(2,149)	(24,200)	(36)	(7,437)	(54,154)
Distributions received from unconsolidated joint ventures	—	—	51	153	153	51	459
Equity in losses of unconsolidated joint ventures	952	833	846	837	688	2,631	1,664
EBITDAre	79,038	85,048	90,827	90,364	91,010	254,913	242,765
Add (less): Acquisition and transaction related costs ⁽¹⁾	—	224	—	—	—	224	—
General and administrative expense paid in common shares ⁽²⁾	919	1,073	414	424	947	2,406	2,444
Estimated business management incentive fees ⁽³⁾	—	—	—	(4,484)	(6,627)	—	4,484
Loss on early extinguishment of debt	—	77	—	—	2,274	77	14,068
Adjusted EBITDAre	\$ 79,957	\$ 86,422	\$ 91,241	\$ 86,304	\$ 87,604	\$ 257,620	\$ 263,761

- (1) For more information regarding acquisition and transaction related costs, see footnote (1) on page 8.
- (2) Amounts represent equity based compensation to our Trustees, our officers and certain other employees of RMR.
- (3) For more information regarding business management incentive fees, see footnote (2) on page 8.

Calculation of FFO, Normalized FFO and CAD

(amounts in thousands, except per share data)

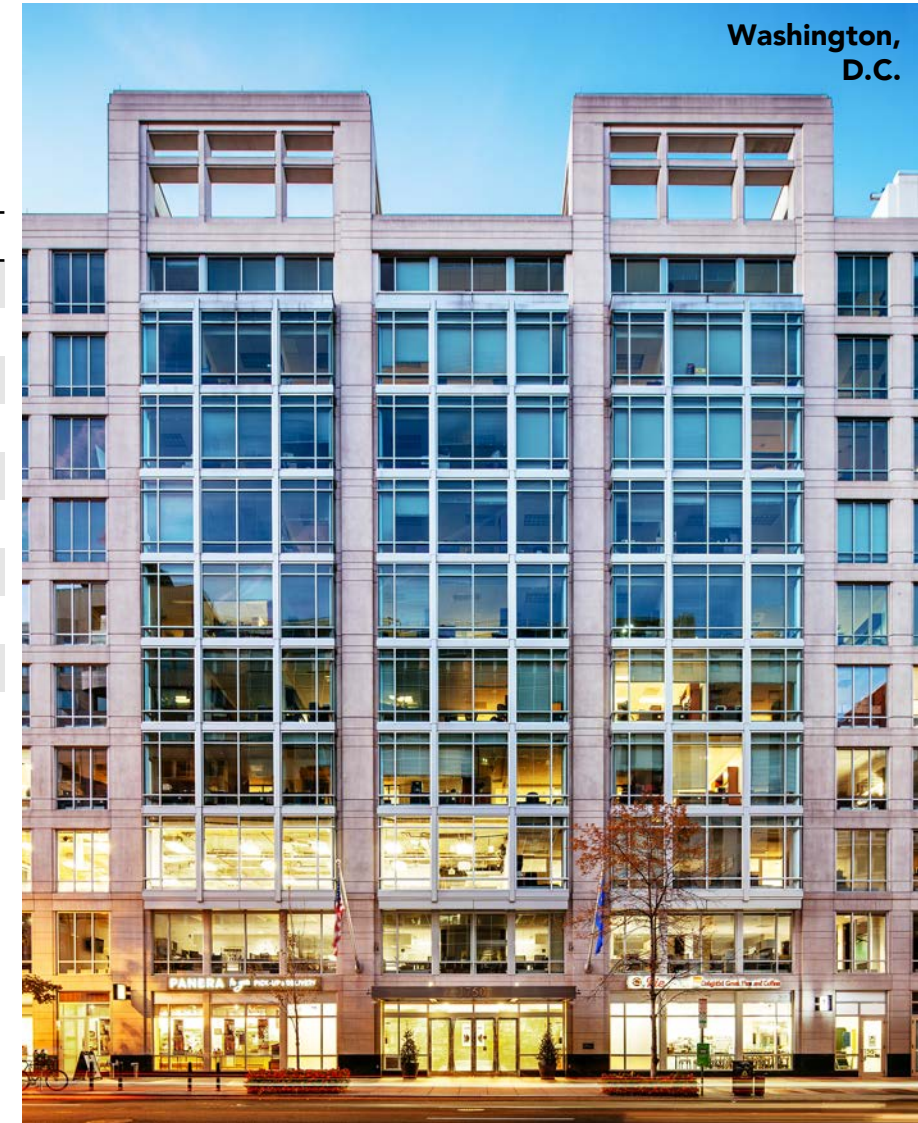
	For the Three Months Ended					For the Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Net income (loss)	\$ 16,964	\$ (16,056)	\$ (13,407)	\$ 16,945	\$ 3,712	\$ (12,499)	\$ (25,125)
Add (less): Depreciation and amortization:							
Consolidated properties	52,988	57,536	60,469	62,503	59,533	170,993	178,991
Unconsolidated joint venture properties	775	732	762	753	745	2,269	2,674
Loss on impairment of real estate	—	4,773	17,047	6,566	(3)	21,820	55,854
(Gain) loss on sale of real estate	(16,925)	11,637	(2,149)	(24,200)	(36)	(7,437)	(54,154)
FFO	53,802	58,622	62,722	62,567	63,951	175,146	158,240
Add (less): Acquisition and transaction related costs ⁽¹⁾	—	224	—	—	—	224	—
Loss on early extinguishment of debt	—	77	—	—	2,274	77	14,068
Estimated business management incentive fees ⁽²⁾	—	—	—	(4,484)	(6,627)	—	4,484
Normalized FFO	53,802	58,923	62,722	58,083	59,598	175,447	176,792
Add (less): Non-cash expenses ⁽³⁾	(640)	(192)	(465)	(251)	433	(1,297)	1,236
Distributions from unconsolidated joint ventures	—	—	51	153	153	51	459
Depreciation and amortization - unconsolidated joint ventures	(775)	(732)	(762)	(753)	(745)	(2,269)	(2,674)
Equity in net losses of investees	952	833	846	837	688	2,631	1,664
Loss on early extinguishment of debt settled in cash	—	—	—	—	(1,874)	—	(4,374)
Non-cash straight line rent adjustments included in rental income	(1,765)	(2,775)	(2,686)	(2,240)	(3,924)	(7,226)	(13,128)
Lease value amortization included in rental income	204	233	343	452	447	780	1,836
Net amortization of debt premiums, discounts and issuance costs	2,176	2,366	2,404	2,405	2,442	6,946	7,366
Recurring capital expenditures	(25,882)	(20,833)	(11,447)	(16,037)	(26,341)	(58,162)	(56,817)
CAD	\$ 28,072	\$ 37,823	\$ 51,006	\$ 42,649	\$ 30,877	\$ 116,901	\$ 112,360
Weighted average common shares outstanding (basic)	48,286	48,249	48,243	48,243	48,211	48,260	48,179
Weighted average common shares outstanding (diluted)	48,286	48,249	48,243	48,251	48,244	48,260	48,179
Per common share amounts (basic and diluted):							
Net income (loss)	\$ 0.35	\$ (0.33)	\$ (0.28)	\$ 0.35	\$ 0.08	\$ (0.27)	\$ (0.52)
FFO	\$ 1.11	\$ 1.21	\$ 1.30	\$ 1.30	\$ 1.33	\$ 3.63	\$ 3.28
Normalized FFO	\$ 1.11	\$ 1.22	\$ 1.30	\$ 1.20	\$ 1.24	\$ 3.64	\$ 3.67
CAD	\$ 0.58	\$ 0.78	\$ 1.06	\$ 0.88	\$ 0.64	\$ 2.42	\$ 2.33

- (1) For more information regarding acquisition and transaction related costs, see footnote (1) on page 8.
- (2) For more information regarding business management incentive fees, see footnote (2) on page 8.
- (3) Non-cash expenses include equity based compensation, adjustments recorded to capitalize interest expense and amortization of the liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our former investment in RMR Inc. common stock in June 2015. This liability is being amortized on a straight line basis through December 31, 2035 as an allocated reduction to business management fee expense and property management fee expense, which are included in general and administrative and other operating expenses, respectively.

Summary Same Property Results

(dollars and sq. ft. in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
Properties (end of period)	152	152	150	150
Rentable sq. ft.	20,040	20,035	19,139	19,144
Percent leased	93.8%	93.3%	93.6%	93.1%
Rental income	\$ 133,923	\$ 133,153	\$ 364,924	\$ 360,539
Same Property NOI	\$ 84,347	\$ 85,768	\$ 239,650	\$ 243,344
Same Property Cash Basis NOI	\$ 82,518	\$ 82,293	\$ 230,740	\$ 232,311
Same Property NOI % margin	63.0%	64.4%	65.7%	67.5%
Same Property Cash Basis NOI % margin	62.4%	63.4%	64.8%	66.4%
Same Property NOI % change	(1.7%)		(1.5%)	
Same Property Cash Basis NOI % change	0.3%		(0.7%)	



Occupancy and Leasing Summary

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and for the Three Months Ended					As of and for the Nine Months Ended
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022
Properties (end of period) ⁽¹⁾	162	172	174	178	178	162
Rentable sq. ft. ⁽¹⁾	21,211	22,491	22,941	23,271	23,274	21,211
Percentage leased	90.7%	89.4%	88.8%	89.5%	89.0%	90.7%

Leasing Activity (sq. ft.):

New leases	223	126	236	270	274	585
Renewals	383	553	336	432	385	1,272
Total	606	679	572	702	659	1,857

% Change in GAAP Rent: ⁽²⁾

New leases	59.1%	8.7%	6.7%	(4.9%)	(7.6%)	27.8%
Renewals	0.2%	4.0%	3.8%	6.3%	5.4%	2.7%
Total	21.6%	4.9%	5.1%	4.0%	(0.1%)	11.0%

Weighted Average Lease Term by Sq. Ft. (years):

New leases	9.9	8.3	10.4	11.5	12.9	9.8
Renewals	5.5	9.4	10.9	2.5	9.6	8.6
Total	7.2	9.2	10.7	6.0	10.9	9.0

Leasing Cost and Concession Commitments:

New leases	\$ 33,957	\$ 11,199	\$ 26,855	\$ 8,543	\$ 27,322	\$ 72,011
Renewals	9,056	26,170	5,893	3,795	18,811	41,119
Total	\$ 43,013	\$ 37,369	\$ 32,748	\$ 12,338	\$ 46,133	\$ 113,130

Leasing Cost and Concession Commitments per Sq. Ft.:

New leases	\$ 152.13	\$ 89.01	\$ 113.66	\$ 31.68	\$ 99.81	\$ 123.03
Renewals	\$ 23.66	\$ 47.36	\$ 17.56	\$ 8.78	\$ 48.85	\$ 32.35
Total	\$ 70.98	\$ 55.08	\$ 57.26	\$ 17.57	\$ 70.02	\$ 60.94

Leasing Cost and Concession Commitments per Sq. Ft. per Year:

New leases	\$ 15.33	\$ 10.79	\$ 10.94	\$ 2.75	\$ 7.74	\$ 12.62
Renewals	\$ 4.27	\$ 5.05	\$ 1.61	\$ 3.54	\$ 5.11	\$ 3.75
Total	\$ 9.92	\$ 6.00	\$ 5.36	\$ 2.95	\$ 6.40	\$ 6.79

- (1) Includes one leasable land parcel.
 (2) Percent difference in prior rents charged for same space or, in the case of space acquired vacant, market rental rates for similar space in the building at the date of acquisition. Rents include estimated recurring expense reimbursements paid to us, exclude lease value amortization and are net of lease concessions.

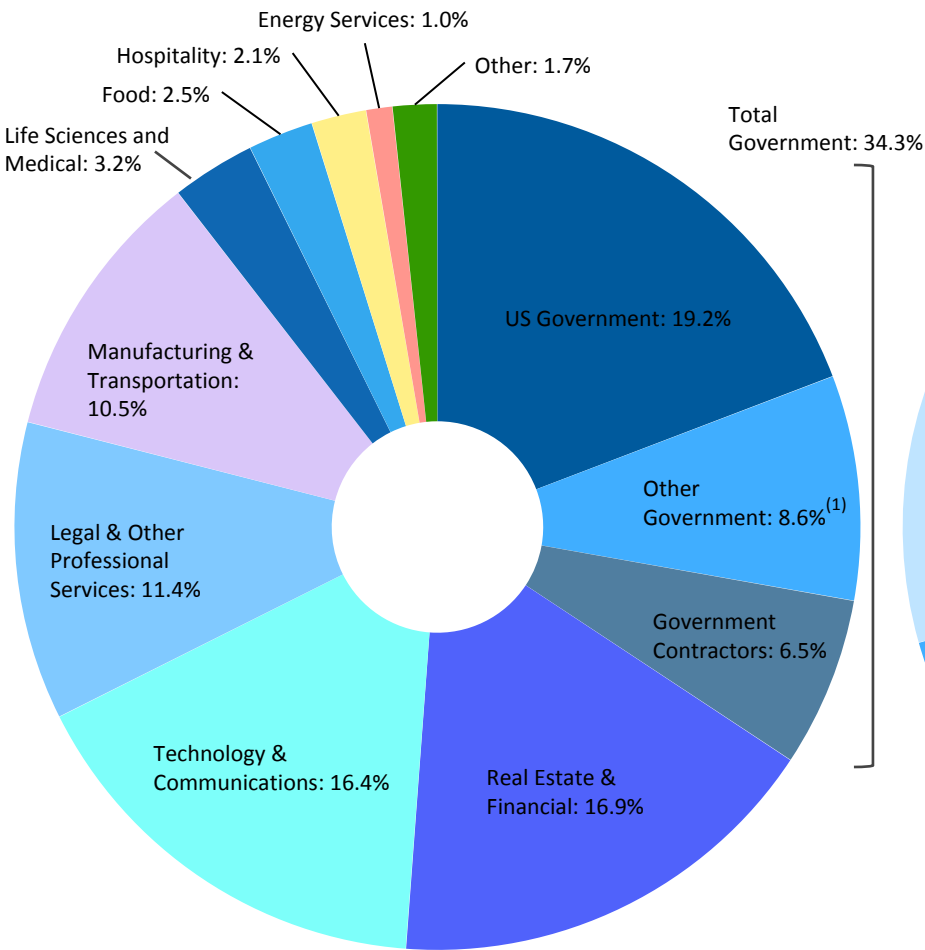
This leasing summary is based on leases entered during the periods indicated.

Tenant Diversity and Credit Characteristics

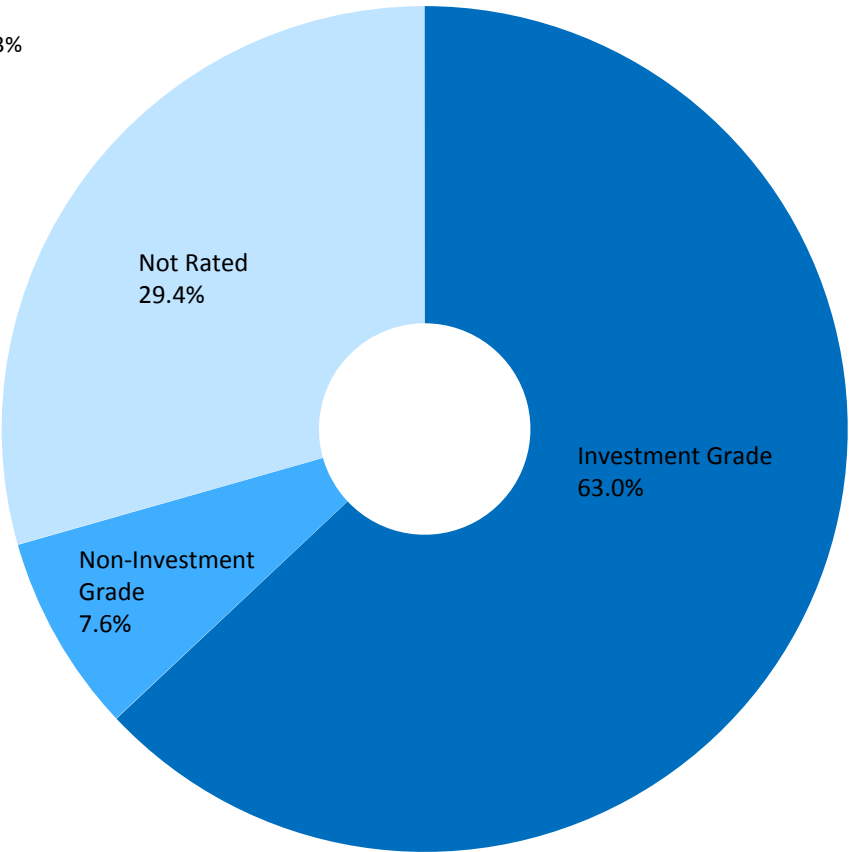
As of September 30, 2022

Percentage of Total Annualized Rental Income

Tenant Industry



Tenant Credit Characteristics



(1) Includes state governments and municipalities.

Tenants Representing 1% or More of Total Annualized Rental Income

As of September 30, 2022

(dollars and sq. ft. in thousands)

	Tenant	Credit Rating	Sq. Ft.	% of Leased Sq. Ft.	Annualized Rental Income	% of Total Annualized Rental Income
1	U.S. Government	Investment Grade	3,894	20.2%	\$ 105,440	19.1%
2	Alphabet Inc. (Google)	Investment Grade	386	2.0%	23,713	4.3%
3	Shook, Hardy & Bacon L.L.P.	Not Rated	596	3.1%	19,336	3.5%
4	IG Investments Holdings LLC	Not Rated	338	1.8%	16,788	3.0%
5	Bank of America Corporation	Investment Grade	577	3.0%	15,766	2.9%
6	State of California	Investment Grade	523	2.7%	15,762	2.9%
7	Commonwealth of Massachusetts	Investment Grade	311	1.6%	12,260	2.2%
8	CareFirst Inc.	Not Rated	207	1.1%	11,498	2.1%
9	Northrop Grumman Corporation	Investment Grade	337	1.8%	11,465	2.1%
10	Tyson Foods, Inc.	Investment Grade	248	1.3%	11,042	2.0%
11	Sonesta International Hotels Corporation ⁽¹⁾	Not Rated	230	1.2%	10,745	2.0%
12	CommScope Holding Company Inc	Non Investment Grade	228	1.2%	9,370	1.7%
13	Sonoma Biotherapeutics, Inc. ⁽²⁾	Not Rated	84	0.4%	7,468	1.4%
14	State of Georgia	Investment Grade	308	1.6%	7,383	1.3%
15	PNC Bank	Investment Grade	441	2.3%	6,924	1.3%
16	Micro Focus International plc	Non Investment Grade	215	1.1%	6,905	1.3%
17	Compass Group plc	Investment Grade	267	1.4%	6,703	1.2%
18	ServiceNow, Inc.	Investment Grade	149	0.8%	6,637	1.2%
19	Allstate Insurance Co.	Investment Grade	468	2.4%	6,479	1.2%
20	Leidos Holdings Inc.	Investment Grade	159	0.8%	6,117	1.1%
21	Automatic Data Processing, Inc.	Investment Grade	289	1.5%	6,087	1.1%
22	Church & Dwight Co., Inc.	Investment Grade	250	1.3%	6,037	1.1%
			<u>10,505</u>	<u>54.6%</u>	<u>\$ 329,925</u>	<u>60.0%</u>



- (1) In June 2021, we entered into a 30-year lease with Sonesta International Hotels Corporation, or Sonesta. The lease relates to the redevelopment of a property we own in Washington, D.C to a mixed use and Sonesta's lease relates to the planned hotel component of the property. The term of the lease commences upon our delivery of the completed hotel, which is estimated to occur in the second quarter of 2023.
- (2) In August 2022, we entered into an approximately 10-year lease with Sonoma Biotherapeutics, Inc. The lease is at a property we own in Seattle, WA that is currently undergoing redevelopment. The term of the lease is estimated to commence in the fourth quarter of 2023.

Lease Expiration Schedule

As of September 30, 2022

(dollars and sq. ft. in thousands)

Year ⁽¹⁾	Number of Leases Expiring	Leased Square Feet Expiring	% of Total Leased Square Feet Expiring	Cumulative % of Total Leased Square Feet Expiring	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2022	17	160	0.8%	0.8%	\$ 4,443	0.8%	0.8%
2023	64	2,374	12.3%	13.1%	77,045	14.0%	14.8%
2024	50	3,028	15.7%	28.8%	79,495	14.4%	29.2%
2025	43	2,036	10.6%	39.4%	43,564	7.9%	37.1%
2026	36	1,565	8.1%	47.5%	41,418	7.5%	44.6%
2027	35	2,055	10.7%	58.2%	52,053	9.5%	54.1%
2028	17	1,282	6.7%	64.9%	49,042	8.9%	63.0%
2029	18	732	3.8%	68.7%	22,550	4.1%	67.1%
2030	22	839	4.4%	73.1%	24,585	4.5%	71.6%
2031 and thereafter	57	5,165	26.9%	100.0%	156,408	28.4%	100.0%
Total	359	19,236	100.0%		\$ 550,603	100.0%	
Weighted average remaining lease term (in years)		6.0			6.3		



Chicago, IL

(1) The year of lease expiration is pursuant to current contract terms.

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of the applicable rules of the Securities and Exchange Commission, or SEC, including NOI, Cash Basis NOI, Same Property NOI, Same Property Cash Basis NOI, EBITDA, EBITDAre, Adjusted EBITDAre, FFO, Normalized FFO and CAD. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) as presented in our condensed consolidated statements of income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

NOI and Cash Basis NOI

The calculations of net operating income, or NOI, and Cash Basis NOI exclude certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We calculate NOI and Cash Basis NOI as shown on page [15](#) and Same Property NOI and Same Property Cash Basis NOI as shown on page [16](#). We define NOI as income from our rental of real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We define Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization, lease termination fees, if any, and non-cash amortization included in other operating expenses. We calculate Same Property NOI and Same Property Cash Basis NOI in the same manner that we calculate the corresponding NOI and Cash Basis NOI amounts, except that we only include same properties in calculating Same Property NOI and Same Property Cash Basis NOI. We use NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI differently than we do.

EBITDA, EBITDAre and Adjusted EBITDAre

We calculate earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, and Adjusted EBITDAre as shown on page [17](#). EBITDAre is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is EBITDA, excluding gains and losses on the sale of real estate, loss on impairment of real estate assets and adjustments to reflect our share of EBITDAre of our unconsolidated joint ventures. In calculating Adjusted EBITDAre, we adjust for the items shown on page [17](#) and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than we do.

FFO and Normalized FFO

We calculate funds from operations, or FFO, and Normalized FFO as shown on page [18](#). FFO is calculated on the basis defined by Nareit, which is net income (loss), calculated in accordance with GAAP, plus real estate depreciation and amortization of consolidated properties and our proportionate share of the real estate depreciation and amortization of unconsolidated joint venture properties, but excluding impairment charges on real estate assets and any gain or loss on sale of real estate, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the other items shown on page [18](#) and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

Cash Available for Distribution

We calculate cash available for distribution, or CAD, as shown on page [18](#). We define CAD as Normalized FFO minus recurring real estate related capital expenditures and adjusted for other non-cash and non-recurring items plus certain amounts excluded from Normalized FFO but settled in cash. CAD is among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other real estate companies and REITs may calculate CAD differently than we do.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Adjusted total assets and total unencumbered assets include the original cost of real estate assets calculated in accordance with GAAP before impairment writedowns, if any, and exclude depreciation and amortization, accounts receivable and intangible assets.

Annualized dividend yield is the annualized dividend per share paid during the period divided by the closing price of our common shares at the end of the period.

Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of September 30, 2022, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.

Cap rate represents the ratio of (x) annual straight line rental income, excluding the impact of above and below market lease amortization, based on existing leases at the acquisition date, less estimated annual property operating expenses as of the date of the acquisition, excluding depreciation and amortization expense, to (y) the acquisition purchase price.

Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, loss on asset impairment, gains and losses on early extinguishment of debt, gains and losses on sales of properties and equity in earnings of unconsolidated joint ventures and including distributions from our unconsolidated joint ventures, if any, determined together with debt service for the period presented.

Development, redevelopment and other activities generally include capital expenditure projects that reposition a property or result in new sources of revenue.

GAAP is U.S. generally accepted accounting principles.

Gross book value of real estate assets is real estate properties at cost, plus certain acquisition costs, if any, before depreciation and purchase price allocations, less impairment writedowns, if any.

Gross sales price is equal to the gross contract price and excludes closing costs.

Investment grade tenants include: (a) investment grade rated tenants; (b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and/or (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations. Tenants contributing 52.4% of annualized rental income as of September 30, 2022 were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 10.6% of annualized rental income as of September 30, 2022 were subsidiaries of an investment grade rated parent (although these parent entities are not liable for the payment of rents).

Lease related costs generally include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

Leased square feet is pursuant to leases existing as of September 30, 2022, and includes (i) space being fitted out for tenant occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any. Square footage measurements are subject to changes when space is remeasured or reconfigured for new tenants.

Leasing cost and concession commitments include commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

Net debt is total debt less cash.

Percent leased includes (i) space being fitted out for occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

Purchase price represents the gross purchase price, including assumed debt, if any, and excludes acquisition related costs and purchase price adjustments and allocations.

Rentable square feet represents total square feet available for lease as of the measurement date. Square footage measurements are subject to changes when space is remeasured or reconfigured for new tenants.

Same properties for the three months ended September 30, 2022 is based on properties we owned continuously since July 1, 2021; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

Same properties for the nine months ended September 30, 2022 is based on properties we owned continuously since January 1, 2021; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

Same property cash basis NOI % margin is Same Property Cash Basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straightline rent adjustments, the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

Same property NOI % margin is Same Property NOI as a percentage of rental income.

Total debt represents the outstanding principal balance as of the date reported.

Total gross assets is total assets plus accumulated depreciation.

Weighted average remaining lease term is the average remaining lease term in years weighted based on rental income.

Warning Concerning Forward-Looking Statements

This supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

