

Office Properties Income Trust

Tenant: Micro Focus Software, Inc.
1800 Novell Place
Provo, UT
One Building, Square Feet: 405,699



OPI
Nasdaq Listed

First Quarter 2019 *Supplemental Operating and Financial Data*

All amounts in this report are unaudited.



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OFFICE PROPERTIES
INCOME TRUST

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Certain pro forma financial information is presented in the Exhibits to this supplemental operating and financial data report, as well as certain property information for Select Income REIT, or SIR, as if the merger of SIR with and into a wholly owned subsidiary of us that was completed on December 31, 2018, or the Merger, had occurred on January 1, 2018. Such pro forma financial information is not necessarily indicative of our expected financial position or results of operations for any future period. Differences could result from numerous factors, including future changes in our portfolio of investments, our capital structure, our property level operating expenses and revenues, including rents expected to be received on our existing leases or leases we may enter into, changes in interest rates and other reasons. Actual future results are likely to be different from amounts presented in the pro forma financial information and such differences could be significant.

*Tenant: U.S. Government
2020 S. Arlington Heights
Arlington Heights, IL
One Building, Square Feet: 57,770*



CORPORATE INFORMATION

COMPANY PROFILE

The Company:

Office Properties Income Trust, or OPI, we, our, or us, is a real estate investment trust, or REIT, focused on owning, operating and leasing buildings primarily leased to single tenants and those with high credit quality characteristics, such as government entities. The majority of our properties are office buildings. We have been investment grade rated since 2010, and we are included in the S&P Small Cap 600 Index, the Russell 2000® index and the MSCI US REIT index.

Effective after the close of trading on December 31, 2018, we completed our merger with Select Income REIT, or SIR, whereby SIR merged with and into a subsidiary of us, or the Merger, with us as the surviving entity and we changed our name to OPI. Accordingly, the assets acquired and liabilities assumed from SIR in the Merger are included in OPI's consolidated balance sheet beginning December 31, 2018; however, SIR's results of operations are excluded from OPI's actual historical consolidated statements of income (loss) for all periods prior to and including December 31, 2018.

Management:

OPI is managed by The RMR Group LLC, the operating subsidiary of The RMR Group Inc. (Nasdaq: RMR). RMR is an alternative asset management company that was founded in 1986 to manage real estate companies and related businesses. RMR primarily provides management services to four publicly traded equity REITs and three real estate related operating businesses. In addition to managing OPI, RMR manages Hospitality Properties Trust, a REIT that owns hotels and travel centers, Industrial Logistics Properties Trust, a REIT that owns industrial and logistics properties, and Senior Housing Properties Trust, a REIT that primarily owns healthcare, senior living and medical office buildings. RMR also provides management services to Five Star Senior Living Inc., a publicly traded operator of senior living communities, Sonesta International Hotels Corporation, a privately owned operator and franchisor of hotels and cruise ships, and TravelCenters of America LLC, a publicly traded operator and franchisor of travel centers along the U.S. Interstate Highway System and restaurants. RMR also advises the RMR Real Estate Income Fund, a publicly traded closed end fund that invests in publicly traded securities of real estate companies, and Tremont Mortgage Trust, a publicly traded mortgage REIT, through wholly owned Securities and Exchange Commission, or SEC, registered investment advisory subsidiaries, as well as manages the RMR Office Property Fund, a private, open end core plus fund focused on the acquisition, ownership and leasing of a diverse portfolio of multi-tenant office properties throughout the U.S. As of March 31, 2019, RMR had \$30.0 billion of real estate assets under management and the combined RMR managed companies had approximately \$12 billion of annual revenues, over 1,500 properties and approximately 50,000 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.

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 2046: OPINI

Issuer Ratings:

Moody's: Baa3
Standard & Poor's: BBB-

Key Data (As of and For the Quarter Ended March 31, 2019):

(dollars and sq. ft. in 000s)	
Total consolidated buildings ⁽¹⁾	212
Total sq. ft. ⁽¹⁾	30,134
Percent leased ⁽¹⁾	89.6%
Q1 2019 total rental income	\$174,777
Q1 2019 net income available for common shareholders ⁽²⁾	\$34,019
Q1 2019 Normalized FFO available for common shareholders ⁽²⁾	\$73,273

(1) Excludes three buildings owned by unconsolidated joint ventures and includes two buildings held for sale.

(2) See page 23 for the calculation of Normalized FFO available for common shareholders and a reconciliation of net income available for common shareholders determined in accordance with U.S. Generally Accepted Accounting Principles, or GAAP, to this amount.

INVESTOR INFORMATION

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
Independent Trustee

Jeffrey P. Somers
Independent Trustee

David M. Blackman
Managing Trustee

Adam D. Portnoy
Managing Trustee

Senior Management

David M. Blackman
President and Chief Executive Officer

Jeffrey C. Leer
Chief Financial Officer and Treasurer

Contact Information

Investor Relations

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OPI is followed by the analysts and its credit is rated by the rating agencies listed above. 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.

FINANCIALS

*Primary Tenant: Compass Group
2300 and 2400 Yorkmont Rd.
Charlotte, NC
Two Buildings, Square Feet: 284,039*



KEY FINANCIAL DATA

(dollars in thousands, except per share data)

	As of and for the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Selected Balance Sheet Data:					
Total gross assets ⁽¹⁾	\$ 5,313,886	\$ 5,613,730	\$ 3,847,915	\$ 3,866,055	\$ 4,008,953
Total assets	\$ 4,927,198	\$ 5,238,583	\$ 3,484,425	\$ 3,507,769	\$ 3,655,624
Total liabilities	\$ 3,140,194	\$ 3,459,615	\$ 2,245,064	\$ 2,226,119	\$ 2,340,770
Total shareholders' equity	\$ 1,787,004	\$ 1,778,968	\$ 1,239,361	\$ 1,281,650	\$ 1,294,358
Selected Income Statement Data:					
Rental income	\$ 174,777	\$ 103,656	\$ 106,102	\$ 108,085	\$ 108,717
Net income (loss) available for common shareholders	\$ 34,019	\$ (57,695)	\$ (449)	\$ 29,602	\$ 6,287
Consolidated Property NOI ⁽²⁾	\$ 116,868	\$ 62,026	\$ 64,462	\$ 68,103	\$ 66,226
Adjusted EBITDAre ⁽³⁾	\$ 111,162	\$ 57,901	\$ 73,573	\$ 76,686	\$ 73,439
FFO available for common shareholders ⁽⁴⁾	\$ 72,275	\$ 26,340	\$ 36,367	\$ 54,605	\$ 54,060
Normalized FFO available for common shareholders ⁽⁴⁾	\$ 73,273	\$ 39,101	\$ 52,967	\$ 51,325	\$ 54,065
Per Common Share Data:					
Net income available for common shareholders (basic and diluted)	\$ 0.71	\$ (2.31)	\$ (0.02)	\$ 1.20	\$ 0.25
FFO available for common shareholders ⁽⁴⁾ (basic)	\$ 1.50	\$ 1.05	\$ 1.47	\$ 2.21	\$ 2.18
FFO available for common shareholders ⁽⁴⁾ (diluted)	\$ 1.50	\$ 1.05	\$ 1.47	\$ 2.20	\$ 2.18
Normalized FFO available for common shareholders ⁽⁴⁾ (basic and diluted)	\$ 1.53	\$ 1.56	\$ 2.14	\$ 2.07	\$ 2.18
Dividends:					
Annualized dividends paid per share during period	\$ 2.20	\$ 6.88	\$ 6.88	\$ 6.88	\$ 6.88
Annualized dividend yield (at end of period) ⁽⁵⁾	8.0%	25.0%	15.2%	10.9%	12.6%
Normalized FFO available for common shareholders payout ratio ⁽⁴⁾	35.9%	110.3%	81.1%	82.7%	78.2%

(1) Total gross assets is total assets plus accumulated depreciation.

(2) See page 20 for the calculation of Consolidated Property NOI and a reconciliation of net income (loss) available for common shareholders determined in accordance with GAAP to that amount.

(3) See page 22 for the calculation of Adjusted EBITDAre and a reconciliation of net income (loss) determined in accordance with GAAP to that amount.

(4) See page 23 for the calculation of FFO available for common shareholders and Normalized FFO available for common shareholders and a reconciliation of net income (loss) available for common shareholders determined in accordance with GAAP to those amounts.

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

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data)

	March 31, 2019	December 31, 2018
ASSETS		
Real estate properties:		
Land	\$ 918,992	\$ 924,164
Buildings and improvements	3,001,385	3,020,472
Total real estate properties, gross	3,920,377	3,944,636
Accumulated depreciation	(386,688)	(375,147)
Total real estate properties, net	3,533,689	3,569,489
Assets of properties held for sale	23,999	253,501
Investment in unconsolidated joint ventures	42,505	43,665
Acquired real estate leases, net	1,000,960	1,056,558
Cash and cash equivalents	20,153	35,349
Restricted cash	4,464	3,594
Rents receivable, net	67,776	72,051
Deferred leasing costs, net	30,788	25,672
Other assets, net	202,864	178,704
Total assets	<u>\$ 4,927,198</u>	<u>\$ 5,238,583</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 80,000	\$ 175,000
Unsecured term loans, net	234,674	387,152
Senior unsecured notes, net	2,360,063	2,357,497
Mortgage notes payable, net	326,202	335,241
Liabilities of properties held for sale	178	4,271
Accounts payable and other liabilities	114,613	145,536
Due to related persons	5,626	34,887
Assumed real estate lease obligations, net	18,838	20,031
Total liabilities	<u>3,140,194</u>	<u>3,459,615</u>
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value: 200,000,000 shares authorized, 48,091,903 and 48,082,903 shares issued and outstanding, respectively	481	481
Additional paid in capital	2,610,666	2,609,801
Cumulative net income	180,901	146,882
Cumulative other comprehensive income (loss)	(297)	106
Cumulative common distributions	(1,004,747)	(978,302)
Total shareholders' equity	<u>1,787,004</u>	<u>1,778,968</u>
Total liabilities and shareholders' equity	<u>\$ 4,927,198</u>	<u>\$ 5,238,583</u>

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands, except per share data and percentages)

	Three Months Ended March 31,	
	2019	2018
Rental income	\$ 174,777	\$ 108,717
Expenses:		
Real estate taxes	18,392	12,964
Utility expenses	9,381	6,690
Other operating expenses	30,136	22,837
Depreciation and amortization	77,521	44,204
Loss on impairment of real estate ⁽¹⁾	3,204	6,116
Acquisition and transaction related costs ⁽²⁾	584	—
General and administrative ⁽³⁾	8,723	9,606
Total expenses	147,941	102,417
Gain on sale of real estate ⁽⁴⁾	22,092	—
Dividend income	980	304
Unrealized gain on equity securities ⁽⁵⁾	22,128	12,931
Interest income	248	116
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,841 and \$965, respectively)	(37,133)	(22,766)
Loss on early extinguishment of debt	(414)	—
Income (loss) from continuing operations before income tax expense and equity in net losses of investees	34,737	(3,115)
Income tax expense	(483)	(32)
Equity in net losses of investees	(235)	(577)
Income (loss) from continuing operations	34,019	(3,724)
Income from discontinued operations ⁽⁶⁾	—	10,289
Net income	34,019	6,565
Preferred units of limited partnership distributions	—	(278)
Net income available for common shareholders	\$ 34,019	\$ 6,287
Weighted average common shares outstanding (basic)	48,031	24,760
Weighted average common shares outstanding (diluted)	48,046	24,760
Per common share amounts (basic and diluted):		
Income (loss) from continuing operations	\$ 0.71	\$ (0.16)
Income from discontinued operations	\$ —	\$ 0.42
Net income available for common shareholders	\$ 0.71	\$ 0.25
Additional Data:		
General and administrative expenses / total assets (at end of period) ⁽³⁾	0.18%	0.26%
Non-cash straight line rent adjustments included in rental income ⁽⁷⁾	\$ 6,794	\$ 3,091
Lease value amortization included in rental income ⁽⁷⁾	\$ (1,147)	\$ (835)
Lease termination fees included in rental income ⁽⁷⁾	\$ 294	\$ —
Non-cash amortization included in other operating expenses ⁽⁸⁾	\$ 121	\$ 121
Non-cash amortization included in general and administrative expenses ⁽⁸⁾	\$ 151	\$ 151

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)

(dollars in thousands)

- (1) We recorded an adjustment of \$2,757 to reduce the carrying value of one building to its estimated fair value less costs to sell and a \$447 loss on impairment of real estate related to the disposal of a property portfolio consisting of 34 buildings located in Northern Virginia and Maryland during the three months ended March 31, 2019. We recorded an adjustment of \$6,116 to reduce the carrying value of three buildings to their estimated fair value less costs to sell during the three months ended March 31, 2018.
- (2) Acquisition and transaction related costs for the three months ended March 31, 2019 consists of costs incurred in connection with the Merger.
- (3) Incentive fees under our business management agreement with The RMR Group LLC, or RMR LLC, 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 expenses in our condensed consolidated statements of income. In calculating net income 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, we do not include such expense in the calculation of 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 fees were included in net income for the three months ended March 31, 2019. Net income includes \$2,887 of estimated business management incentive fee expense for the three months ended March 31, 2018.
- (4) During the quarter ended March 31, 2019, we recorded a \$22,092 gain on the sale of one building in March 2019.
- (5) Unrealized gain on equity securities represents the adjustment required to adjust the carrying value of our investment in RMR Inc. common stock to its fair value as of the end of each period presented.
- (6) Income from discontinued operations includes operating results related to our former equity method investment in SIR.
- (7) We report rental income on a straight line basis over the terms of the respective leases; as a result, 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 us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.
- (8) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our 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 fees and property management fees expense, which are included in general and administrative and other operating expenses, respectively.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

	For the Three Months Ended March	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 34,019	\$ 6,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	23,629	17,172
Amortization of debt premiums, discounts and issuance costs, net	2,841	965
Amortization of acquired real estate leases	53,837	26,790
Amortization of deferred leasing costs	1,350	1,120
Gain on sale of real estate	(22,092)	—
Loss on impairment of real estate	3,204	6,116
Loss on early extinguishment of debt	414	—
Straight line rental income	(6,794)	(3,091)
Other non-cash expenses, net	593	(334)
Unrealized gain on equity securities	(22,128)	(12,931)
Equity in net losses of investees	235	577
Equity in earnings of Select Income REIT included in discontinued operations	—	(10,289)
Distributions of earnings from Select Income REIT	—	10,289
Change in assets and liabilities:		
Rents receivable	14,390	(1,893)
Deferred leasing costs	(7,985)	(2,091)
Other assets	2,873	2,296
Accounts payable and other liabilities	(30,387)	(9,679)
Due to related persons	(29,257)	3,685
Net cash provided by operating activities	<u>18,742</u>	<u>35,267</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate improvements	(12,969)	(11,020)
Distributions in excess of earnings from Select Income REIT	—	2,419
Distributions in excess of earnings from unconsolidated joint ventures	521	823
Proceeds from sale of properties, net	<u>262,779</u>	<u>18,797</u>
Net cash provided by investing activities	<u>250,331</u>	<u>11,019</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(dollars in thousands)

	For the Three Months Ended March	
	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage notes payable	(8,954)	(899)
Repayment of unsecured term loans	(153,000)	—
Borrowings on unsecured revolving credit facility	85,000	25,000
Repayments on unsecured revolving credit facility	(180,000)	(25,000)
Repurchase of common shares	—	(11)
Preferred units of limited partnership distributions	—	(278)
Distributions to common shareholders	(26,445)	(42,632)
Net cash used in financing activities	(283,399)	(43,820)
Increase (decrease) in cash, cash equivalents and restricted cash	(14,326)	2,466
Cash, cash equivalents and restricted cash at beginning of period	38,943	19,680
Cash, cash equivalents and restricted cash at end of period	<u>\$ 24,617</u>	<u>\$ 22,146</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 49,545	\$ 27,733
Income taxes paid	\$ 7	\$ —

SUPPLEMENTAL DISCLOSURE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the amounts shown in the condensed consolidated statements of cash flows:

	As of March 31,	
	2019	2018
Cash and cash equivalents	\$ 20,153	\$ 17,380
Restricted cash	4,464	4,766
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	<u>\$ 24,617</u>	<u>\$ 22,146</u>

DEBT SUMMARY ⁽¹⁾

As of March 31, 2019

(dollars in thousands)

	Coupon Rate ⁽²⁾	Interest Rate ⁽³⁾	Principal Balance ⁽⁴⁾	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Floating Rate Debt:						
\$750,000 unsecured revolving credit facility ^{(5) (7)}	3.508%	3.508%	\$ 80,000	1/31/2023	\$ 80,000	3.8
\$300,000 unsecured term loan ^{(6) (7)}	3.896%	3.896%	235,000	3/31/2020	235,000	1.0
Subtotal / weighted average	3.797%	3.797%	<u>315,000</u>		<u>315,000</u>	1.7
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2019	3.750%	3.930%	350,000	8/15/2019	350,000	0.4
Senior unsecured notes due 2020	3.600%	3.608%	400,000	2/1/2020	400,000	0.8
Senior unsecured notes due 2022	4.150%	4.196%	300,000	2/1/2022	300,000	2.8
Senior unsecured notes due 2022	4.000%	4.000%	300,000	7/15/2022	300,000	3.3
Senior unsecured notes due 2024	4.250%	4.404%	350,000	5/15/2024	350,000	5.1
Senior unsecured notes due 2025	4.500%	4.770%	400,000	2/1/2025	400,000	5.8
Senior unsecured notes due 2046	5.875%	5.875%	310,000	5/1/2046	310,000	27.1
Subtotal / weighted average	4.276%	4.377%	<u>2,410,000</u>		<u>2,410,000</u>	6.1
Secured Fixed Rate Debt:						
Mortgage debt - One building in Washington, DC	5.720%	3.690%	33,504	7/1/2020	32,462	1.3
Mortgage debt - One building in Philadelphia, PA	4.114%	4.220%	40,591	8/3/2020	39,635	1.3
Mortgage debt - One building in Lakewood, CO	8.150%	6.150%	2,614	3/1/2021	118	1.9
Mortgage debt - One building in Fairfax, VA	5.877%	5.877%	13,368	8/11/2021	12,702	2.4
Mortgage debt - One building in Washington, DC	4.220%	4.190%	27,041	7/1/2022	24,668	3.3
Mortgage debt - Three buildings in Seattle, WA	3.550%	4.210%	71,000	5/1/2023	71,000	4.1
Mortgage debt - One building in Chicago, IL	3.700%	4.210%	50,000	6/1/2023	50,000	4.2
Mortgage debt - One building in Washington, DC	4.800%	4.190%	24,411	6/1/2023	22,584	4.2
Mortgage debt - One building in Washington, DC	4.050%	4.440%	66,780	9/1/2030	60,566	11.4
Subtotal / weighted average	4.243%	4.285%	<u>329,309</u>		<u>313,735</u>	4.8
Total / weighted average	4.223%	4.307%	<u>\$ 3,054,309</u>		<u>\$ 3,038,735</u>	5.5

See accompanying notes on the following page.

DEBT MATURITY SCHEDULE ⁽¹⁾

As of March 31, 2019

(dollars in thousands)

Year	Unsecured Floating Rate Debt	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total Principal Balance ⁽⁴⁾
2019	\$ —	\$ 350,000	\$ 3,100	\$ 353,100
2020	235,000 ⁽⁸⁾	400,000	75,707	710,707
2021	—	—	14,420	14,420
2022	—	600,000	25,518	625,518
2023	80,000 ⁽⁹⁾	—	143,784	223,784
2024	—	350,000	—	350,000
2025	—	400,000	287	400,287
2026 and thereafter	—	310,000	66,493	376,493
Total	<u>\$ 315,000</u>	<u>\$ 2,410,000</u>	<u>\$ 329,309</u>	<u>\$ 3,054,309</u>
Percent of total principal balance	<u>10.3%</u>	<u>78.9%</u>	<u>10.8%</u>	<u>100.0%</u>

- (1) Excludes two mortgage notes with an aggregate principal balance of \$82,000 which are secured by three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for additional information regarding these joint ventures and related mortgage notes.
- (2) Reflects the interest rate stated in, or determined pursuant to, the contract terms.
- (3) Includes the effect of mark to market accounting for certain mortgages and premiums or discounts on senior unsecured notes. Excludes the effect of debt issuance costs amortization.
- (4) Principal balances exclude unamortized premiums, discounts and issuance costs related to these debts. The carrying value of our total consolidated debt of \$3,000,939 as of March 31, 2019 is net of unamortized premiums, discounts and certain issuance costs totaling \$53,370.
- (5) 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 above is as of March 31, 2019 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 credit facility for two additional six month periods.
- (6) We are required to pay interest on the amounts outstanding under our remaining term loan due March 31, 2020 at an annual rate of LIBOR plus a premium of 140 basis points, subject to adjustment based on changes to our credit ratings. The coupon rate and interest rate are as of March 31, 2019. This term loan is prepayable without penalty at any time. In March 2019, we made a partial principal payment of \$65,000, which reduced the principal amount outstanding to \$235,000.
- (7) The maximum aggregate borrowing availability under the credit agreement governing our revolving credit facility and remaining term loan may be increased up to \$2,185,000 on a combined basis in certain circumstances.
- (8) Represents the outstanding balance of our remaining term loan at March 31, 2019.
- (9) Represents the amount outstanding under our revolving credit facility at March 31, 2019.

LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS



OFFICE PROPERTIES
INCOME TRUST

	As of and for the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Leverage Ratios:					
Total consolidated debt ⁽¹⁾ / total gross assets ⁽²⁾	57.5%	59.0%	56.1%	55.4%	56.4%
Total consolidated debt ⁽¹⁾ / gross book value of real estate assets ⁽³⁾	58.3%	62.2%	71.5%	63.7%	65.2%
Total consolidated debt ⁽¹⁾ / total market capitalization ⁽⁴⁾	69.7%	71.5%	65.8%	57.7%	62.6%
Consolidated secured debt ⁽¹⁾ / total assets	6.7%	6.5%	5.2%	5.2%	5.0%
Variable rate debt ⁽¹⁾ / total consolidated debt ⁽¹⁾	10.3%	17.0%	47.1%	46.7%	49.5%
Coverage Ratios:					
Adjusted EBITDAre ⁽⁵⁾ / interest expense	3.0x	2.8x	3.1x	3.3x	3.2x
Total consolidated debt ⁽¹⁾ / annualized Adjusted EBITDAre ⁽⁵⁾	6.9x	nm ⁽⁶⁾	7.3x	7.0x	7.7x
Public Debt Covenants:					
Total debt ⁽¹⁾ / adjusted total assets ⁽⁷⁾ (maximum 60.0%)	54.9%	56.8%	52.1%	51.9%	54.7%
Secured debt ⁽¹⁾ / adjusted total assets ⁽⁷⁾ (maximum 40.0%)	5.9%	5.8%	4.4%	4.4%	4.4%
Consolidated income available for debt service ⁽⁸⁾ / debt service (minimum 1.50x)	3.2x	3.2x	2.3x	3.4x	3.2x
Total unencumbered assets ⁽⁷⁾ / unsecured debt ⁽¹⁾ (minimum 150.0%)	178.5%	171.9%	184.0%	184.9%	174.8%

- (1) Debt amounts represent the principal balance as of the date reported. The carrying value of our total consolidated debt of \$3,000,939 as of March 31, 2019 is net of unamortized premiums and discounts and certain issuance costs totaling \$53,370. Total consolidated debt excludes two mortgage notes with an aggregate principal balance of \$82,000 which are secured by three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures and related mortgage notes.
- (2) Total gross assets is total assets plus accumulated depreciation.
- (3) 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.
- (4) Total market capitalization is total consolidated debt plus the market value of our common shares at the end of each period.
- (5) See page 22 for the calculation of Adjusted EBITDAre and a reconciliation of net income (loss) determined in accordance with GAAP to that amount.
- (6) For the three months ended December 31, 2018, total consolidated debt includes SIR's debt assumed in the Merger; however, Annualized Adjusted EBITDAre excludes SIR's results of operations for the three month period. As previously reported, on a pro forma basis as if the Merger had occurred on October 1, 2018, total consolidated debt / Annualized Adjusted EBITDAre would have been 7.6x. See Exhibit D on page 36 for pro forma calculation of EBITDAre and Adjusted EBITDAre as if the Merger occurred on October 1, 2018.
- (7) Adjusted total assets and total unencumbered assets include original cost of real estate assets calculated in accordance with GAAP before impairment writedowns, if any, and the lower of cost or market of our former investment in SIR for the applicable periods, and exclude depreciation and amortization, accounts receivable and intangible assets.
- (8) Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, loss on asset impairment, unrealized appreciation on assets held for sale, unrealized gains or losses on equity securities, gains and losses on early extinguishment of debt, gains and losses on sales of properties and gains or losses on equity issuance by SIR and equity in earnings of SIR and including distributions received from SIR and our unconsolidated joint ventures, if any, determined together with debt service for the period presented.

CAPITAL EXPENDITURES SUMMARY

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

	For the Three Months Ended ⁽¹⁾⁽²⁾				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Tenant improvements ⁽³⁾	\$ 4,912	\$ 5,450	\$ 2,293	\$ 3,854	\$ 2,843
Leasing costs ⁽⁴⁾	7,325	5,635	1,831	1,626	1,986
Building improvements ⁽⁵⁾	4,308	11,250	6,707	4,048	2,707
Recurring capital expenditures	16,545	22,335	10,831	9,528	7,536
Development, redevelopment and other activities ⁽⁶⁾	226	1,148	664	734	1,416
Total capital expenditures	<u>\$ 16,771</u>	<u>\$ 23,483</u>	<u>\$ 11,495</u>	<u>\$ 10,262</u>	<u>\$ 8,952</u>
Average sq. ft. during period ⁽⁷⁾	31,017	16,204	17,046	17,189	17,416
Building improvements per average sq. ft. during period	\$ 0.14	\$ 0.69	\$ 0.39	\$ 0.24	\$ 0.16

- (1) Historical data prior to the three months ended March 31, 2019 does not include capital expenditures activity of the SIR properties acquired in the Merger. See Exhibit C on page 35 for a summary of capital expenditures activity of the SIR properties prior to the Merger as well as a pro forma combined capital expenditures summary.
- (2) Excludes capital expenditures of three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.
- (3) Tenant improvements include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space.
- (4) Leasing costs include leasing related costs, such as brokerage commissions and tenant inducements.
- (5) Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.
- (6) Development, redevelopment and other activities generally include (i) capital expenditures that are identified at the time of a property acquisition and incurred within a short time period after acquiring the property or (ii) capital expenditure projects that reposition a property or result in new sources of revenue.
- (7) Rentable square footage is subject to changes when space is remeasured or reconfigured for tenants. Average square footage for the three months ended December 31, 2018 excludes square feet from properties acquired from SIR on December 31, 2018.

PROPERTY ACQUISITIONS AND DISPOSITIONS INFORMATION SINCE JANUARY 1, 2019

(dollars and sq. ft. in thousands)

ACQUISITIONS:

We have not acquired any properties since January 1, 2019.

DISPOSITIONS:

Date Sold	Location	Number of Buildings	Sq. Ft.	Gross Sale Price ⁽¹⁾
2/8/2019	Northern Virginia and Maryland	34	1,636	\$ 198,500
3/18/2019	Washington, D.C.	1	129	70,000
	Total	35	1,765	\$ 268,500

(1) Gross sale price includes purchase price adjustments, if any, and excludes closing costs.

INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

(dollars in thousands)

Unconsolidated Joint Ventures:

Joint Venture	OPI Ownership	OPI Investment at March 31, 2019	Number of Office Buildings	Location	Square Feet	Occupancy at March 31, 2019	Weighted Average Lease Term ⁽¹⁾
Prosperity Metro Plaza	51%	\$ 23,498	2	Fairfax, VA	328,456	82.5%	4.1 years
1750 H Street, NW	50%	19,007	1	Washington, D.C.	115,411	100.0%	2.1 years
Total / Weighted Average		<u>\$ 42,505</u>	<u>3</u>		<u>443,867</u>	87.1%	3.2 years

Outstanding Unconsolidated Debt:

Joint Venture	OPI Ownership	Interest Rate ⁽²⁾	Maturity Date	Principal Balance at March 31, 2019 ⁽³⁾	Annualized Debt Service	Balance at Maturity ⁽³⁾	OPI Share of Principal Balance ⁽⁴⁾ at March 31, 2019
Prosperity Metro Plaza ⁽⁵⁾	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: ⁽⁶⁾

	For the Three Months Ended March 31, 2019		
	Prosperity Metro Plaza	1750 H Street, NW	Total
Equity in losses of affiliates	\$ (367)	\$ (272)	\$ (639)
Depreciation and amortization	1,091	660	1,751
Other expenses, net ⁽⁷⁾	<u>245</u>	<u>163</u>	<u>408</u>
NOI ⁽⁸⁾	969	551	1,520
Lease value amortization included in rental income ⁽⁹⁾	(13)	34	21
Non-cash straight-line rent adjustments included in rental income ⁽⁹⁾	<u>3</u>	<u>(8)</u>	<u>(5)</u>
Cash Basis NOI ⁽⁸⁾	<u>\$ 959</u>	<u>\$ 577</u>	<u>\$ 1,536</u>
Distributions received by OPI	<u>\$ 102</u>	<u>\$ 419</u>	<u>\$ 521</u>

(1) Lease term is weighted based on annualized rental income. Annualized rental income is calculated using the annualized contractual base rents from the unconsolidated joint ventures' tenants pursuant to the lease agreements as of March 31, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to the joint ventures, and excluding lease value amortization.

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

(3) Reflects the entire balance of the debt secured by the properties and is not adjusted to reflect the part of the joint venture arrangement interests we do not own.

(4) 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.

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

(6) Reflects our proportionate share of operating results for the three months ended March 31, 2019 based on our ownership percentage of the respective joint ventures.

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

(8) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of NOI and Cash Basis NOI. We calculate NOI and Cash Basis NOI for our unconsolidated joint ventures in the same manner that we calculate Consolidated Property NOI and Consolidated Property Cash Basis NOI.

(9) 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 our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

CALCULATION AND RECONCILIATION OF CONSOLIDATED PROPERTY NOI AND CONSOLIDATED PROPERTY CASH BASIS NOI

(dollars in thousands)

For the Three Months Ended ⁽¹⁾

	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Calculation of Consolidated Property NOI and Consolidated Property Cash Basis NOI:					
Rental income ⁽²⁾	\$ 174,777	\$ 103,656	\$ 106,102	\$ 108,085	\$ 108,717
Property operating expenses	(57,909)	(41,630)	(41,640)	(39,982)	(42,491)
Consolidated Property NOI	116,868	62,026	64,462	68,103	66,226
Non-cash straight line rent adjustments included in rental income ⁽²⁾	(6,794)	(2,339)	(1,990)	(2,744)	(3,091)
Lease value amortization included in rental income ⁽²⁾	1,147	542	773	753	835
Lease termination fees included in rental income ⁽²⁾	(294)	(58)	(122)	—	—
Non-cash amortization included in property operating expenses ⁽³⁾	(121)	(121)	(121)	(121)	(121)
Consolidated Property Cash Basis NOI	\$ 110,806	\$ 60,050	\$ 63,002	\$ 65,991	\$ 63,849
Reconciliation of Net Income (Loss) Available for Common Shareholders to Consolidated Property NOI and Consolidated Property Cash Basis NOI:					
Net income (loss) available for common shareholders	\$ 34,019	\$ (57,695)	\$ (449)	\$ 29,602	\$ 6,287
Preferred units of limited partnership distributions	—	—	—	93	278
Net income (loss)	34,019	(57,695)	(449)	29,695	6,565
Income (loss) from discontinued operations	—	18,150	(9,274)	(4,309)	(10,289)
Income (loss) from continuing operations	34,019	(39,545)	(9,723)	25,386	(3,724)
Equity in net earnings (losses) of investees	235	1,157	(94)	629	577
Income tax benefit (expense)	483	(7)	9	83	32
Loss on early extinguishment of debt	414	709	—	—	—
Interest expense	37,133	20,421	23,374	23,304	22,766
Interest income	(248)	(234)	(140)	(149)	(116)
Unrealized gain (loss) on equity securities	(22,128)	48,229	(17,425)	(10,321)	(12,931)
Dividend income	(980)	(425)	(304)	(304)	(304)
Gain on sale of real estate	(22,092)	(3,332)	—	(17,329)	—
General and administrative	8,723	(11,516)	22,383	4,449	9,606
Acquisition and transaction related costs	584	10,695	3,813	—	—
Loss on impairment of real estate	3,204	2,830	—	(316)	6,116
Depreciation and amortization	77,521	33,044	42,569	42,671	44,204
Consolidated Property NOI	116,868	62,026	64,462	68,103	66,226
Non-cash amortization included in property operating expenses ⁽³⁾	(121)	(121)	(121)	(121)	(121)
Lease termination fees included in rental income ⁽²⁾	(294)	(58)	(122)	—	—
Lease value amortization included in rental income ⁽²⁾	1,147	542	773	753	835
Non-cash straight line rent adjustments included in rental income ⁽²⁾	(6,794)	(2,339)	(1,990)	(2,744)	(3,091)
Consolidated Property Cash Basis NOI	\$ 110,806	\$ 60,050	\$ 63,002	\$ 65,991	\$ 63,849

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of Consolidated Property NOI and Consolidated Property Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures. Excludes three buildings owned by our two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.
- (2) We 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 us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.
- (3) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our 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 are included in property operating expenses.

RECONCILIATION AND CALCULATION OF SAME PROPERTY NOI AND SAME PROPERTY CASH BASIS NOI ⁽¹⁾⁽²⁾

(dollars in thousands)

	For the Three Months Ended ⁽³⁾	
	3/31/2019	3/31/2018
Reconciliation of Consolidated Property NOI to Same Property NOI:		
Rental income	\$ 174,777	\$ 108,717
Property operating expenses	(57,909)	(42,491)
Consolidated Property NOI	116,868	66,226
Less: NOI of properties not included in same property results		
SIR assets acquired	(60,522)	—
Historical OPI assets	(3,904)	(12,113)
Same property NOI	<u>\$ 52,442</u>	<u>\$ 54,113</u>
Calculation of Same Property Cash Basis NOI:		
Same property NOI	\$ 52,442	\$ 54,113
Add: Lease value amortization included in rental income ⁽⁴⁾	318	547
Less: Non-cash straight line rent adjustments included in rental income ⁽⁴⁾	(1,665)	(2,536)
Non-cash amortization included in property operating expenses ⁽⁵⁾	(121)	(116)
Same property Cash Basis NOI	<u>\$ 50,974</u>	<u>\$ 52,008</u>

- (1) See Exhibit A on page 33 for pro forma summary same property results that include the SIR properties acquired in the Merger and Exhibit B on page 34 for a calculation of pro forma Same Property NOI and Same Property Cash Basis NOI.
- (2) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of Consolidated Property NOI and Consolidated Property Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (3) Based on consolidated properties we owned as of March 31, 2019 and which we owned continuously since January 1, 2018. Excludes three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.
- (4) We 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 us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.
- (5) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our 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 are included in property operating expenses.

CALCULATION OF EBITDA, EBITDAre AND ADJUSTED EBITDAre ⁽¹⁾

(dollars in thousands)

	For the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Net income (loss)	\$ 34,019	\$ (57,695)	\$ (449)	\$ 29,695	\$ 6,565
Add (less): Interest expense	37,133	20,421	23,374	23,304	22,766
Income tax (benefit) expense	483	(7)	9	83	32
Depreciation and amortization	77,521	33,044	42,569	42,671	44,204
EBITDA	149,156	(4,237)	65,503	95,753	73,567
Add (less): Loss on impairment of real estate	3,204	2,830	—	(316)	6,116
Gain on sale of real estate	(22,092)	(3,332)	—	(17,329)	—
Distributions received from unconsolidated joint ventures	521	705	813	1,410	823
Distributions received from SIR	—	—	12,708	12,708	12,708
Equity in earnings of SIR included in discontinued operations	—	(515)	(9,253)	(4,301)	(10,289)
Equity in losses of unconsolidated joint ventures	639	791	738	636	620
Net gain on issuance of shares by SIR included in discontinued operations	—	—	(21)	(8)	—
Loss on sale of SIR shares included in discontinued operations ⁽²⁾	—	18,665	—	—	—
EBITDAre	131,428	14,907	70,488	88,553	83,545
Add (less): Acquisition and transaction related costs ⁽³⁾	584	10,695	3,813	—	—
General and administrative expense paid in common shares ⁽⁴⁾	864	334	461	604	(62)
Estimated business management incentive fees ⁽⁵⁾	—	(16,973)	16,236	(2,150)	2,887
Loss on early extinguishment of debt	414	709	—	—	—
Unrealized (gain) loss on equity securities ⁽⁶⁾	(22,128)	48,229	(17,425)	(10,321)	(12,931)
Adjusted EBITDAre	<u>\$ 111,162</u>	<u>\$ 57,901</u>	<u>\$ 73,573</u>	<u>\$ 76,686</u>	<u>\$ 73,439</u>

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of EBITDA, EBITDAre and Adjusted EBITDAre and a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (2) On October 9, 2018, we sold our entire investment in SIR at a loss.
- (3) Acquisition and transaction related costs consists of costs incurred in connection with the Merger.
- (4) Amounts represent equity based compensation to our trustees, our officers and certain other employees of RMR LLC.
- (5) Incentive fees under our business management agreement with RMR LLC 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 consolidated statements of income. 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 calculation of Adjusted EBITDAre until the fourth quarter, when the amount of the business management incentive fee expense for the calendar year, if any, is determined. No business management incentive fee was payable under our business management agreement for 2018. As successor to SIR as a result of the Merger, we assumed the obligation to pay SIR's business management incentive fee for 2018. SIR's business management incentive fee for 2018 of \$25,817 was paid by us in January 2019.
- (6) Unrealized gain (loss) on equity securities represents the adjustment required to adjust the carrying value of our investment in RMR Inc. common shares to its fair value as of the end of the period.

CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO AVAILABLE FOR COMMON SHAREHOLDERS ⁽¹⁾

(amounts in thousands, except per share data)

	For the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Net income (loss) available for common shareholders	\$ 34,019	\$ (57,695)	\$ (449)	\$ 29,602	\$ 6,287
Add (less): Depreciation and amortization					
Consolidated properties	77,521	33,044	42,569	42,671	44,204
Unconsolidated joint venture properties	1,751	1,920	1,913	2,185	2,185
FFO attributable to SIR investment	—	1,859	19,012	12,414	18,488
Loss on impairment of real estate	3,204	2,830	—	(316)	6,116
Equity in earnings of SIR included in discontinued operations	—	(515)	(9,253)	(4,301)	(10,289)
Gain on sale of real estate	(22,092)	(3,332)	—	(17,329)	—
Unrealized gain (loss) on equity securities ⁽²⁾	(22,128)	48,229	(17,425)	(10,321)	(12,931)
FFO available for common shareholders	72,275	26,340	36,367	54,605	54,060
Add (less): Acquisition and transaction related costs ⁽³⁾	584	10,695	3,813	—	—
Loss on early extinguishment of debt	414	709	—	—	—
Normalized FFO attributable to SIR investment	—	1,524	15,584	11,292	15,606
FFO attributable to SIR investment	—	(1,859)	(19,012)	(12,414)	(18,488)
Net gain on issuance of shares by SIR included in discontinued operations	—	—	(21)	(8)	—
Estimated business management incentive fees ⁽⁴⁾	—	(16,973)	16,236	(2,150)	2,887
Loss on sale of SIR shares included in discontinued operations ⁽⁵⁾	—	18,665	—	—	—
Normalized FFO available for common shareholders	\$ 73,273	\$ 39,101	\$ 52,967	\$ 51,325	\$ 54,065
Weighted average common shares outstanding (basic)	48,031	25,027	24,768	24,763	24,760
Weighted average common shares outstanding (diluted)	48,046	25,027	24,768	24,766	24,760
Per common share amounts:					
Net income (loss) available for common shareholders (basic and diluted)	\$ 0.71	\$ (2.31)	\$ (0.02)	\$ 1.20	\$ 0.25
FFO available for common shareholders (basic)	\$ 1.50	\$ 1.05	\$ 1.47	\$ 2.21	\$ 2.18
FFO available for common shareholders (diluted)	\$ 1.50	\$ 1.05	\$ 1.47	\$ 2.20	\$ 2.18
Normalized FFO available for common shareholders (basic and diluted)	\$ 1.53	\$ 1.56	\$ 2.14	\$ 2.07	\$ 2.18

See accompanying notes on the following page.

CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO AVAILABLE FOR COMMON SHAREHOLDERS ⁽¹⁾ (CONTINUED)

(amounts in thousands, except per share data)

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of FFO available for common shareholders and Normalized FFO available for common shareholders, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (2) Unrealized gain (loss) on equity securities represents the adjustment required to adjust the carrying value of our investment in RMR Inc. common shares to its fair value as of the end of the period.
- (3) Acquisition and transaction related costs consists of costs incurred in connection with the Merger.
- (4) Incentive fees under our business management agreement with RMR LLC 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 consolidated statements of income. In calculating net income (loss) available for common shareholders 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) available for common shareholders, we do not include such expense in the calculation of Normalized FFO available for common shareholders until the fourth quarter, when the amount of the business management incentive fee expense for the calendar year, if any, is determined. No business management incentive fee was payable under our business management agreement for 2018. As successor to SIR as a result of the Merger, we assumed the obligation to pay SIR's business management incentive fee for 2018. SIR's business management incentive fee for 2018 of \$25,817 was paid by us in January 2019. Pursuant to GAAP, the business management incentive fee that SIR incurred for 2018 was not recorded in our consolidated statement of income (loss) for the year ended December 31, 2018, but that amount was included in our consolidated balance sheet as of December 31, 2018 within due to related persons.
- (5) On October 9, 2018, we sold our entire investment in SIR at a loss.



Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of applicable SEC rules, including Consolidated Property NOI, Consolidated Property Cash Basis NOI, Same Property NOI, Same Property Cash Basis NOI, EBITDA, EBITDAre, Adjusted EBITDAre, FFO available for common shareholders and Normalized FFO available for common shareholders. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to income (loss) from continuing operations, net income (loss) or net income (loss) available for common shareholders as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with income (loss) from continuing operations, net income (loss) and net income (loss) available for common shareholders as presented in our condensed consolidated statements of income. We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with income (loss) from continuing operations, net income and net income available for common shareholders. 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 Consolidated Property NOI, Consolidated Property 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 at our properties.

Consolidated Property NOI and Consolidated Property Cash Basis NOI

The calculations of Consolidated Property net operating income, or NOI, and Cash Basis NOI exclude certain components of net income (loss) available for common shareholders in order to provide results that are more closely related to our consolidated property level results of operations. We calculate Consolidated Property NOI and Consolidated Property Cash Basis NOI as shown on page 20 and Same Property NOI and Same Property Cash Basis NOI on page 21. We define Consolidated Property NOI as consolidated income from our rental of real estate less our consolidated property operating expenses. Consolidated Property NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We define Consolidated Property Cash Basis NOI as Consolidated Property 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 Consolidated Property NOI and Consolidated Property Cash Basis NOI amounts, except that we only include same properties in calculating Same Property NOI and Same Property Cash Basis NOI. We use Consolidated Property NOI, Consolidated Property 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 Consolidated Property NOI, Consolidated Property 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 22. 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 and our prior investment in SIR included in discontinued operations. In calculating Adjusted EBITDAre, we adjust for the items shown on page 22 and include business management incentive fees 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, available for common shareholders and Normalized FFO available for common shareholders as shown on page 23. FFO available for common shareholders is calculated on the basis defined by Nareit, which is net income available for common shareholders, 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, and the difference between FFO attributable to an equity investment and equity in earnings of SIR included in discontinued operations, but excluding impairment charges on and increases in the carrying value of real estate assets, any gain or loss on sale of real estate, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO available for common shareholders, we adjust for the items shown on page 23 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 available for common shareholders and Normalized FFO available for common shareholders 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 available for common shareholders and Normalized FFO available for common shareholders differently than we do.

PORTFOLIO INFORMATION

Primary Tenant: U.S. Government
Intech Park
Indianapolis, IN
Three Buildings, Square Feet: 433,924



SUMMARY CONSOLIDATED SAME PROPERTY RESULTS

(dollars and sq. ft. in thousands)

	For the Three Months Ended ^{(1) (2)}	
	3/31/2019	3/31/2018
Consolidated buildings (end of period)	113	113
Total sq. ft. ⁽³⁾	13,596	13,585
Percent leased ⁽⁴⁾	92.5 %	94.8%
Rental income ⁽⁵⁾	\$ 87,842	\$ 89,723
Same Property NOI ⁽⁶⁾	\$ 52,442	\$ 54,113
Same Property Cash Basis NOI ⁽⁶⁾	\$ 50,974	\$ 52,008
Same Property NOI % margin ⁽⁷⁾	59.7%	60.3%
Same Property Cash Basis NOI % margin ⁽⁷⁾	58.9%	59.3%
Same Property NOI % change	(3.1%)	—
Same Property Cash Basis NOI % change	(2.0%)	—

(1) Excludes the SIR properties acquired in the Merger. See Exhibit A on page 33 for pro forma summary same property results as if the SIR properties acquired in the Merger were owned continuously since January 1, 2018.

(2) Based on consolidated properties we owned as of March 31, 2019 and which we owned continuously since January 1, 2018. Excludes three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.

(3) Subject to changes when space is remeasured or reconfigured for tenants.

(4) 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.

(5) We 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 us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

(6) See page 20 for the calculation of Consolidated Property NOI and Consolidated Property Cash Basis NOI and a reconciliation of net income (loss) available for common shareholders determined in accordance with GAAP to those amounts and see page 21 for a calculation and reconciliation of Same Property NOI and Same Property Cash Basis NOI.

(7) Same Property NOI margin is defined as Same Property NOI as a percentage of rental income. Same Property Cash Basis NOI margin is defined as Same Property Cash Basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straight line rent adjustments and the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

OCCUPANCY AND LEASING SUMMARY (1) (2)

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

	As of and for the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Consolidated buildings (end of period)	212 ⁽³⁾	247 ^{(3) (4)}	164	164	166
Total sq. ft. ⁽⁵⁾	30,134 ⁽³⁾	31,900 ^{(3) (4)}	17,046	17,046	17,332
Percentage leased	89.6% ⁽³⁾	91.0% ^{(3) (4)}	93.3%	94.0%	94.4%
Leasing Activity (sq. ft.): ⁽⁵⁾					
New leases	121	117	84	117	83
Renewals	704	407	98	279	197
Total	825	524	182	396	280
% Change in GAAP Rent: ⁽⁶⁾					
New leases	3.6%	1.8%	0.6%	(2.5%)	10.3%
Renewals	14.3%	(9.9%)	(1.1%)	1.6%	2.6%
Total	12.8%	(8.2%)	(0.4%)	0.6%	4.9%
Weighted Average Lease Term by Sq. Ft. (years):					
New leases	8.8	7.0	7.0	6.8	5.8
Renewals	7.3	7.6	9.0	5.9	5.5
Total	7.5	7.5	8.1	6.2	5.6
Leasing Cost and Concession Commitments: ⁽⁷⁾					
New leases	\$ 13,591	\$ 5,334	\$ 3,796	\$ 4,653	\$ 3,347
Renewals	15,213	10,514	2,683	2,157	4,651
Total	\$ 28,804	\$ 15,848	\$ 6,479	\$ 6,810	\$ 7,998
Leasing Cost and Concession Commitments per Sq. Ft.: ⁽⁷⁾					
New leases	\$ 112.00	\$ 45.75	\$ 44.89	\$ 39.76	\$ 39.93
Renewals	\$ 21.60	\$ 25.82	\$ 27.47	\$ 7.72	\$ 23.66
Total	\$ 34.89	\$ 30.25	\$ 35.56	\$ 17.18	\$ 28.52
Leasing Cost and Concession Commitments per Sq. Ft. per Year: ⁽⁷⁾					
New leases	\$ 12.79	\$ 6.51	\$ 6.46	\$ 5.84	\$ 6.86
Renewals	\$ 2.98	\$ 3.38	\$ 3.05	\$ 1.31	\$ 4.34
Total	\$ 4.67	\$ 4.03	\$ 4.41	\$ 2.79	\$ 5.13

(1) Excludes three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.

(2) The data presented as of December 31, 2018 and prior periods exclude the SIR properties acquired in the Merger, unless otherwise stated.

(3) Includes two leasable land parcels.

(4) Includes the SIR properties acquired in the Merger.

(5) Rentable square footage is subject to changes when space is remeasured or reconfigured for tenants.

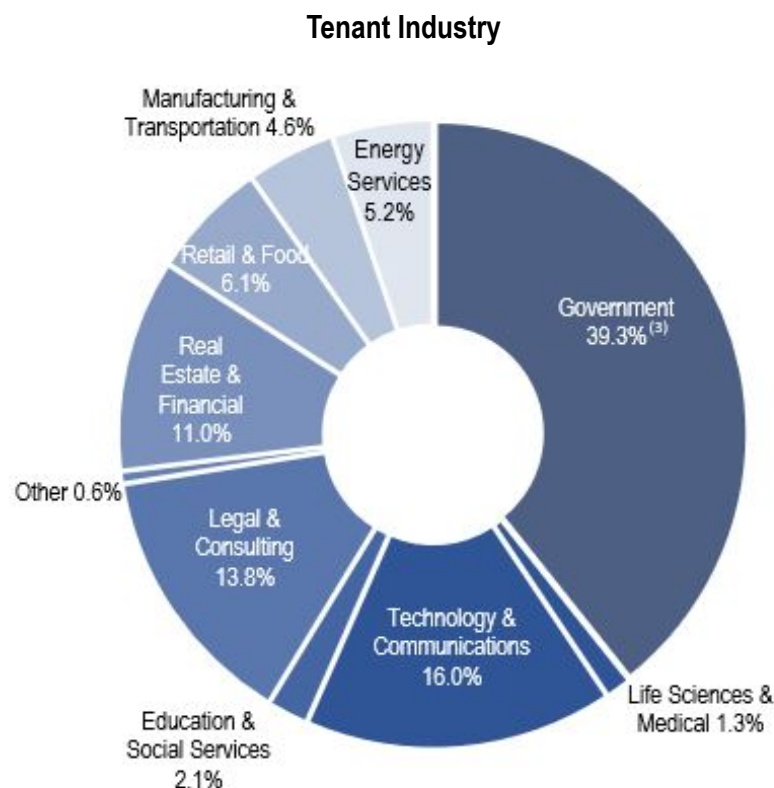
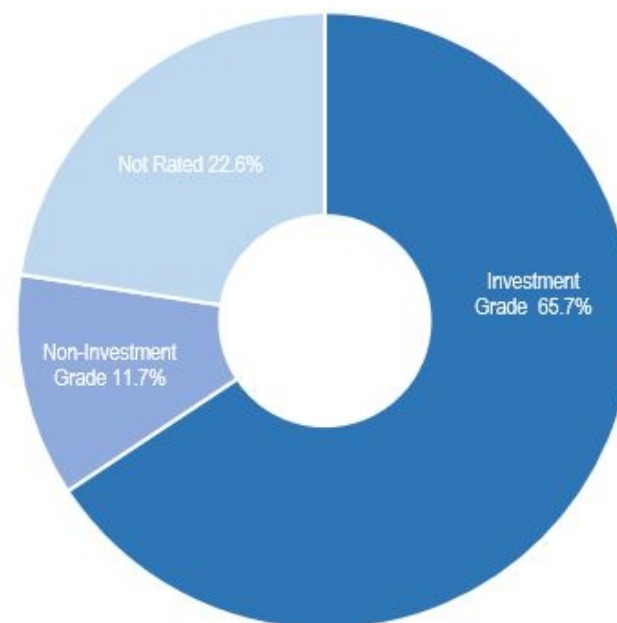
(6) Percent difference in prior rents charged for same space or, in the case of space acquired vacant, market rental rates for similar space in the building at the date of acquisition. Rents include estimated recurring expense reimbursements paid to us, exclude lease value amortization and are net of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

(7) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

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

TENANT DIVERSITY AND CREDIT CHARACTERISTICS

As of March 31, 2019

Percentage of Total Annualized Rental Income ⁽¹⁾**Tenant Credit Characteristics ⁽²⁾**

(1) Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of March 31, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

(2) We consider investment grade tenants to 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 55.2% of annualized rental income were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 10.5% of annualized rental income were subsidiaries of an investment grade rated parent (although these parent entities are not liable for the payment of rents).

(3) Includes the U.S. Government, state governments, municipalities and government contractors.

TENANTS REPRESENTING 1% OR MORE OF TOTAL ANNUALIZED RENTAL INCOME

As of March 31, 2019

(dollars in thousands)

Tenant	Credit Rating ⁽¹⁾	Annualized Rental Income ⁽²⁾	% of Total Annualized Rental Income ⁽²⁾
1 U.S. Government	Investment Grade	\$ 171,965	25.8%
2 State of California	Investment Grade	19,006	2.9%
3 Shook, Hardy & Bacon L.L.P.	Not Rated	18,854	2.8%
4 Bank of America Corporation	Investment Grade	16,596	2.5%
5 F5 Networks, Inc.	Not Rated	14,416	2.2%
6 Noble Energy, Inc.	Investment Grade	14,149	2.1%
7 Andeavor	Investment Grade	14,141	2.1%
8 WestRock Co.	Investment Grade	12,807	1.9%
9 CareFirst Inc.	Non Investment Grade	11,355	1.7%
10 Northrop Grumman Corporation	Investment Grade	11,346	1.7%
11 Tyson Foods, Inc.	Investment Grade	10,253	1.5%
12 Technicolor SA	Non Investment Grade	10,034	1.5%
13 Commonwealth of Massachusetts	Investment Grade	9,693	1.5%
14 Micro Focus International plc	Non Investment Grade	8,710	1.3%
15 ARRIS International plc	Non Investment Grade	7,931	1.2%
16 PNC Bank	Investment Grade	6,959	1.1%
17 State of Georgia	Investment Grade	6,776	1.0%
18 ServiceNow, Inc.	Not Rated	6,335	1.0%
		<u>\$ 371,326</u>	<u>55.8%</u>

- (1) We consider investment grade tenants to include: (a) investment grade rated tenants; (b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations. Tenants contributing 55.2% of annualized rental income were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 10.5% of annualized rental income were subsidiaries of an investment grade rated parent (although these parent entities are not liable for the payment of rents).
- (2) Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of March 31, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

LEASE EXPIRATION SCHEDULE (1)

OFFICE PROPERTIES
INCOME TRUST

As of March 31, 2019

(dollars and sq. ft. in thousands)

Year ⁽²⁾	Number of Leases Expiring	Leased Square Feet Expiring ⁽³⁾	% of Total Leased Square Feet Expiring ⁽³⁾	Cumulative % of Total Leased Square Feet Expiring ⁽³⁾	Annualized Rental Income Expiring ⁽⁴⁾	% of Total Annualized Rental Income Expiring ⁽⁴⁾	Cumulative % of Total Annualized Rental Income Expiring ⁽⁴⁾
2019	60	2,241	8.3%	8.3%	\$ 67,458	10.1%	10.1%
2020	73	1,671	6.2%	14.5%	45,018	6.8%	16.9%
2021	67	1,848	6.8%	21.3%	41,668	6.3%	23.2%
2022	80	2,355	8.7%	30.0%	60,645	9.1%	32.3%
2023	66	2,928	10.8%	40.8%	73,063	11.0%	43.3%
2024	56	3,659	13.6%	54.4%	93,224	14.0%	57.3%
2025	33	1,983	7.3%	61.7%	42,649	6.4%	63.7%
2026	29	1,984	7.3%	69.0%	51,223	7.7%	71.4%
2027	29	2,007	7.4%	76.4%	49,545	7.4%	78.8%
2028 and thereafter	45	6,318	23.6%	100.0%	140,770	21.2%	100.0%
Total	538	26,994	100.0%		\$ 665,263	100.0%	
Weighted average remaining lease term (in years)		6.1			5.9		

- (1) Excludes three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for more information regarding these joint ventures.
- (2) The year of lease expiration is pursuant to current contract terms. Some of our government tenants have the right to vacate their space before the stated expirations of their leases. In addition, certain of our government tenants have the right to terminate their leases if their respective legislature or other funding authority does not appropriate rent in their respective annual budgets.
- (3) Leased square feet is pursuant to leases existing as of March 31, 2019, 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.
- (4) Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of March 31, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

EXHIBITS

*Tenant: Commonwealth of Massachusetts
75 Pleasant Street
Malden, MA
One Building, Square Feet: 125,521*



PRO FORMA SUMMARY SAME PROPERTY RESULTS (1)

EXHIBIT A

OFFICE PROPERTIES
INCOME TRUST

(dollars and sq. ft. in thousands)

	For the Three Months Ended	
	3/31/2019	3/31/2018
OPI (Excluding Former SIR Properties):		
Leasable buildings	113	113
Total sq. ft. (2)	13,596	13,585
Percent leased (3)	92.5%	94.8%
Same Property Cash Basis NOI (4)	\$ 50,974	\$ 52,008
Same Property Cash Basis NOI % change	(2.0%)	—

	For the Three Months Ended			
	3/31/2019	3/31/2018		
Former SIR Properties:		As reported	Less:	
		SIR (excluding ILPT)	SIR 2018 Disposition (5)	Pro Forma SIR
Leasable buildings (6)	99	100	(1)	99
Total sq. ft. (2)	16,538	16,956	(418)	16,538
Percent leased (3)	87.2%	88.7%	—%	90.1%
Same Property Cash Basis NOI (4)	\$ 56,049	\$ 58,097	\$ (40)	\$ 58,057
Same Property Cash Basis NOI % change	(3.5%)	—	—	—

	For the Three Months Ended	
	3/31/2019	3/31/2018
Pro Forma Combined:		
Leasable buildings (6)	212	212
Total sq. ft. (2)	30,134	30,123
Percent leased (3)	89.6%	92.7%
Same Property Cash Basis NOI (4)	\$ 107,023	\$ 110,065
Same Property Cash Basis NOI % change	(2.8%)	—

- (1) OPI (excluding former SIR properties) same property results for the three months ended March 31, 2019 and 2018, are based on consolidated properties owned as of March 31, 2019 and owned continuously since January 1, 2018. Former SIR properties same property results for the three months ended March 31, 2019 and 2018, are based on consolidated properties SIR owned prior to the Merger and owned continuously since January 1, 2018 and which OPI owned as of March 31, 2019. Pro forma combined same property results combine the same property results of OPI and SIR for the three months ended March 31, 2019 and 2018, as if the Merger had occurred on January 1, 2018. See calculation of pro forma Same Property Cash Basis NOI or the three months ended March 31, 2019 on page 34.
- (2) Subject to changes when space is remeasured or reconfigured for tenants.
- (3) 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.
- (4) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definition of Same Property Cash Basis NOI, a description of why we believe it is an appropriate supplemental measure and a description of how we use this measure.
- (5) SIR sold a vacant land parcel in August 2018 prior to the completion of the Merger.
- (6) Includes two leasable land parcels as of March 31, 2019 and three leasable land parcels as of March 31, 2018.

RECONCILIATION AND CALCULATION OF PRO FORMA SAME PROPERTY NOI AND SAME PROPERTY CASH BASIS NOI ⁽¹⁾



(dollars in thousands)

	For the Three Months Ended March 31, 2019		
	OPI (Excluding Former SIR Properties)	Former SIR Properties	Pro Forma Combined
Reconciliation of Consolidated Property NOI to Same Property NOI: ⁽²⁾			
Rental income ⁽³⁾	\$ 93,680	\$ 81,097	\$ 174,777
Property operating expenses	(37,334)	(20,575)	(57,909)
Consolidated Property NOI	56,346	60,522	116,868
Less: NOI of properties not included in same property results	(3,904)	—	(3,904)
Same Property NOI	<u>\$ 52,442</u>	<u>\$ 60,522</u>	<u>\$ 112,964</u>
Calculation of Same Property Cash Basis NOI: ⁽²⁾			
Same Property NOI	\$ 52,442	\$ 60,522	\$ 112,964
Add: Lease value amortization included in rental income ⁽³⁾	318	830	1,148
Less: Non-cash straight line rent adjustments included in rental income ⁽³⁾	(1,665)	(5,009)	(6,674)
Lease termination fees included in rental income ⁽³⁾	—	(294)	(294)
Non-cash amortization included in property operating expenses ⁽⁴⁾	(121)	—	(121)
Same Property Cash Basis NOI	<u>\$ 50,974</u>	<u>\$ 56,049</u>	<u>\$ 107,023</u>

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of Consolidated Property NOI and Consolidated Property Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (2) OPI (excluding former SIR properties) same property results for the three months ended March 31, 2019 are based on consolidated properties owned as of March 31, 2019 and which OPI had owned continuously since January 1, 2018. Former SIR properties same property results for the three months ended March 31, 2019 are based on consolidated properties SIR owned prior to the Merger and which it had owned continuously since January 1, 2018 and which OPI owned as of March 31, 2019. Pro forma combined same property results combine the same property results of OPI and SIR for the three months ended March 31, 2019, as if the Merger had occurred on January 1, 2018.
- (3) We report rental income on a straight line basis over the terms of the respective leases; as a result, 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 us by its tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.
- (4) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our 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.

PRO FORMA CAPITAL EXPENDITURES SUMMARY (1)(2)

EXHIBIT C



(dollars in thousands)

	For the Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
OPI:					
Tenant improvements ⁽³⁾	\$ 4,912	\$ 5,450	\$ 2,293	\$ 3,854	\$ 2,843
Leasing costs ⁽⁴⁾	7,325	5,635	1,831	1,626	1,986
Building improvements ⁽⁵⁾	4,308	11,250	6,707	4,048	2,707
Recurring capital expenditures	16,545	22,335	10,831	9,528	7,536
Development, redevelopment and other activities ⁽⁶⁾	226	1,148	664	734	1,416
Total capital expenditures	<u>\$ 16,771</u>	<u>\$ 23,483</u>	<u>\$ 11,495</u>	<u>\$ 10,262</u>	<u>\$ 8,952</u>
Former SIR Properties:					
Tenant improvements ⁽³⁾	\$ —	\$ 1,109	\$ 3,318	\$ 6,671	\$ 1,734
Leasing costs ⁽⁴⁾	—	893	211	308	571
Building improvements ⁽⁵⁾	—	1,261	1,464	660	385
Recurring capital expenditures	—	3,263	4,993	7,639	2,690
Development, redevelopment and other activities ⁽⁶⁾	—	392	950	1,067	72
Total capital expenditures	<u>\$ —</u>	<u>\$ 3,655</u>	<u>\$ 5,943</u>	<u>\$ 8,706</u>	<u>\$ 2,762</u>
Pro Forma Combined:					
Tenant improvements ⁽³⁾	\$ 4,912	\$ 6,559	\$ 5,611	\$ 10,525	\$ 4,577
Leasing costs ⁽⁴⁾	7,325	6,528	2,042	1,934	2,557
Building improvements ⁽⁵⁾	4,308	12,511	8,171	4,708	3,092
Recurring capital expenditures	16,545	25,598	15,824	17,167	10,226
Development, redevelopment and other activities ⁽⁶⁾	226	1,540	1,614	1,801	1,488
Total capital expenditures	<u>\$ 16,771</u>	<u>\$ 27,138</u>	<u>\$ 17,438</u>	<u>\$ 18,968</u>	<u>\$ 11,714</u>

- (1) Historical data for OPI for periods prior to the three months ended March 31, 2019 does not include capital expenditures for the SIR properties acquired in the Merger.
- (2) The OPI data presented excludes capital expenditures of three buildings owned by two unconsolidated joint ventures in which we own 51% and 50% interests. See page 19 for additional information regarding these joint ventures.
- (3) Tenant improvements include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space.
- (4) Leasing costs include leasing related costs, such as brokerage commissions and tenant inducements.
- (5) Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.
- (6) Development, redevelopment and other activities generally include (i) capital expenditures that are identified at the time of a property acquisition and incurred within a short time period after acquiring the property, or (ii) capital expenditure projects that reposition a property or result in new sources of revenue.

PRO FORMA CALCULATION OF EBITDA, EBITDAre AND ADJUSTED EBITDAre ⁽¹⁾ AS IF THE MERGER HAD OCCURRED ON OCTOBER 1, 2018

EXHIBIT D



(dollars in thousands)

For the Three Months Ended December 31, 2018

	Sale of		OPI		ILPT	SIR	Pro Forma	
	OPI	SIR Shares	Adjusted	SIR	Distribution	Adjusted	Adjustments	Pro Forma
Net loss	\$ (57,695)	\$ (139)	\$ (57,834)	\$ (51,551)	\$ (17,493)	\$ (69,044)	\$ (4,744)	\$ (131,622)
Add (less): Interest expense	20,421	(376)	20,045	23,701	(4,472)	19,229	241	39,515
Income tax (benefit) expense	(7)	—	(7)	10	(8)	2	—	(5)
Depreciation and amortization	33,044	—	33,044	36,220	(7,327)	28,893	5,782	67,719
EBITDA	(4,237)	(515)	(4,752)	8,380	(29,300)	(20,920)	1,279	(24,393)
Add (less): Loss on impairment of real estate	2,830	—	2,830	—	—	—	—	2,830
Gain on sale of real estate	(3,332)	—	(3,332)	—	—	—	—	(3,332)
Distributions received from unconsolidated joint ventures	705	—	705	—	—	—	—	705
Equity in earnings of SIR included in discontinued operations	(515)	515	—	—	—	—	—	—
Equity in losses of unconsolidated joint ventures	791	—	791	—	—	—	—	791
Loss on sale of SIR common shares included in discontinued operations ⁽²⁾	18,665	—	18,665	—	—	—	—	18,665
EBITDAre	14,907	—	14,907	8,380	(29,300)	(20,920)	1,279	(4,734)
Add (less): Acquisition and transaction related costs ⁽³⁾	10,695	—	10,695	9,193	—	9,193	—	19,888
General and administrative expense paid in common shares ⁽⁴⁾	334	—	334	842	(235)	607	—	941
Estimated business management incentive fees ⁽⁵⁾	(16,973)	—	(16,973)	(21,479)	—	(21,479)	—	(38,452)
Loss on extinguishment of debt	709	—	709	—	—	—	—	709
Unrealized loss on equity securities ⁽⁶⁾	48,229	—	48,229	63,029	—	63,029	—	111,258
Adjusted EBITDAre	\$ 57,901	\$ —	\$ 57,901	\$ 59,965	\$ (29,535)	\$ 30,430	\$ 1,279	\$ 89,610

(1) See Definitions of Certain Non-GAAP Financial Measures on page 25 for the definitions of EBITDA, EBITDAre and Adjusted EBITDAre and a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.

(2) On October 9, 2018, we sold our entire investment in SIR at a loss.

(3) Acquisition and transaction related costs include costs incurred in connection with the Merger.

(4) Amounts represent equity compensation awarded to our trustees, officers and certain other employees of RMR LLC.

(5) Incentive fees under our business management agreement with RMR LLC 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 consolidated statements of income (loss). In calculating net 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 calculation of Adjusted EBITDAre until the fourth quarter, when the amount of the business management incentive fee expense for the calendar year, if any, is determined. No incentive management fee was payable under our business management agreement for the year ended December 31, 2018. As successor to SIR as a result of the Merger, we assumed the obligation to pay SIR's business management incentive fee for 2018. SIR's business management incentive fee for 2018 of \$25,817 was paid by us in January 2019 and is reflected in the pro forma calculation of Adjusted EBITDAre as shown above in the SIR and SIR Adjusted columns.

(6) Unrealized loss on equity securities represents the adjustment required to adjust the carrying value of our investment in RMR Inc. common shares to its fair value as of the end of the period.

CONSOLIDATED PROPERTY DETAIL ⁽¹⁾

As of March 31, 2019

(dollars and square feet in thousands)

Property	City, State	No. of Buildings	Rentable Sq. Ft.	% Leased	Annualized			Date Acquired ⁽⁴⁾	Year Built or Most Recent Renovation
					Rental Income ⁽²⁾	Undepreciated Carrying Value ⁽³⁾	Depreciated Carrying Value ⁽³⁾		
Inverness Center	Birmingham, AL	3	448	25.2%	\$ 2,452	\$ 17,685	\$ 17,594	12/31/2018	1985
445 Jan Davis Drive	Huntsville, AL	1	57	100.0%	1,038	3,016	3,006	12/31/2018	2007
4905 Moores Mill Road	Huntsville, AL	1	1,371	100.0%	10,034	41,240	40,968	12/31/2018	2007
131 Clayton Street	Montgomery, AL	1	58	100.0%	1,575	10,052	8,287	6/22/2011	2007
4344 Carmichael Road	Montgomery, AL	1	49	100.0%	1,527	13,042	11,512	12/17/2013	2009
15451 North 28th Avenue	Phoenix, AZ	1	67	100.0%	1,473	9,883	8,994	9/10/2014	2013
16001 North 28th Avenue	Phoenix, AZ	1	106	100.0%	1,914	3,798	3,795	12/31/2018	2007
2149 West Dunlap Avenue	Phoenix, AZ	1	123	100.0%	2,553	6,824	6,822	12/31/2018	1983
711 S 14th Avenue	Safford, AZ	1	36	94.4%	920	8,220	7,964	6/16/2010	1992
Regents Center	Tempe, AZ	2	101	100.0%	2,130	7,220	7,182	12/31/2018	1988
Campbell Place	Carlsbad, CA	2	95	100.0%	2,768	9,717	9,688	12/31/2018	2007
Folsom Corporate Center	Folsom, CA	1	96	100.0%	2,945	8,555	8,511	12/31/2018	2009
Bayside Technology Park	Fremont, CA	1	101	100.0%	2,325	11,522	11,516	12/31/2018	1990
5045 East Butler Street	Fresno, CA	1	532	100.0%	8,384	68,533	43,118	8/29/2002	1971
10949 N. Mather Boulevard	Rancho Cordova, CA	1	94	100.0%	2,609	17,844	15,533	10/30/2013	2012
11020 Sun Center Drive	Rancho Cordova, CA	1	83	100.0%	2,024	10,934	10,348	12/20/2016	2016
100 Redwood Shores Parkway	Redwood City, CA	1	63	100.0%	3,214	22,351	22,297	12/31/2018	2014
3875 Atherton Road	Rocklin, CA	1	19	100.0%	420	1,038	1,032	12/31/2018	1991
801 K Street	Sacramento, CA	1	338	89.9%	9,847	73,032	66,517	1/29/2016	2002
9815 Goethe Road	Sacramento, CA	1	88	100.0%	1,953	12,438	10,347	9/14/2011	1992
Capitol Place	Sacramento, CA	1	164	94.5%	4,949	46,875	36,344	12/17/2009	1988
4181 Ruffin Road	San Diego, CA	1	148	100.0%	3,613	20,881	16,794	7/16/2010	2013
4560 Viewridge Road	San Diego, CA	1	93	100.0%	3,336	26,904	16,033	3/31/1997	1996
9174 Sky Park Centre	San Diego, CA	1	44	97.7%	1,200	8,923	5,536	6/24/2002	1986
2090 Fortune Drive	San Jose, CA	1	72	100.0%	1,261	9,110	9,110	12/31/2018	2014
2115 O'Nel Drive	San Jose, CA	1	99	100.0%	3,352	17,505	17,470	12/31/2018	2013
6448-6450 Via Del Oro	San Jose, CA	1	76	100.0%	1,841	6,774	6,760	12/31/2018	1983
North First Street	San Jose, CA	1	64	100.0%	2,202	12,412	12,383	12/31/2018	2013
Rio Robles Drive	San Jose, CA	3	186	100.0%	4,880	37,680	37,581	12/31/2018	2011
2450 and 2500 Walsh Avenue	Santa Clara, CA	2	132	100.0%	4,803	30,263	30,146	12/31/2018	2014
3250 and 3260 Jay Street	Santa Clara, CA	2	149	100.0%	6,335	34,219	34,120	12/31/2018	2013
603 San Juan Avenue	Stockton, CA	1	22	100.0%	971	6,033	5,121	7/20/2012	2012
350 West Java Drive	Sunnyvale, CA	1	96	100.0%	3,128	25,268	25,265	12/31/2018	2012
7958 South Chester Street	Centennial, CO	1	168	100.0%	5,202	13,945	13,895	12/31/2018	2000
350 Spectrum Loop	Colorado Springs, CO	1	156	100.0%	2,652	11,472	11,418	12/31/2018	2000
333 Inverness Drive South	Englewood, CO	1	140	100.0%	3,018	10,335	10,301	12/31/2018	1998
12795 West Alameda Parkway	Lakewood, CO	1	167	100.0%	4,544	27,511	21,794	1/15/2010	1988
Corporate Center	Lakewood, CO	3	213	100.0%	4,819	34,313	21,590	10/11/2002	2004
1 Targeting Center	Windsor, CT	1	97	100.0%	1,281	1,978	1,974	12/31/2018	1999
11 Dupont Circle, NW	Washington, D.C.	1	153	78.4%	7,296	75,231	73,192	10/2/2017	2004

See notes on page 41.

CONSOLIDATED PROPERTY DETAIL (CONTINUED) (1)

EXHIBIT E



As of March 31, 2019

(dollars and square feet in thousands)

Property	City, State	No. of Buildings	Rentable Sq. Ft.	% Leased	Annualized Rental Income ⁽²⁾	Undepreciated Carrying Value ⁽³⁾	Depreciated Carrying Value ⁽³⁾	Date Acquired ⁽⁴⁾	Year Built or Most Recent Renovation
1211 Connecticut Avenue, NW	Washington, D.C.	1	132	81.8%	5,127	56,550	55,462	10/2/2017	2014
1401 K Street, NW	Washington, D.C.	1	123	86.2%	5,697	67,207	65,376	10/2/2017	2016
20 Massachusetts Avenue	Washington, D.C.	1	333	79.0%	14,895	84,931	49,268	3/31/1997	1996
440 First Street, NW	Washington, D.C.	1	142	97.9%	8,548	67,820	66,288	10/2/2017	2013
625 Indiana Avenue	Washington, D.C.	1	161	95.0%	7,555	59,248	51,381	8/17/2010	1989
840 First Street, NE	Washington, D.C.	1	253	96.8%	13,240	116,948	114,193	10/2/2017	2003
10350 NW 112th Avenue	Miami, FL	1	79	100.0%	3,111	7,615	7,596	12/31/2018	2002
7850 Southwest 6th Court	Plantation, FL	1	136	100.0%	4,869	35,775	29,548	5/12/2011	1999
8900 Grand Oak Circle	Tampa, FL	1	68	100.0%	2,043	13,170	10,620	10/15/2010	2008
180 Ted Turner Drive SW	Atlanta, GA	1	91	100.0%	3,664	25,920	22,562	7/25/2012	2007
Corporate Square	Atlanta, GA	5	378	100.0%	8,530	61,640	47,753	7/16/2004	1967
Executive Park	Atlanta, GA	1	126	100.0%	1,612	17,343	11,398	7/16/2004	2014
One Georgia Center	Atlanta, GA	1	376	96.5%	7,995	44,790	39,085	9/30/2011	2008
One Primerica Parkway	Duluth, GA	1	344	100.0%	5,398	30,114	29,954	12/31/2018	2013
4712 Southpark Boulevard	Ellenwood, GA	1	352	100.0%	3,131	21,114	17,834	7/25/2012	2005
91-209 Kuhela Street	Kapolei, HI	1	109	—%	—	2,008	2,008	12/31/2018	—
8305 NW 62nd Avenue	Johnston, IA	1	199	100.0%	3,283	10,730	10,675	12/31/2018	2011
1185, 1249 & 1387 S. Vinnell Way	Boise, ID	3	181	100.0%	4,678	33,329	28,256	9/11/2012	2002
2020 S. Arlington Heights	Arlington Heights, IL	1	58	100.0%	2,050	15,482	12,289	12/29/2009	2002
400 South Jefferson Street	Chicago, IL	1	248	100.0%	10,253	39,806	39,666	12/31/2018	2012
475 Bond Street	Lincolnshire, IL	1	223	100.0%	1,667	5,489	5,485	12/31/2018	2000
1415 West Diehl Road	Naperville, IL	1	820	77.9%	14,234	33,492	33,341	12/31/2018	2001
440 North Fairway Drive	Vernon Hills, IL	1	100	100.0%	1,842	4,945	4,942	12/31/2018	2009
7601 and 7635 Interactive Way	Indianapolis, IN	2	275	100.0%	4,603	17,999	17,905	12/31/2018	2008
Intech Park	Indianapolis, IN	3	434	79.3%	8,098	78,113	64,140	10/14/2011	2008
400 State Street	Kansas City, KS	1	171	91.2%	2,981	15,967	12,449	6/16/2010	1971
Capitol Tower	Topeka, KS	1	144	100.0%	2,704	4,351	4,328	12/31/2018	2006
The Atrium at Circleport II	Erlanger, KY	1	86	100.0%	1,259	3,758	3,738	12/31/2018	1999
7125 Industrial Road	Florence, KY	1	168	100.0%	2,584	13,571	11,729	12/31/2012	2002
251 Causeway Street	Boston, MA	1	141	95.7%	4,503	25,068	20,848	8/17/2010	1988
300 and 330 Billerica Road	Chelmsford, MA	2	209	—%	—	4,785	4,785	12/31/2018	2006
75 Pleasant Street	Malden, MA	1	126	100.0%	4,972	32,422	25,520	5/24/2010	2008
111 Powdermill Road	Maynard, MA	1	287	—%	—	4,432	4,432	12/31/2018	1990
25 Newport Avenue	Quincy, MA	1	93	100.0%	2,114	13,690	11,560	2/16/2011	2009

See notes on page 41.

CONSOLIDATED PROPERTY DETAIL (CONTINUED) ⁽¹⁾

EXHIBIT E



As of March 31, 2019

(dollars and square feet in thousands)

Property	City, State	No. of Buildings	Rentable Sq. Ft.	% Leased	Annualized Rental Income ⁽²⁾	Undepreciated Carrying Value ⁽³⁾	Depreciated Carrying Value ⁽³⁾	Date Acquired ⁽⁴⁾	Year Built or Most Recent Renovation
One Montvale Avenue	Stoneham, MA	1	98	93.9%	2,571	14,948	12,155	6/16/2010	1987
314 Littleton Road	Westford, MA	1	175	100.0%	3,801	14,291	14,231	12/31/2018	2013
Annapolis Commerce Center	Annapolis, MD	2	101	100.0%	2,461	12,053	11,720	10/2/2017	1990
4201 Patterson Avenue	Baltimore, MD	1	85	100.0%	1,270	12,975	7,904	10/15/1998	2014
7001 Columbia Gateway Drive	Columbia, MD	1	120	100.0%	4,059	16,128	16,051	12/31/2018	2008
Hillside Center	Columbia, MD	2	87	93.1%	1,818	8,016	7,851	10/2/2017	2014
TenThreeTwenty	Columbia, MD	1	140	97.9%	3,849	20,421	19,716	10/2/2017	2013
3300 75th Avenue	Landover, MD	1	266	100.0%	5,323	41,827	33,288	2/26/2010	2004
1401 Rockville Pike	Rockville, MD	1	190	92.1%	4,590	48,987	29,206	2/2/1998	2015
2115 East Jefferson Street	Rockville, MD	1	129	84.5%	3,059	14,886	13,291	8/27/2013	2003
Redland 520/530	Rockville, MD	3	352	92.9%	11,840	75,606	73,264	10/2/2017	2017
Redland 540	Rockville, MD	1	131	86.3%	3,597	31,759	30,675	10/2/2017	2017
Rutherford Business Park	Windsor Mill, MD	1	80	100.0%	1,971	12,147	10,519	11/16/2012	2011
Meadows Business Park	Woodlawn, MD	2	183	83.6%	3,269	27,538	22,633	2/15/2011	1997
3550 Green Court	Ann Arbor, MI	1	82	100.0%	1,721	8,555	8,519	12/31/2018	1998
11411 E. Jefferson Avenue	Detroit, MI	1	56	100.0%	2,673	19,070	15,022	4/23/2010	2009
Rosedale Corporate Plaza	Roseville, MN	1	61	100.0%	1,126	8,233	4,688	12/1/1999	1987
1300 Summit Street	Kansas City, MO	1	87	100.0%	2,384	15,731	13,678	9/27/2012	1998
2555 Grand Boulevard	Kansas City, MO	1	596	100.0%	18,860	56,199	55,844	12/31/2018	2003
4241-4300 NE 34th Street	Kansas City, MO	1	98	100.0%	1,872	11,637	7,361	3/31/1997	1996
1220 Echelon Parkway	Jackson, MS	1	110	100.0%	3,977	26,156	21,891	7/25/2012	2009
2300 and 2400 Yorkmont Road	Charlotte, NC	2	284	100.0%	6,616	20,571	20,437	12/31/2018	1995
18010 and 18020 Burt Street	Omaha, NE	2	203	100.0%	4,201	19,631	19,544	12/31/2018	2012
10-12 Celina Avenue	Nashua, NH	1	322	100.0%	2,462	18,621	15,136	8/31/2009	1997
500 Charles Ewing Boulevard	Ewing, NJ	1	250	100.0%	6,018	31,054	30,872	12/31/2018	2012
299 Jefferson Road	Parsippany, NJ	1	151	100.0%	4,053	7,516	7,496	12/31/2018	2011
One Jefferson Road	Parsippany, NJ	1	100	100.0%	4,362	9,741	9,706	12/31/2018	2009
50 West State Street	Trenton, NJ	1	267	84.3%	6,623	46,519	38,221	12/30/2010	1989
Airline Corporate Center	Colonie, NY	1	64	100.0%	1,098	7,606	6,503	6/22/2012	2004
5000 Corporate Court	Holtsville, NY	1	264	86.0%	6,317	26,975	23,003	8/31/2011	2000
8687 Carling Road	Liverpool, NY	1	38	100.0%	854	571	571	12/31/2018	2007
1212 Pittsford - Victor Road	Pittsford, NY	1	55	100.0%	1,057	692	692	12/31/2018	2003
500 Canal View Boulevard	Rochester, NY	1	95	17.9%	322	2,453	2,449	12/31/2018	1997
2231 Schrock Road	Columbus, OH	1	42	100.0%	765	940	938	12/31/2018	1999

See notes on page 41.

CONSOLIDATED PROPERTY DETAIL (CONTINUED) ⁽¹⁾

EXHIBIT E



OFFICE PROPERTIES
INCOME TRUST

As of March 31, 2019

(dollars and square feet in thousands)

Property	City, State	No. of Buildings	Rentable Sq. Ft.	% Leased	Annualized Rental Income ⁽²⁾	Undepreciated Carrying Value ⁽³⁾	Depreciated Carrying Value ⁽³⁾	Date Acquired ⁽⁴⁾	Year Built or Most Recent Renovation
4600 25th Avenue	Salem, OR	1	233	86.7%	4,724	30,008	24,892	12/20/2011	2007
501 Ridge Avenue	Hanover, PA	1	502	—%	—	8,604	8,561	12/31/2018	1965
8800 Tincum Boulevard	Philadelphia, PA	1	441	100.0%	6,959	28,483	28,324	12/31/2018	2000
Synergy Business Park	Columbia, SC	3	181	94.5%	2,299	17,740	13,233	5/10/2006;9/17/2010	1985
9680 Old Bailes Road	Fort Mill, SC	1	60	100.0%	790	3,808	3,787	12/31/2018	2007
One Memphis Place	Memphis, TN	1	205	73.7%	2,960	11,972	9,336	9/17/2010	1985
16001 North Dallas Parkway	Addison, TX	2	554	100.0%	15,138	74,372	73,905	12/31/2018	1996
2115-2116 East Randol Mill Road	Arlington, TX	1	183	100.0%	1,062	7,615	7,577	12/31/2018	1989
Research Park	Austin, TX	2	149	100.0%	3,266	18,474	18,304	12/31/2018	1999
1001 Noble Energy Way	Houston, TX	1	497	100.0%	14,149	34,648	34,444	12/31/2018	2013
10451 Clay Road	Houston, TX	1	97	100.0%	2,257	15,873	15,801	12/31/2018	2013
202 North Castlegory Road	Houston, TX	1	84	100.0%	2,883	5,934	5,901	12/31/2018	2016
6380 Rogerdale Road	Houston, TX	1	206	100.0%	5,854	18,889	18,847	12/31/2018	2006
4221 W. John Carpenter Freeway	Irving, TX	1	54	100.0%	857	3,808	3,776	12/31/2018	1995
8675,8701-8711 Freeport Pkwy and 8901 Esters Boulevard	Irving, TX	3	458	100.0%	6,270	42,081	41,861	12/31/2018	1990
1511 East Common Street	New Braunfels, TX	1	63	100.0%	1,092	6,329	6,321	12/31/2018	2005
2900 West Plano Parkway	Plano, TX	1	191	100.0%	1,475	15,774	15,713	12/31/2018	1998
3400 West Plano Parkway	Plano, TX	1	235	100.0%	1,542	20,774	20,662	12/31/2018	1994
19100 Ridgewood Parkway	San Antonio, TX	1	618	100.0%	14,141	148,205	147,208	12/31/2018	2008
3600 Wiseman Boulevard	San Antonio, TX	1	100	100.0%	3,459	10,236	10,187	12/31/2018	2004
701 Clay Road	Waco, TX	1	139	100.0%	3,463	14,320	9,218	12/23/1997	1997
1800 Novell Place	Provo, UT	1	406	100.0%	8,710	51,377	51,049	12/31/2018	2000
4885-4931 North 300 West	Provo, UT	2	125	100.0%	3,916	13,450	13,381	12/31/2018	2009
14660, 14672 & 14668 Lee Road	Chantilly, VA	3	409	98.8%	13,676	84,615	80,338	12/22/2016	2006
1434 Crossways	Chesapeake, VA	2	214	100.0%	4,099	24,961	23,895	10/2/2017	2002
Greenbrier Towers	Chesapeake, VA	2	172	83.7%	3,174	15,356	14,723	10/2/2017	1987
Interchange at Meadowville	Chester, VA	1	228	40.4%	644	11,355	9,984	8/28/2013	2011
3920 Pender Drive	Fairfax, VA	1	83	100.0%	2,447	16,133	14,520	3/21/2014	2011
Pender Business Park	Fairfax, VA	4	171	83.6%	3,539	24,580	21,541	11/4/2013	2000
Three Flint Hill	Fairfax, VA	1	184	75.0%	4,490	33,236	31,920	10/2/2017	2011
7987 Ashton Avenue	Manassas, VA	1	69	100.0%	1,654	10,438	9,931	1/3/2017	1989
Two Commercial Place	Norfolk, VA	1	289	100.0%	5,840	26,208	26,066	12/31/2018	2016
1759 & 1760 Business Center Drive	Reston, VA	2	406	100.0%	12,441	90,456	80,655	5/28/2014	1996
1775 Wiehle Avenue	Reston, VA	1	130	63.1%	3,271	31,019	30,018	10/2/2017	2001

See notes on page 41.

CONSOLIDATED PROPERTY DETAIL (CONTINUED) ⁽¹⁾



As of March 31, 2019

(dollars and square feet in thousands)

Property	City, State	No. of Buildings	Rentable Sq. Ft.	% Leased	Annualized Rental Income ⁽²⁾	Undepreciated Carrying Value ⁽³⁾	Depreciated Carrying Value ⁽³⁾	Date Acquired ⁽⁴⁾	Year Built or Most Recent Renovation
501 South 5th Street	Richmond, VA	1	311	100.0%	12,807	54,296	54,010	12/31/2018	2009
9201 Forest Hill Avenue	Richmond, VA	1	50	100.0%	1,232	1,731	1,728	12/31/2018	1985
9960 Mayland Drive	Richmond, VA	1	174	98.9%	3,677	20,435	18,252	5/20/2014	1994
Parham Place	Richmond, VA	3	89	100.0%	1,631	2,027	2,020	12/31/2018	2014
1751 Blue Hills Drive	Roanoke, VA	1	399	100.0%	1,949	10,533	10,478	12/31/2018	2003
Aquia Commerce Center	Stafford, VA	2	65	100.0%	1,847	10,323	8,713	6/22/2011	1999
Atlantic Corporate Park	Sterling, VA	2	221	88.7%	5,478	35,253	34,133	10/2/2017	2008
Orbital Sciences Campus	Sterling, VA	3	337	100.0%	11,346	31,845	31,702	12/31/2018	2001
Sterling Business Park Lots 8 and	Sterling, VA	1	167	100.0%	5,535	53,552	51,890	10/2/2017	2016
65 Bowdoin Street	S. Burlington, VT	1	27	100.0%	1,144	9,256	7,329	4/9/2010	2009
840 North Broadway	Everett, WA	2	112	100.0%	2,723	20,855	17,603	6/28/2012	1990
Stevens Center	Richland, WA	2	140	100.0%	2,973	25,366	15,318	3/31/1997	1995
351, 401, 501 Elliott Ave West	Seattle, WA	3	300	100.0%	14,450	77,962	77,594	12/31/2018	2000
11050 West Liberty Drive	Milwaukee, WI	1	29	100.0%	803	5,587	4,677	6/9/2011	2006
882 TJ Jackson Drive	Falling Waters, WV	1	40	—%	—	5,062	2,821	3/31/1997	1993
5353 Yellowstone Road	Cheyenne, WY	1	106	100.0%	2,170	10,912	6,195	3/31/1997	1995
Total		210	29,595		663,173	3,920,377	3,533,689		
Held for Sale: ⁽⁴⁾									
91-008 Hanua Street	Kapolei, HI	1	417	—%	—	6,846	6,846	12/31/2018	—
138 Delaware Avenue	Buffalo, NY	1	122	78.7%	2,090	28,306	16,219	3/31/1997	2014
		2	539		2,090	35,152	23,065		
Grand Total		212	30,134	89.6%	\$ 665,263	\$ 3,955,529	\$ 3,556,754		

(1) Excludes three buildings owned by two unconsolidated joint ventures in which we own 50% and 51% interests. See page 19 for more information regarding these joint ventures.

(2) Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of March 31, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

(3) Carrying values exclude intangible and other assets.

(4) Date acquired is the date we acquired the property or the date our former parent entity acquired the property for those properties that our former parent entity contributed to us in June 2009 in connection with our initial public offering.

WARNING CONCERNING FORWARD-LOOKING STATEMENTS

This supplemental operating and financial package 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.