OFFICE PROPERTIES
INCOME TRUST

NAREIT REITWORLD
2019 ANNUAL CONFERENCE

NOVEMBER 2019

DISCLAIMER

This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, 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. Forward-looking statements in this presentation relate to various aspects of our business, including our sales and acquisitions of properties, our ability to compete for acquisitions and tenancies effectively, the likelihood that our tenants will pay rent or be negatively affected by cyclical economic conditions or government budget constraints, the likelihood that our tenants will renew or extend their leases and not exercise early termination options pursuant to their leases or that we will obtain replacement tenants, the likelihood that our rents will increase when we renew or extend our leases or enter new leases, our ability to pay distributions to our shareholders and to sustain the amount of such distributions, our policies and plans regarding investments, financings and dispositions, the future availability of borrowings under our revolving credit facility, our expectation that there will be opportunities for us to acquire, and that we will acquire, additional properties primarily leased to single tenants and tenants with high credit quality characteristics such as governmental entities, our expectations regarding demand for leased space, our ability to raise debt or equity capital, our ability to pay interest on and principal of our debt, our ability to appropriately balance our use of debt and equity capital, our credit ratings, our expectation that we benefit from our relationships with The RMR Group Inc. (RMR Inc.), the credit qualities of our tenants; our qualification for taxation as a real estate investment trust (REIT) changes in federal or state tax laws, and other matters.

Our 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, such as the impact of conditions in the economy and the capital markets on us and our tenants, the impact of a U.S. government shutdown on our ability to collect rents or pay our operating expenses, debt obligations and distributions to shareholders on a timely basis, competition within the real estate industry, particularly in those markets in which our properties are located, the impact of changes in the real estate needs and financial conditions of our tenants, compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters, actual and potential conflicts of interest with our related parties, including our Managing Trustees, The RMR Group LLC, RMR Inc. and others affiliated with them, limitations imposed on our business and our ability to satisfy complex rules in order for us to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes, and acts of terrorism, outbreaks of so-called pandemics or other manmade or natural disasters beyond our control. For example: (a) we may be unable to pay our debt obligations or to maintain our current rate of distributions on our common shares and future distributions may be reduced or eliminated; (b) we may be unable to identify properties that we want to acquire, and we may fail to reach agreement with the sellers and complete the purchases of any properties we want to acquire; accordingly, we may be unable to accretively grow our property portfolio; (c) our Board of Trustees sets and resets our distribution rate from time to time after considering many factors, including cash available for distribution; accordingly, future dividend rates may be increased or decreased and there is no assurance as to the rate at which future dividends will be paid; (d) we cannot be sure that we will sell any of the properties we are currently marketing or plan to market for sale or what the terms of any sales may be; accordingly, we may sell some or all of these properties at prices that are less than we expect and less than our carrying values and we may otherwise incur losses as a result of considering and pursuing these sales; (e) we may not succeed in reducing our leverage to levels we plan or that the market or credit rating agencies believe appropriate and we may not maintain any reduction in our leverage that we may attain; (f) some of our tenants may not renew expiring leases, and we may be unable to obtain new tenants to maintain or increase the historical occupancy rates of, or rents from, our properties; (g) some government tenants may exercise their rights to vacate their space before the stated expiration of their leases, and we may be unable to obtain new tenants to maintain the historical occupancy rates of, or rents from, our properties; (h) rents that we can charge at our properties may decline upon renewals or expirations because of changing market conditions or otherwise; (i) we may be adversely affected by the bankruptcy, insolvency, a downturn of business or a lease termination of a single tenant; (j) some of our tenants that have made significant investments in their leased properties, or lease properties of strategic importance to them, may not renew or extend our leases prior to their expirations; (k) government tenants may continue to reduce their space utilization and continue to consolidate into government owned real estate; (l) contingencies in our acquisition and sale agreements may not be satisfied and any expected acquisitions and sales and any related lease arrangements we expect to enter may not occur, may be delayed or the terms of such transactions or arrangements may change; (m) continued availability of borrowings under our revolving credit facility is subject to our satisfying certain financial covenants and other credit facility conditions that we may be unable to satisfy; (n) the competitive advantages we believe we may have may not in fact exist or provide us with the advantages we expect; (o) actual costs under our revolving credit facility or other floating rate debt will be higher than LIBOR plus a premium because of fees and expenses associated with such debt; (p) Moody's recently updated our credit rating outlook to negative which may imply that our credit ratings may be downgraded, in which case we may not be able to access debt capital or the debt capital we can access may be expensive; (q) our option to extend the maturity date of our revolving credit facility is subject to our payment of a fee and meeting other conditions that may not be met; (r) development projects and unspent leasing related obligations may cost more or less and may take longer to complete than we currently expect, and we may incur increasing amounts for these and similar purposes in the future; (s) we may incur significant costs to prepare a property for a tenant, particularly for single tenant properties; (t) we may spend more for capital expenditures than we currently expect; and (u) any joint venture arrangements that we may enter may not be successful.

Our Annual Report on Form 10-K for the year ended December 31, 2018 or in our other filings with the Securities and Exchange Commission (SEC), including under the caption “Risk Factors”, identify other important factors that could cause differences from 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 our 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.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures including Funds From Operations (FFO) available for common shareholders, Normalized FFO available for common shareholders, EBITDA, EBITDA*re*, Adjusted EBITDA*re*, Property Net Operating Income (NOI) and Property Cash Basis NOI. Reconciliations for these metrics to the closest U.S. Generally Accepted Accounting Principles (GAAP) metrics are included in an appendix hereto.

Note: Unless otherwise noted, data is presented as of September 30, 2019.

OPI IS A NATIONAL OFFICE REIT

Office Properties Income Trust (Nasdaq: OPI) is a real estate investment trust (REIT) focused on owning, operating and leasing office properties primarily leased to single tenants and high credit quality government entities.

$4.7 billion
INVESTMENT PORTFOLIO[1]

200
PROPERTIES IN PORTFOLIO[2]

27.3
MILLION SQUARE FEET

36
STATES & WASHINGTON, D.C.

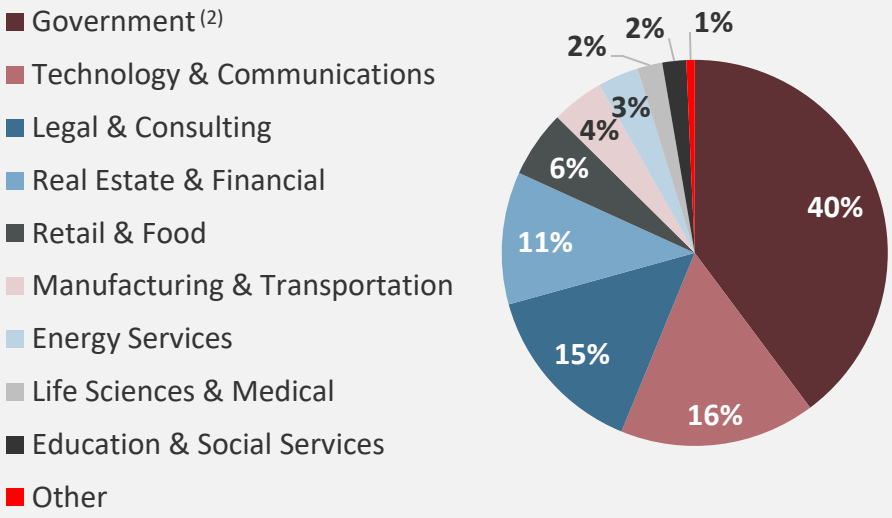
93.3%
OCCUPANCY

63.9%
REVENUE FROM INVESTMENT GRADE RATED TENANTS[3]

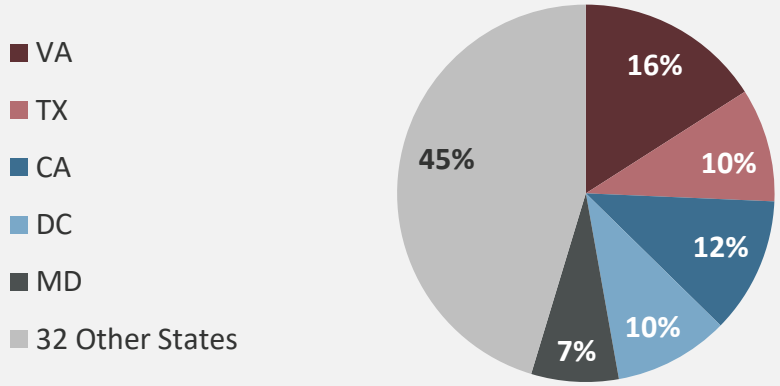
(1) Total gross assets as of September 30, 2019.
(2) Excludes three properties owned by unconsolidated joint ventures and includes fifteen properties classified as held for sale.
(3) Includes: a) investment grade rated tenants; b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and/or c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations.

PORTFOLIO IS DIVERSIFIED BY INDUSTRY, GEOGRAPHY AND TENANT[1]

Tenant Industry



Geography



- Approximately 27% of annualized rents are from CBD properties while 73% are from suburban properties.

Tenants Representing 1% or More of Total Annualized Rental Income	Credit Rating	Annualized Rental Income	% of Total Annualized Rental Income
U.S. Government	Investment Grade	$164,864	25.8%
State of California	Investment Grade	19,040	3.0%
Shook, Hardy & Bacon L.L.P.	Not Rated	18,854	3.0%
Bank of America Corporation	Investment Grade	16,604	2.6%
F5 Networks, Inc.	Not Rated	14,416	2.3%
Noble Energy, Inc.	Investment Grade	14,149	2.2%
WestRock Company	Investment Grade	12,843	2.0%
CareFirst Inc.	Non Investment Grade	11,619	1.8%
Northrop Grumman Corporation	Investment Grade	11,346	1.8%
Tyson Foods, Inc.	Investment Grade	10,253	1.6%
Technicolor SA	Non Investment Grade	10,034	1.6%
Commonwealth of Massachusetts	Investment Grade	9,693	1.5%
Micro Focus International plc	Non Investment Grade	8,710	1.4%
CommScope Holding Company, Inc.	Non Investment Grade	7,931	1.2%
PNC Bank	Investment Grade	6,897	1.1%
State of Georgia	Investment Grade	6,790	1.0%
		$344,043	53.9%

(1) Based on annualized rental income. Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of September 30, 2019, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.
(2) Includes the U.S. Government, state governments, municipalities and government contractors.

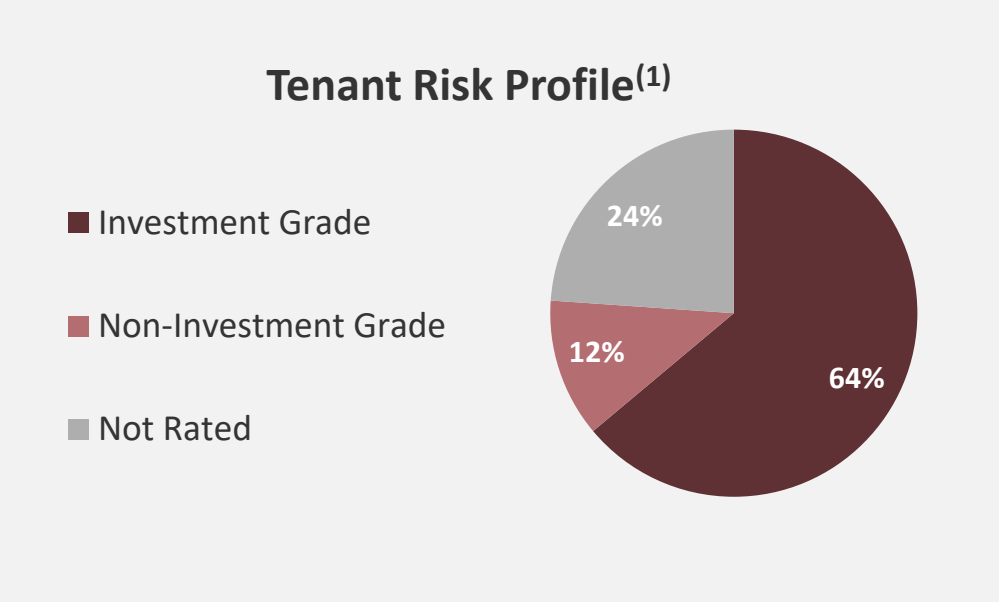
SECURE AND STABLE INCOME SUPPORTED BY 64% OF REVENUES FROM INVESTMENT GRADE TENANTS[1]

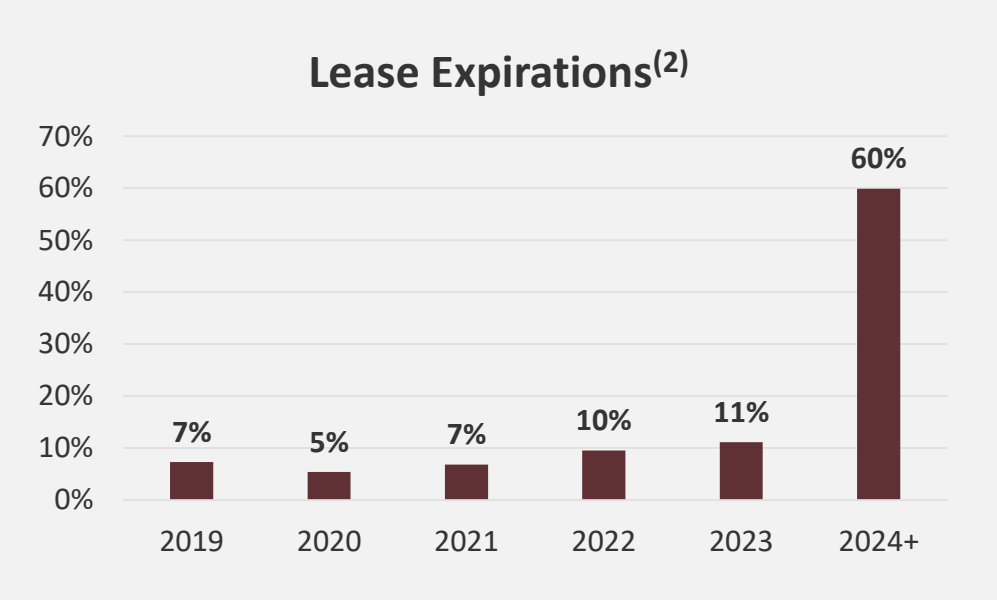
Approximately 40% of OPI's rental income is paid by government tenants.

- Historically, government tenants remain in place for longer durations than private sector tenants, with U.S. Government tenants historically occupying the same space for more than 20 years.

OPI's best-in-class single tenant office properties tend to be strategic to tenants, such as built-to-suit properties, corporate headquarters and properties where the tenant has invested capital. We believe buildings with these characteristics create a high probability of lease renewal.

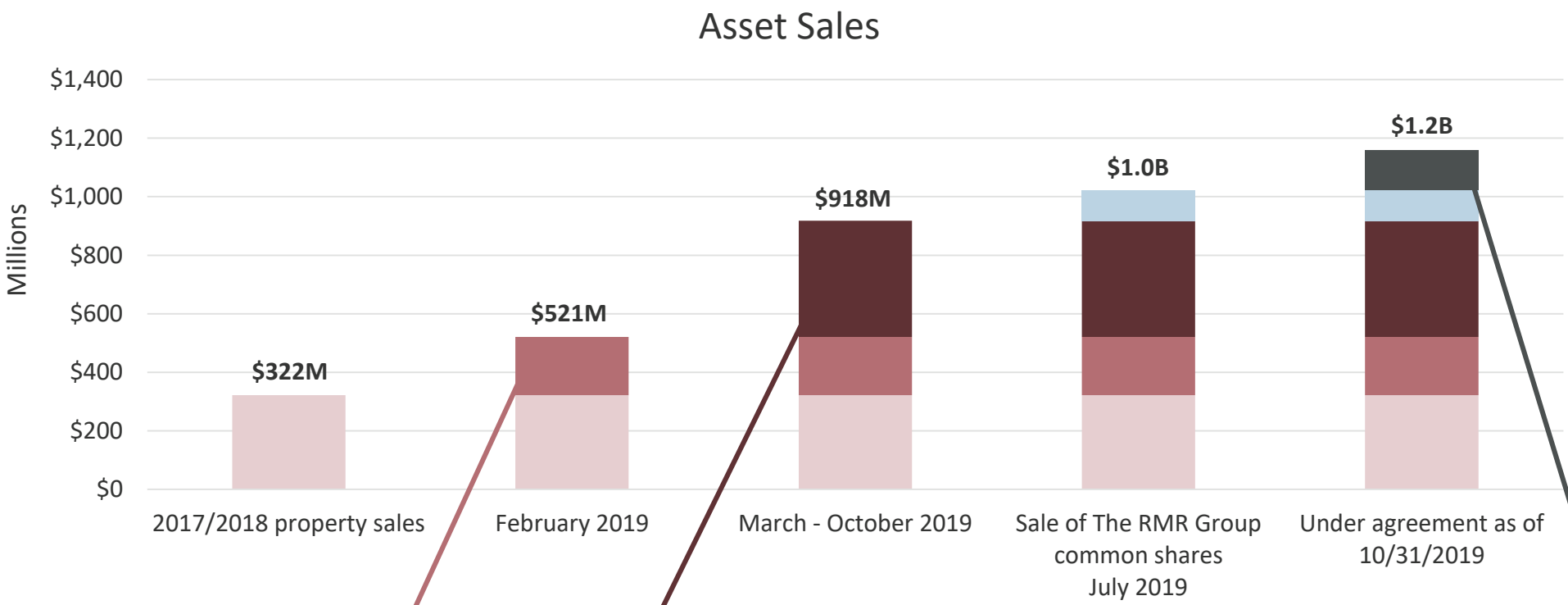
- Long term leases typically have contractual rent increases of 2-3% per year.
- 60% of leases have lease terms greater than five years.





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/or (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations.
2) Percent of total annualized rental income.

LEVERAGE MANAGEMENT PROGRESS



Sold portfolio of 34 buildings in the D.C. Metro area for $198.5 million. In aggregate, OPI sold $520.8 million in properties to finance the FPO acquisition.

Closed property sales to manage the increase in leverage resulting from the merger with Select Income REIT. Leverage reduced to below the mid-point of OPI's target leverage range of 6.0x-6.5x.[1]

Assuming all property sales close as expected, pro forma leverage declines to the low end of OPI's target leverage range.

1) Based on net debt to annualized Adjusted EBITDA*re* ratio. Net debt is total debt less cash. See Appendix for the calculation of Adjusted EBITDA*re* and a reconciliation of net income (loss) determined in accordance with GAAP to that amount.

ACQUISITIONS FUNDED BY STRATEGIC ASSET SALES

As a result of achieving our target leverage during the third quarter of 2019, OPI has transitioned its principal strategic focus to acquiring core properties with proceeds from asset sales, or our strategic **capital recycling program**.

- The principal focus is to create long term dividend growth through the acquisition of core properties that generate higher cash flow after capital costs than the properties we are selling.
- OPI plans to maintain an ongoing capital recycling program between $100 million to $300 million annually.

Additional benefits of this strategy are:

- ✓ Reducing the average age of our property portfolio.
- ✓ Lengthening the weighted average term of our leases.
- ✓ Increasing the likelihood of retaining our tenants.
- ✓ Reshaping the tenant and geographic diversification of our property portfolio.

ACQUISITION CRITERIA

OPI is focused on acquiring office properties in markets that have strong economic fundamentals to support rent growth.

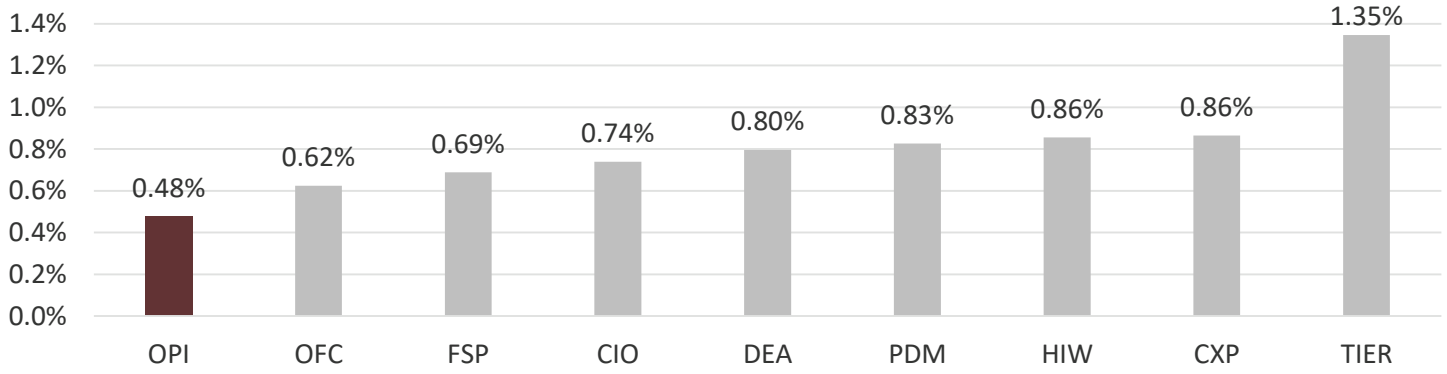
1. **Properties primarily leased to single tenants.**
   - Strategic to the tenant, which may include: built-to-suit properties, corporate headquarters and properties where tenants have invested meaningful capital.
   - Minimum remaining lease term of seven years.
2. **Properties leased to government tenants.**
   - Single tenant and multi-tenant.
   - Focus on agencies that have high security needs or a mission strategic to the properties' location.
3. **Primarily first generation properties where there is a reasonably high probability of renewing the tenant in place and where ongoing capital needs are expected to be modest.**

OPI BENEFITS FROM ITS RELATIONSHIP WITH RMR

Provides OPI with scale and efficiencies.

- OPI has no employees; RMR provides all the employees.
- RMR's acquisitions team sees a substantial number of properties marketed for sale in every market across the United States.
- RMR can attract very strong real estate professionals (acquisitions, asset management, property management, finance, accounting, etc.) because of the size of the portfolios for which they will be responsible.
- RMR provides job growth opportunities for employees which is a benefit when hiring in a tight job market.
- RMR property management employees focus only on assets managed by RMR, with no conflicting responsibilities for other owners.
- OPI benefits from the scale of a $32.8 billion platform. Examples:
    - Centralized procurement.
    - Centralized services.
    - Banking and capital markets.

OPI's G&A as a percent of total assets compares favorably to its peer group:(1)



(1) Source: SNL Financial. Data is for the twelve months ended December 31, 2018.

FEES THAT OPI PAYS TO RMR ARE PRIMARILY PERFORMANCE BASED WHICH ALIGNS INTERESTS WITH SHAREHOLDERS

RMR base management fee tied to OPI share price performance.

- Consists of an annual fee equal to generally 50 bps multiplied by the lower of: (1) OPI's historical cost of real estate, or (2) OPI's total market capitalization.
- There is no incentive for RMR to complete any transaction that could reduce share price.

RMR incentive fees contingent on total shareholder return outperformance.

- Equal to 12% of value generated by OPI in excess of the benchmark index total returns (SNL U.S. REIT Office Index) per share over a three year period, subject to a cap (1.5% of equity market cap).
- Outperformance must be positive.
- Shareholders keep 100% of benchmark returns and at least 88% of returns in excess of the benchmark.

Other fees.

- Property management fee: consists of an annual fee based on 3.0% of rents collected at OPI's managed properties.
- Construction management fee based on 5.0% of project costs.

Alignment of Interests
If OPI's stock price goes up and its total market cap exceeds its historical cost of real estate; RMR base management fee is capped at 50 bps of historical cost of real estate.
If OPI's stock price goes down and its historical cost of real estate exceeds its total market cap; RMR gets less base management fee (50 bps on equity market cap plus debt).
Incentive fee structure keeps RMR focused on increasing total shareholder return.
Members of RMR senior management are holders of OPI stock, some subject to long term lock up agreements.
OPI shareholders have visibility into RMR, a publicly traded company.
OPI benefits from RMR's national footprint and economies of scale of $32.8 billion platform.

WHY INVEST IN OPI?

National Scale

- $4.7 billion office REIT.[1]
- 200 properties.
- 27.3 million square feet.

Diversification

- Properties are located across 36 states and Washington, DC.
- Other than government, which accounts for 40% of annualized rent, the next largest tenant industry concentration is technology and communications (16%).
- No tenant other than the U.S. Government accounts for more than 3% of annualized rent.

Secure and Stable Income

- 40% of OPI's rental income is paid by government tenants.
- 64% of OPI's rental income is derived from investment grade rated tenants.
- 60% of leases expire in 2024 and after.

Capital Recycling Program

- Initially selling assets to reduce leverage to OPI's long term target of 6.0x to 6.5x net debt to annualized Adjusted EBITDA*re*.
- $100 million to $300 million annually to reinvest in properties intended to improve the portfolio quality.

Strong Dividend Position

- Dividend of $0.55 per share per quarter ($2.20 per share per year).
- Dividend is well covered and on target to be below 75% of cash available for distribution (CAD) for 2019.
- Dividend yield of 7.2% at September 30, 2019.

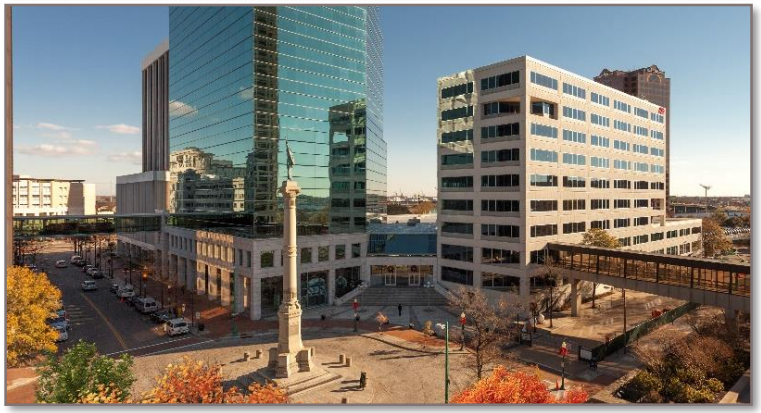
RMR Benefits

- RMR provides OPI with scale and efficiencies from its $32.8 billion platform.
- 600 commercial real estate professionals across more than 30 nationwide offices.
- G&A expense compares favorably to OPI's peer group.

(1) Total gross assets as of September 30, 2019.

APPENDIX

REPRESENTATIVE PROPERTIES



Clockwise from top left:

- 1800 Novell Place, Provo, UT.
- 7958 South Chester St., Centennial, CO.
- Two Commercial Place, Norfolk, VA.
- 2555 Grand Blvd., Kansas City, MO.
- 11 Dupont Circle NW, Washington, DC.

REPRESENTATIVE TENANTS

Government Tenants

U.S. Citizenship and Immigration Services

IRS

Department of Veterans Affairs

Department of Justice

GDOT Georgia Department of Transportation

Department of Justice Federal Bureau of Investigation

Washington State Department of Social & Health Services

Department of Energy

CDC

CA.GOV

Georgia

Defense Intelligence Agency

Single Tenants

SHOOK HARDY & BACON

Bank of America

noble energy

WestRock

NORTHROP GRUMMAN

Tyson

servicenow

PNC

Allstate

TAILORED BRANDS

ADP

IBM

RECENT COMPANY RECOGNITION

- In April 2019, OPI received the **2019 ENERGY STAR® Partner of the Year Award** from the U.S. Environmental Protection Agency and the U.S. Department of Energy for its outstanding efforts in energy management for the second consecutive year.

- In June 2019, OPI was recognized as a **Silver-level 2019 Green Lease Leader** by the Institute for Market Transformation and the U.S. Department of Energy's Better Buildings Alliance at the 2019 Building Owners and Managers Association (BOMA) International Annual Conference.

- In September 2019, RMR received the **Real Estate Management Excellence (REME) Award for Employee & Leadership Development** from the Institute of Real Estate Management (IREM) at its 2019 Global Summit.

Property awards received by OPI in 2019:

PROPERTY NAME	CITY	STATE	BUILDING AWARD
9174 Sky Park Court	San Diego	CA	BOMA 360 Designation
251 Causeway Street	Boston	MA	LEED Silver Certification
75 Pleasant Street	Malden	MA	BOMA 360 Designation
One Montvale Avenue	Stoneham	MA	LEED Silver Recertification
11411 E. Jefferson Avenue	Detroit	MI	BOMA 360 Designation
One Coliseum Centre	Charlotte	NC	BOMA 360 Designation
5000 Corporate Court	Holtsville	NY	LEED Silver Recertification
3600 Wiseman Boulevard	San Antonio	TX	BOMA 360 Designation
65 Bowdoin Street	South Burlington	VT	LEED Silver Certification

OPI's total portfolio:

- 70 properties are ENERGY STAR certified
- 29 properties are LEED certified
- 31 properties are designated as 360 Performance Buildings by BOMA

OPI IS MANAGED BY THE RMR GROUP, AN ALTERNATIVE ASSET MANAGER

$32.8 Billion in AUM

Approximately 600 CRE Professionals

More than 30 Offices Throughout the U.S.

Combined RMR Managed Companies

$12 Billion in Annual Revenues

Over 2,200 Properties

Nearly 50,000 Employees

RMR's Operations Include:

Financial Services:	Real Estate Services:	Business Services:
Accounting	Acquisitions / Dispositions	Administration
Capital Markets	Asset Management	Human Resources
Compliance / Audit	Construction / Development	Information Technology (IT)
Finance / Planning	Engineering	Investor Relations
Treasury	Leasing	Marketing
Tax	Property Management	Legal / Risk Management

National Multi-Sector Investment Platform

Office | Industrial | Government | Medical Office | Life Science | Senior Living | Hotels | Retail

KEY FINANCIAL DATA

(dollars in thousands, except per share data)	As of and for the Three Months Ended				
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Selected Balance Sheet Data:					
Total gross assets [1]	$ 4,735,814	$ 5,198,382	$ 5,313,886	$ 5,613,730	$ 3,847,915
Total assets	$ 4,360,249	$ 4,804,322	$ 4,927,198	$ 5,238,583	$ 3,484,425
Total liabilities	$ 2,693,636	$ 3,107,836	$ 3,140,194	$ 3,459,615	$ 2,245,064
Total shareholders' equity	$ 1,666,613	$ 1,696,486	$ 1,787,004	$ 1,778,968	$ 1,239,361
Selected Income Statement Data:					
Rental income	$ 167,411	$ 176,032	$ 174,777	$ 103,656	$ 106,102
Net income (loss) available for common shareholders	$ (3,939)	$ (64,774)	$ 34,019	$ (57,695)	$ (449)
Consolidated Property NOI [2]	$ 108,693	$ 120,723	$ 116,868	$ 62,026	$ 64,462
Adjusted EBITDA*re* [3]	$ 102,886	$ 114,897	$ 111,162	$ 57,901	$ 73,573
FFO available for common shareholders [4]	$ 69,455	$ 79,081	$ 72,275	$ 26,340	$ 36,367
Normalized FFO available for common shareholders [4]	$ 69,739	$ 79,250	$ 73,273	$ 39,101	$ 52,967
Per Common Share Data:					
Net income available for common shareholders (basic and diluted)	$ (0.08)	$ (1.35)	$ 0.71	$ (2.31)	$ (0.02)
FFO available for common shareholders [4] (basic)	$ 1.44	$ 1.65	$ 1.50	$ 1.05	$ 1.47
FFO available for common shareholders [4] (diluted)	$ 1.45	$ 1.65	$ 1.53	$ 1.56	$ 2.14
Normalized FFO available for common shareholders [4] (basic and diluted)					
Dividends:					
Annualized dividends paid per share during period	$ 2.20	$ 2.20	$ 2.20	$ 6.88	$ 6.88
Annualized dividend yield (at end of period) [5]	7.2%	8.4%	8.0%	25.0%	15.2%
Normalized FFO available for common shareholders payout ratio [4]	37.9%	33.3%	35.9%	110.3%	81.1%

1) Total gross assets is total assets plus accumulated depreciation.
2) See Appendix for the calculation of Property NOI and a reconciliation of net income (loss) available for common shareholders determined in accordance with GAAP to that amount.
3) See Appendix for the calculation of Adjusted EBITDA*re* and a reconciliation of net income (loss) determined in accordance with GAAP to that amount.
4) See Appendix 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.

DEBT SUMMARY[1]

(dollars in thousands)	Coupon Rate [2]	Interest Rate [3]	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Floating Rate Debt:						
$750,000 unsecured revolving credit facility [4] [5]	3.047%	3.047%	$ 210,000	1/31/2023	$ 210,000	3.3
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2020	3.600%	3.608%	400,000	2/1/2020	400,000	0.3
Senior unsecured notes due 2022	4.150%	4.196%	300,000	2/1/2022	300,000	2.3
Senior unsecured notes due 2022	4.000%	4.000%	300,000	7/15/2022	300,000	2.8
Senior unsecured notes due 2024	4.250%	4.404%	350,000	5/15/2024	350,000	4.6
Senior unsecured notes due 2025	4.500%	4.770%	400,000	2/1/2025	400,000	5.3
Senior unsecured notes due 2046	5.875%	5.875%	310,000	5/1/2046	310,000	26.6
Subtotal / weighted average	4.366%	4.453%	2,060,000		2,060,000	6.6
Secured Fixed Rate Debt:						
Mortgage debt - One property in Washington, DC	5.720%	3.690%	33,096	7/1/2020	32,462	0.8
Mortgage debt - One property in Philadelphia, PA	4.032%	4.220%	40,243	8/3/2020	39,635	0.8
Mortgage debt - One property in Lakewood, CO	8.150%	6.150%	2,000	3/1/2021	118	1.4
Mortgage debt - One property in Fairfax, VA[6]	5.877%	5.877%	13,236	8/11/2021	12,702	1.9
Mortgage debt - One property in Washington, DC	4.220%	4.190%	26,697	7/1/2022	24,668	2.8
Mortgage debt - Three properties in Seattle, WA	3.550%	4.210%	71,000	5/1/2023	71,000	3.6
Mortgage debt - One property in Chicago, IL	3.700%	4.210%	50,000	6/1/2023	50,000	3.7
Mortgage debt - One property in Washington, DC	4.800%	4.190%	24,210	6/1/2023	22,584	3.7
Mortgage debt - One property in Washington, DC	4.050%	4.440%	66,780	9/1/2030	60,566	10.9
Subtotal / weighted average	4.223%	4.282%	327,262		313,735	4.3
Total / weighted average	4.241%	4.318%	$ 2,597,262		$ 2,583,735	6.1

(1) Excludes two mortgage notes with an aggregate principal balance of $82,000 which are secured by three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.
(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 discounts on senior unsecured notes. Excludes the effect of debt issuance costs amortization.
(4) 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 September 30, 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 revolving credit facility for two additional six month periods.
(5) The maximum aggregate borrowing availability under the credit agreement governing our revolving credit facility may be increased to up to $1,950,000 in certain circumstances.
(6) The carrying value of this mortgage debt of $13,198 as of September 30, 2019 is net of unamortized issuance costs totaling $38 and is included in liabilities of properties held for sale in our condensed consolidated balance sheet.

CALCULATION OF PROPERTY NOI AND PROPERTY CASH BASIS NOI[1]

(dollars in thousands)	For the Three Months Ended					For the Nine Months Ended	
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	9/30/2019	9/30/2018
Calculation of Property NOI and Property Cash Basis NOI:							
Rental income [2]	$ 167,411	$ 176,032	$ 174,777	$ 103,656	$ 106,102	$ 518,220	$ 322,904
Property operating expenses	(58,718)	(55,309)	(57,909)	(41,630)	(41,640)	(171,936)	(124,113)
Property NOI	108,693	120,723	116,868	62,026	64,462	346,284	198,791
Non-cash straight line rent adjustments included in rental income [2]	(6,904)	(5,667)	(6,794)	(2,339)	(1,990)	(19,365)	(7,825)
Lease value amortization included in rental income [2]	35	1,446	1,147	542	773	2,628	2,361
Lease termination fees included in rental income [2]	(22)	(8,867)	(294)	(58)	(122)	(9,183)	(122)
Non-cash amortization included in property operating expenses [3]	(121)	(121)	(121)	(121)	(121)	(363)	(363)
Property Cash Basis NOI	$ 101,681	$ 107,514	$ 110,806	$ 60,050	$ 63,002	$ 320,001	$ 192,842
Reconciliation of Net Income (Loss) Available for Common Shareholders to Property NOI and Property Cash Basis NOI:							
Net income (loss) available for common shareholders	$ (3,939)	$ (64,774)	$ 34,019	$ (57,695)	$ (449)	$ (34,694)	$ 35,440
Preferred units of limited partnership distributions	—	—	—	—	—	—	371
Net income (loss)	(3,939)	(64,774)	34,019	(57,695)	(449)	(34,694)	35,811
(Income) loss from discontinued operations	—	—	—	18,150	(9,274)	—	(23,872)
Income (loss) from continuing operations	(3,939)	(64,774)	34,019	(39,545)	(9,723)	(34,694)	11,939
Equity in net (earnings) losses of investees	196	142	235	1,157	(94)	573	1,112
Income tax (benefit) expense	156	(130)	483	(7)	9	509	124
Loss on early extinguishment of debt	284	71	414	709	—	769	—
Interest expense	32,367	35,348	37,133	20,421	23,374	104,848	69,444
Interest income	(358)	(241)	(248)	(234)	(140)	(847)	(405)
Unrealized (gain) loss on equity securities	—	66,135	(22,128)	48,229	(17,425)	44,007	(40,677)
Dividend income	—	(980)	(980)	(425)	(304)	(1,960)	(912)
(Gain) loss on sale of real estate	(11,463)	17	(22,092)	(3,332)	—	(33,538)	(17,329)
General and administrative	7,990	8,744	8,723	(11,516)	22,383	25,457	36,438
Acquisition and transaction related costs	—	98	584	10,695	3,813	682	3,813
Loss on impairment of real estate	8,521	2,380	3,204	2,830	—	14,105	5,800
Depreciation and amortization	74,939	73,913	77,521	33,044	42,569	226,373	129,444
Property NOI	108,693	120,723	116,868	62,026	64,462	346,284	198,791
Non-cash amortization included in property operating expenses [3]	(121)	(121)	(121)	(121)	(121)	(363)	(363)
Lease termination fees included in rental income [2]	(22)	(8,867)	(294)	(58)	(122)	(9,183)	(122)
Lease value amortization included in rental income [2]	35	1,446	1,147	542	773	2,628	2,361
Non-cash straight line rent adjustments included in rental income [2]	(6,904)	(5,667)	(6,794)	(2,339)	(1,990)	(19,365)	(7,825)
Property Cash Basis NOI	$ 101,681	$ 107,514	$ 110,806	$ 60,050	$ 63,002	$ 320,001	$ 192,842

1) See Definitions of Certain Non-GAAP Financial Measures on page 22 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 properties owned by our two unconsolidated joint ventures in which we own 51% and 50% interests.
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.

CALCULATION OF EBITDA, EBITDA*re* AND ADJUSTED EBITDA*re*[1]

(dollars in thousands)	For the Three Months Ended					For the Nine Months Ended	
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	9/30/2019	9/30/2018
Net income (loss)	$ (3,939)	$ (64,774)	$ 34,019	$ (57,695)	$ (449)	$ (34,694)	$ 35,811
Add (less): Interest expense	32,367	35,348	37,133	20,421	23,374	104,848	69,444
Income tax (benefit) expense	156	(130)	483	(7)	9	509	124
Depreciation and amortization	74,939	73,913	77,521	33,044	42,569	226,373	129,444
EBITDA	103,523	44,357	149,156	(4,237)	65,503	297,036	234,823
Add (less): Loss on impairment of real estate	8,521	2,380	3,204	2,830	—	14,105	5,800
(Gain) loss on sale of real estate	(11,463)	17	(22,092)	(3,332)	—	(33,538)	(17,329)
Distributions received from unconsolidated joint ventures	852	600	521	705	813	1,973	3,046
Distributions received from SIR	—	—	—	—	12,708	—	38,124
Equity in earnings of SIR included in discontinued operations	—	—	—	(515)	(9,253)	—	(23,843)
Equity in losses of unconsolidated joint ventures	280	272	639	791	738	1,191	1,994
Net gain on issuance of shares by SIR included in discontinued operations	—	—	—	—	(21)	—	(29)
Loss on sale of SIR shares included in discontinued operations [2]	—	—	—	18,665	—	—	—
EBITDA*re*	101,713	47,626	131,428	14,907	70,488	280,767	242,586
Add (less): Acquisition and transaction related costs [3]	—	98	584	10,695	3,813	682	3,813
General and administrative expense paid in common shares [4]	889	967	864	334	461	2,720	1,003
Estimated business management incentive fees [5]	—	—	—	(16,973)	16,236	—	16,973
Loss on early extinguishment of debt	284	71	414	709	—	769	—
(Gain) loss on equity securities, net [6]	—	66,135	(22,128)	48,229	(17,425)	44,007	(40,677)
Adjusted EBITDA*re*	$ 102,886	$ 114,897	$ 111,162	$ 57,901	$ 73,573	$ 328,945	$ 223,698

1) See Definitions of Certain Non-GAAP Financial Measures on page 22 for the definitions of EBITDA, EBITDA*re* and Adjusted EBITDA*re* 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 investment in Select Income REIT, or SIR, at a loss.
3) Acquisition and transaction related costs consists of costs incurred in connection with the merger with SIR, or 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 condensed consolidated statements of income (loss). In calculating net income (loss) in accordance with GAAP, we recognize estimated business management incentive fee expense, if any, in the first, second and third quarters. Although we recognize this expense, if any, in the first, second and third quarters for purposes of calculating net income (loss), we do not include such expense in the 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. 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.
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. On July 1, 2019, we sold our investment in RMR Inc. common stock.

CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO[1]

(dollars in thousands, except per share data)	For the Three Months Ended					For the Nine Months Ended	
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	9/30/2019	9/30/2018
Net income (loss) available for common shareholders	$ (3,939)	$ (64,774)	$ 34,019	$ (57,695)	$ (449)	$ (34,694)	$ 35,440
Add (less): Depreciation and amortization:							
Consolidated properties	74,939	73,913	77,521	33,044	42,569	226,373	129,444
Unconsolidated joint venture properties	1,397	1,410	1,751	1,920	1,913	4,558	6,283
FFO attributable to SIR investment	—	—	—	1,859	19,012	—	49,914
Loss on impairment of real estate	8,521	2,380	3,204	2,830	—	14,105	5,800
Equity in earnings of SIR included in discontinued operations	—	—	—	(515)	(9,253)	—	(23,843)
(Gain) loss on sale of real estate	(11,463)	17	(22,092)	(3,332)	—	(33,538)	(17,329)
(Gain) loss on equity securities, net [2]	—	66,135	(22,128)	48,229	(17,425)	44,007	(40,677)
FFO available for common shareholders	69,455	79,081	72,275	26,340	36,367	220,811	145,032
Add (less): Acquisition and transaction related costs [3]	—	98	584	10,695	3,813	682	3,813
Loss on early extinguishment of debt	284	71	414	709	—	769	—
Normalized FFO attributable to SIR investment	—	—	—	1,524	15,584	—	42,482
FFO attributable to SIR investment	—	—	—	(1,859)	(19,012)	—	(49,914)
Net gain on issuance of shares by SIR included in discontinued operations	—	—	—	—	(21)	—	(29)
Estimated business management incentive fees [4]	—	—	—	(16,973)	16,236	—	16,973
Loss on sale of SIR shares included in discontinued operations [5]	—	—	—	18,665	—	—	—
Normalized FFO available for common shareholders	$ 69,739	$ 79,250	$ 73,273	$ 39,101	$ 52,967	$ 222,262	$ 158,357
Weighted average common shares outstanding (basic)	48,073	48,049	48,031	25,027	24,768	48,051	24,764
Weighted average common shares outstanding (diluted)	48,073	48,049	48,046	25,027	24,768	48,051	24,769
Per common share amounts:							
Net income (loss) available for common shareholders (basic and diluted)	$ (0.08)	$ (1.35)	$ 0.71	$ (2.31)	$ (0.02)	$ (0.72)	$ 1.43
FFO available for common shareholders (basic and diluted)	$ 1.44	$ 1.65	$ 1.50	$ 1.05	$ 1.47	$ 4.60	$ 5.86
Normalized FFO available for common shareholders (basic and diluted)	$ 1.45	$ 1.65	$ 1.53	$ 1.56	$ 2.14	$ 4.63	$ 6.39

1) See Definitions of Certain Non-GAAP Financial Measures on page 22 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) (Gain) loss on equity securities, net 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 the period. On July 1, 2019, we sold our investment in RMR Inc. common stock.
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 investment in SIR at a loss.

DEFINITIONS OF CERTAIN NON-GAAP FINANCIAL MEASURES

Non-GAAP Financial Measures

We present certain "non-GAAP financial measures" within the meaning of applicable SEC rules, including Property NOI, Property Cash Basis NOI, EBITDA, EBITDA*re*, Adjusted EBITDA*re*, 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 (loss). 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 (loss) and net income (loss) 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 Property NOI and 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.

Property NOI and Property Cash Basis NOI

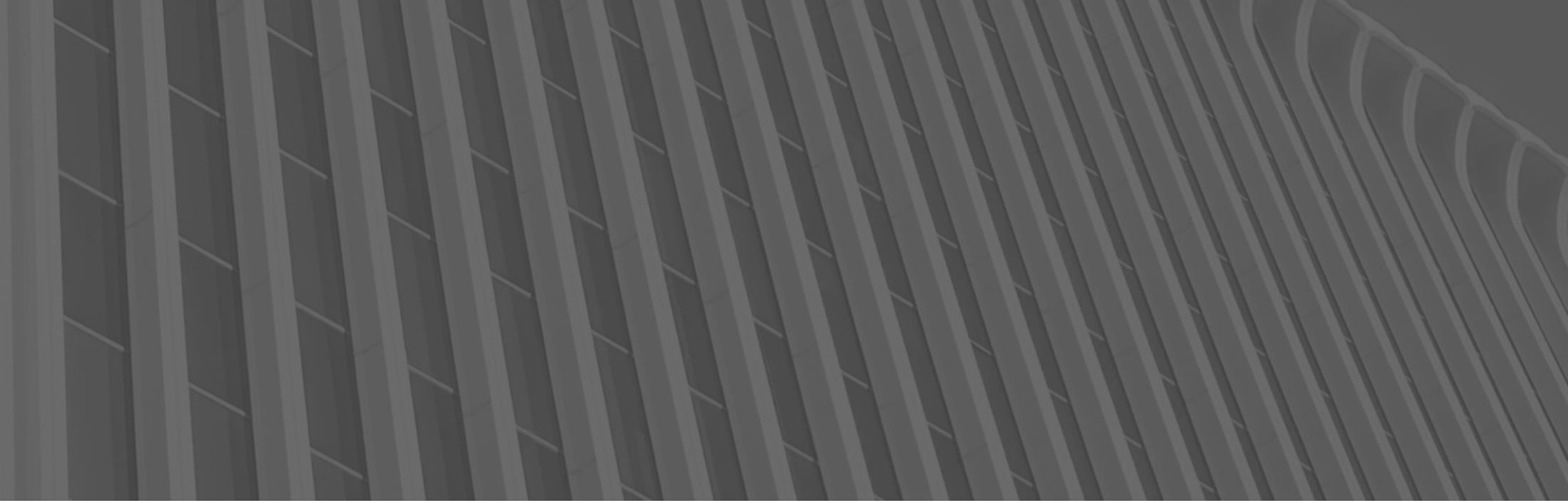
The calculations of Property net operating income, or NOI, and Cash Basis NOI exclude certain components of net income (loss) available for common shareholders in order to provide results that are more closely related to our property level results of operations. We calculate Property NOI and Property Cash Basis NOI as shown on page 19. We define Property NOI as income from our rental of real estate less our property operating expenses. Property NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We define Property Cash Basis NOI as 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 use Property NOI and Property Cash Basis NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate Property NOI and Property Cash Basis NOI differently than we do.

EBITDA, EBITDA*re* and Adjusted EBITDA*re*

We calculate earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDA*re*, and Adjusted EBITDA*re* as shown on page 20. EBITDA*re* 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 EBITDA*re* of our unconsolidated joint ventures and our prior investment in SIR included in discontinued operations. In calculating Adjusted EBITDA*re*, we adjust for the items shown on page 20 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, EBITDA*re* and Adjusted EBITDA*re* 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 21. FFO available for common shareholders is calculated on the basis defined by Nareit, which is net income (loss) 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 21 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.



OFFICE PROPERTIES

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Two Newton Place

255 Washington Street, Suite 300

Newton, Massachusetts 02458

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