

PRESS RELEASE

Franklin Street Properties Corp.

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For Immediate Release

Franklin Street Properties Corp. Announces Third Quarter 2025 Results

Wakefield, MA—October 28, 2025—Franklin Street Properties Corp. (the “Company”, “FSP”, “we” or “our”) (NYSE American: FSP), a real estate investment trust (REIT), announced its results for the third quarter ended September 30, 2025.

George J. Carter, Chairman and Chief Executive Officer, commented as follows:

“FSP continues to maintain its focus on trying to improve leasing and occupancy across our portfolio. Nationally, the overall office sector continues to face headwinds from capital markets volatility and evolving workplace dynamics, but we have recently seen some encouraging signs of stabilization and “return-to-office” trends in many cities across the United States. While overall leasing volume within the FSP portfolio during the first nine months of 2025 has been modest, we have seen more signs of improved tenant activity in our markets. National office vacancy rates have finally declined slightly for the first time since early 2019. Importantly, we are also seeing and competing for a greater number of larger potential lease transactions at our properties. More prospective tenants are in the market seeking to expand their office space footprints. The increased demand from these prospective tenants is pushing up against a reduced supply of office space from a lack of new development and inventory removal.

While leasing and property operations are ongoing, our Board of Directors continues to work with our financial advisor, BofA Securities, on our ongoing strategic review process. The process has been robust and comprehensive, with a wide range of strategic alternatives considered to explore ways to maximize shareholder value.”

Financial Highlights

- GAAP net loss was \$8.3 million and \$37.6 million, or \$0.08 and \$0.36 per basic and diluted share for the three and nine months ended September 30, 2025, respectively.
- Funds From Operations (FFO) was \$2.3 million and \$7.6 million, or \$0.02 and \$0.07 per basic and diluted share, for the three and nine months ended September 30, 2025, respectively.

Leasing Highlights

- During the nine months ended September 30, 2025, we leased approximately 274,000 square feet of space of which approximately 219,000 were from renewals and expansions of existing tenants.
- Our directly-owned real estate portfolio of 14 properties, totaling approximately 4.8 million square feet, was approximately 68.9% leased as of September 30, 2025, compared to approximately 70.3% leased as of December 31, 2024. The decrease in the leased percentage is due to lease expirations during the nine months ended September 30, 2025.
- The weighted average GAAP base rent per square foot achieved on leasing activity during the nine months ended September 30, 2025, was \$31.81, or 6.0% higher than average rents in the respective properties for the year ended December 31, 2024. The average lease term on leases signed during the nine months ended September 30, 2025, was 5.7 years compared to 6.3 years during the year ended December 31, 2024. Overall, the portfolio weighted average rent per occupied square foot was \$31.13 as of September 30, 2025, compared to \$31.77 as of December 31, 2024.
- We believe that our continuing portfolio of real estate is well located within their respective markets,

primarily in the Sunbelt and Mountain West geographic regions, and consists of high-quality assets with long-term upside leasing potential.

Strategic Review

George J. Carter, Chairman and Chief Executive Officer, commented as follows with respect to the Company's review of strategic alternatives:

"Our Board of Directors continues to work with our financial advisor, BofA Securities, in connection with a review of strategic alternatives in order to explore ways to maximize shareholder value. As previously announced, this review includes a range of potential strategic alternatives, including a sale of the Company, a sale of assets, and refinancing of existing indebtedness, among others. No assurances can be given regarding the outcome or timetable for completion of the strategic review process. We do not intend to make any further public comment regarding the process until it has been completed."

Dividend

On October 3, 2025, we announced that our Board of Directors declared a quarterly cash dividend for the three months ended September 30, 2025, of \$0.01 per share of common stock that will be paid on November 6, 2025, to stockholders of record on October 17, 2025.

Consolidation of Sponsored REIT

As of January 1, 2023, we consolidated the operations of our Monument Circle sponsored REIT into our financial statements and on June 6, 2025, the property held by Monument Circle was sold. Additional information about the consolidation of Monument Circle can be found in Note 1, "Organization, Properties, Basis of Presentation, Financial Instruments and Recent Accounting Standards", Note 8, "Disposition of Properties and Assets Held for Sale" in the Notes to Consolidated Financial Statements included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025.

Non-GAAP Financial Information

A reconciliation of Net loss to FFO, Adjusted Funds From Operations (AFFO) and Sequential Same Store NOI and our definitions of FFO, AFFO and Sequential Same Store NOI can be found on Supplementary Schedules H and I.

2025 Net Income (Loss), FFO and Disposition Guidance

At this time, due primarily to economic conditions and uncertainty surrounding the timing and amount of proceeds received from property dispositions, we are continuing suspension of Net Income (Loss), FFO and property disposition guidance.

Real Estate Update

Supplementary schedules provide property information for the Company's owned and consolidated properties as of September 30, 2025. The Company will also be filing an updated supplemental information package that will provide stockholders and the financial community with additional operating and financial data. The Company will file this supplemental information package with the SEC and make it available on its website at www.fspreit.com.

Today's news release, along with other news about Franklin Street Properties Corp., is available on the Internet at www.fspreit.com. We routinely post information that may be important to investors in the Investor Relations section of our website. We encourage investors to consult that section of our website regularly for important

information about us and, if they are interested in automatically receiving news and information as soon as it is posted, to sign up for E-mail Alerts.

About Franklin Street Properties Corp.

Franklin Street Properties Corp., based in Wakefield, Massachusetts, is focused on infill and central business district (CBD) office properties in the U.S. Sunbelt and Mountain West, as well as select opportunistic markets. FSP is focused on long-term growth and appreciation, as well as current income. FSP is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust (REIT) for federal income tax purposes. To learn more about FSP please visit our website at www.fspreit.com.

No Quarterly Earnings Call

The Company will not be holding an earnings call this quarter.

Forward-Looking Statements

Statements made in this press release that state FSP's or management's intentions, beliefs, expectations, or predictions for the future may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This press release may also contain forward-looking statements, such as those relating to our review of strategic alternatives, expectations for future potential leasing activity, the payment of dividends and the repayment of debt in future periods, value creation/enhancement in future periods and expectations for growth and leasing activities in future periods that are based on current judgments and current knowledge of management and are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Investors are cautioned that our forward-looking statements involve risks and uncertainty, including without limitation, adverse changes in general economic or local market conditions, including as a result of the long-term effects of the COVID-19 pandemic, wars, terrorist attacks or other acts of violence, which may negatively affect the markets in which we and our tenants operate, impacts of changes in tariffs that the United States and other countries have announced or implemented, as well as any additional new tariffs, trade restrictions or export regulations that may be implemented or reversed in the future, inflation rates, interest rates, disruptions in the debt markets, economic conditions in the markets in which we own properties, risks of a lessening of demand for the types of real estate owned by us, adverse changes in energy prices, which if sustained, could negatively impact occupancy and rental rates in the markets in which we own properties, including energy-influenced markets such as Dallas, Denver and Houston, changes in government regulations and regulatory uncertainty, uncertainty about governmental fiscal policy, geopolitical events and expenditures that cannot be anticipated, such as utility rate and usage increases, delays in construction schedules, unanticipated increases in construction costs, increases in the level of general and administrative costs as a percentage of revenues as revenues decrease as a result of property dispositions, unanticipated repairs, additional staffing, insurance increases and real estate tax valuation reassessments. See the "Risk Factors" set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, as updated in Part II Item 1A of our Quarterly Report on Form 10-Q for the three months ended September 30, 2025, which may be further updated from time to time in subsequent filings with the United States Securities and Exchange Commission. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, acquisitions, dispositions, performance or achievements. We will not update any of the forward-looking statements after the date of this press release to conform them to actual results or to changes in our expectations that occur after such date, other than as required by law.

Franklin Street Properties Corp.
Earnings Release
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Franklin Street Properties Corp. Financial Results
Supplementary Schedule A
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands, except per share amounts)	2025	2024	2025	2024
Revenue:				
Rental	\$ 27,300	\$ 29,662	\$ 81,122	\$ 91,705
Other	—	20	—	32
Total revenue	27,300	29,682	81,122	91,737
Expenses:				
Real estate operating expenses	10,671	11,574	31,467	33,620
Real estate taxes and insurance	5,262	5,512	14,822	17,175
Depreciation and amortization	10,550	10,911	32,000	34,018
General and administrative	3,034	3,275	9,799	11,069
Interest	6,348	6,585	18,378	20,513
Total expenses	35,865	37,857	106,466	116,395
Loss on extinguishment of debt	(7)	(477)	(12)	(614)
Loss on sale of properties and impairment of assets held for sale, net	—	(7,254)	(12,900)	(20,459)
Interest income	249	340	756	1,696
Loss before taxes	(8,323)	(15,566)	(37,500)	(44,035)
Tax expense	3	56	137	162
Net loss	\$ (8,326)	\$ (15,622)	\$ (37,637)	\$ (44,197)
Weighted average number of shares outstanding, basic and diluted	103,690	103,567	103,623	103,492
Loss per share, basic and diluted:				
Net loss per share, basic and diluted	\$ (0.08)	\$ (0.15)	\$ (0.36)	\$ (0.43)

Franklin Street Properties Corp. Financial Results
Supplementary Schedule B
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands, except share and par value amounts)	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Assets:		
Real estate assets:		
Land	\$ 98,883	\$ 105,298
Buildings and improvements	1,088,981	1,096,265
Fixtures and equipment	11,355	11,053
	1,199,219	1,212,616
Less accumulated depreciation	399,597	377,708
Real estate assets, net	799,622	834,908
Acquired real estate leases, less accumulated amortization of \$14,238 and \$13,613, respectively	2,899	4,205
Cash, cash equivalents and restricted cash	31,575	42,683
Tenant rent receivables	1,380	1,283
Straight-line rent receivable	38,857	37,727
Prepaid expenses and other assets	3,889	3,114
Office computers and furniture, net of accumulated depreciation of \$1,094 and \$1,073, respectively	48	70
Deferred leasing commissions, net of accumulated amortization of \$14,749 and \$14,195, respectively	22,762	22,941
Total assets	\$ 901,032	\$ 946,931
Liabilities and Stockholders' Equity:		
Liabilities:		
Term loans payable, less unamortized financing costs of \$881 and \$2,220, respectively	\$ 125,114	\$ 124,491
Series A & Series B Senior Notes, less unamortized financing costs of \$473 and \$1,191, respectively	122,449	122,430
Accounts payable and accrued expenses	28,785	34,067
Accrued compensation	2,635	3,097
Tenant security deposits	6,258	6,237
Lease liability	417	707
Acquired unfavorable real estate leases, less accumulated amortization of \$54 and \$89, respectively	37	45
Total liabilities	285,695	291,074
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$.0001 par value, 20,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$.0001 par value, 180,000,000 shares authorized, 103,690,340 and 103,566,715 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,335,586	1,335,361
Accumulated distributions in excess of accumulated earnings	(720,259)	(679,514)
Total stockholders' equity	615,337	655,857
Total liabilities and stockholders' equity	\$ 901,032	\$ 946,931

Franklin Street Properties Corp. Financial Results
Supplementary Schedule C
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	For the Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (37,637)	\$ (44,197)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	34,045	36,284
Amortization of above and below market leases	—	(17)
Amortization of other comprehensive income into interest expense	—	(355)
Shares issued as compensation	225	270
Loss on extinguishment of debt	12	614
Loss on sale of properties and impairment of assets held for sale, net	12,900	20,459
Changes in operating assets and liabilities:		
Tenant rent receivables	(97)	842
Straight-line rents	(41)	1,249
Lease acquisition costs	(1,096)	(660)
Prepaid expenses and other assets	(498)	314
Accounts payable and accrued expenses	(4,274)	(4,364)
Accrued compensation	(462)	(451)
Tenant security deposits	21	(84)
Payment of deferred leasing commissions	(3,176)	(3,168)
Net cash provided by (used in) operating activities	(78)	6,736
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(12,608)	(19,074)
Proceeds received from sales of properties	6,100	62,909
Net cash provided by (used in) investing activities	(6,508)	43,835
Cash flows from financing activities:		
Distributions to stockholders	(3,108)	(3,104)
Repayments of Bank note payable	—	(22,667)
Repayments of Term loans payable	(716)	(41,775)
Repayments of Series A&B Senior Notes	(698)	(62,870)
Deferred financing costs	—	(5,660)
Net cash used in financing activities	(4,522)	(136,076)
Net decrease in cash, cash equivalents and restricted cash	(11,108)	(85,505)
Cash, cash equivalents and restricted cash, beginning of year	42,683	127,880
Cash, cash equivalents and restricted cash, end of period	\$ 31,575	\$ 42,375

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule D
Real Estate Portfolio Summary Information
(Unaudited & Approximated)

Commercial portfolio lease expirations (1)

<u>Year</u>	<u>Total Square Feet</u>	<u>% of Portfolio</u>
2025	77,272	1.6%
2026	552,472	11.5%
2027	327,832	6.8%
2028	242,046	5.0%
2029	522,248	10.9%
Thereafter (2)	3,085,793	64.2%
	<u>4,807,663</u>	<u>100.0%</u>

(1) Percentages are determined based upon total square footage.

(2) Includes 1,496,842 square feet of vacancies at our owned properties as of September 30, 2025.

(dollars & square feet in 000's)

<u>State</u>	<u>As of September 30, 2025</u>				
	<u>Properties</u>	<u>Investment</u>	<u>% of Portfolio</u>	<u>Square Feet</u>	<u>% of Portfolio</u>
Colorado	4	\$ 431,336	53.9%	2,142	44.5%
Texas	7	257,265	32.2%	1,908	39.7%
Minnesota	3	111,021	13.9%	758	15.8%
Total	<u>14</u>	<u>\$ 799,622</u>	<u>100.0%</u>	<u>4,808</u>	<u>100.0%</u>

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule E
Portfolio and Other Supplementary Information
(Unaudited & Approximated)

Recurring Capital Expenditures

(in thousands)	For the Three Months Ended			For the Nine Months Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25
Tenant improvements	\$ 2,374	\$ 1,415	\$ 4,469	\$ 8,258
Deferred leasing costs	545	1,702	929	3,176
Non-investment capex	1,258	750	753	2,761
	<u>\$ 4,177</u>	<u>\$ 3,867</u>	<u>\$ 6,151</u>	<u>\$ 14,195</u>

(in thousands)	For the Three Months Ended				Year Ended
	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Tenant improvements	\$ 2,619	\$ 2,558	\$ 4,444	\$ 4,173	\$ 13,794
Deferred leasing costs	2,237	511	421	2,974	6,143
Non-investment capex	1,019	1,480	1,658	2,568	6,725
	<u>\$ 5,875</u>	<u>\$ 4,549</u>	<u>\$ 6,523</u>	<u>\$ 9,715</u>	<u>\$ 26,662</u>

Square foot & leased percentages

	September 30, 2025	December 31, 2024
Owned Properties:		
Number of properties	14	14
Square feet	4,807,663	4,806,253
Leased percentage	68.9%	70.3%
Consolidated Property - Single Asset REIT (SAR):		
Number of properties	—	1
Square feet	—	213,760
Leased percentage	—	4.1%
Total Owned and Consolidated Properties:		
Number of properties	14	15
Square feet	4,807,663	5,020,013
Leased percentage	68.9%	67.5%

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule F
Percentage of Leased Space
(Unaudited & Estimated)

	Property Name	Location	Square Feet	% Leased (1) as of 30-Jun-25	Second Quarter Average % Leased (2)	% Leased (1) as of 30-Sep-25	Third Quarter Average % Leased (2)
1	PARK TEN	Houston, TX	157,609	94.0%	89.0%	86.8%	91.6%
2	PARK TEN PHASE II	Houston, TX	156,746	75.5%	75.5%	76.3%	75.7%
3	GREENWOOD PLAZA	Englewood, CO	196,236	65.0%	65.0%	65.0%	65.0%
4	ADDISON	Addison, TX	289,333	67.7%	68.2%	67.7%	67.7%
5	LIBERTY PLAZA	Addison, TX	217,841	68.9%	68.9%	65.4%	66.5%
6	ELDRIDGE GREEN	Houston, TX	248,399	100.0%	100.0%	100.0%	100.0%
7	121 SOUTH EIGHTH ST	Minneapolis, MN	297,744	78.5%	78.5%	78.5%	77.9%
8	801 MARQUETTE AVE	Minneapolis, MN	129,691	91.8%	91.8%	91.8%	91.8%
9	LEGACY TENNYSON CTR	Plano, TX	209,562	60.9%	57.6%	60.9%	60.9%
10	WESTCHASE I & II	Houston, TX	629,025	65.1%	65.1%	66.2%	65.7%
11	1999 BROADWAY	Denver, CO	682,639	50.4%	50.1%	50.2%	50.4%
12	1001 17TH STREET	Denver, CO	650,607	75.1%	75.1%	75.1%	75.1%
13	PLAZA SEVEN	Minneapolis, MN	330,096	51.0%	52.2%	51.0%	51.0%
14	600 17TH STREET	Denver, CO	612,135	72.5%	72.5%	72.5%	72.5%
	OWNED PORTFOLIO		4,807,663	69.1%	68.9%	68.9%	69.0%

- (1) % Leased as of month's end includes all leases that expire on the last day of the quarter.
(2) Average quarterly percentage is the average of the end of the month leased percentage for each of the three months during the quarter.

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule G
Largest 20 Tenants – FSP Owned Portfolio
(Unaudited & Estimated)

The following table includes the largest 20 tenants in FSP's owned portfolio based on total square feet:

As of September 30, 2025

	Tenant	Sq Ft	% of Portfolio
1	CITGO Petroleum Corporation	248,399	5.2%
2	EOG Resources, Inc.	169,167	3.5%
3	US Government	168,573	3.5%
4	Kaiser Foundation Health Plan, Inc.	120,979	2.5%
5	Deluxe Corporation	98,922	2.1%
6	Ping Identity Corp.	89,856	1.9%
7	Olin Corporation	81,480	1.7%
8	Permian Resources Operating, LLC	67,856	1.4%
9	Hall and Evans LLC	65,878	1.4%
10	Cyxtera Management, Inc.	61,826	1.3%
11	Precision Drilling (US) Corporation	59,569	1.2%
12	PwC US Group	54,334	1.1%
13	Coresite, LLC	49,518	1.0%
14	Schwegman, Lundberg & Woessner, P.A.	46,269	1.0%
15	Ark-La-Tex Financial Services, LLC.	41,011	0.8%
16	Invenergy, LLC.	35,088	0.7%
17	Chevron U.S.A., Inc.	35,088	0.7%
18	Moss, Luse & Womble, LLC	34,071	0.7%
19	QB Energy Operating, LLC.	34,063	0.7%
20	International Business Machines Corporation	31,564	0.7%
	Total	1,593,511	33.1%

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule H
Reconciliation and Definitions of Funds From Operations (“FFO”) and
Adjusted Funds From Operations (“AFFO”)

A reconciliation of Net loss to FFO and AFFO is shown below and a definition of FFO and AFFO is provided on Supplementary Schedule I. Management believes FFO and AFFO are used broadly throughout the real estate investment trust (REIT) industry as measurements of performance. The Company has included the National Association of Real Estate Investment Trusts (NAREIT) FFO definition as of May 17, 2016 in the table and notes that other REITs may not define FFO in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently. The Company’s computation of FFO and AFFO may not be comparable to FFO or AFFO reported by other REITs or real estate companies that define FFO or AFFO differently.

Reconciliation of Net loss to FFO and AFFO:	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
(In thousands, except per share amounts)	2025	2024	2025	2024
Net loss	\$ (8,326)	\$ (15,622)	\$ (37,637)	\$ (44,197)
Loss on sale of properties and impairment of asset held for sale, net	—	7,254	12,900	20,459
Depreciation & amortization	10,550	10,907	32,000	34,002
NAREIT FFO	2,224	2,539	7,263	10,264
Lease Acquisition costs	99	126	303	315
Funds From Operations (FFO)	\$ 2,323	\$ 2,665	\$ 7,566	\$ 10,579
Funds From Operations (FFO)	\$ 2,323	\$ 2,665	\$ 7,566	\$ 10,579
Loss on extinguishment of debt	7	477	12	614
Amortization of deferred financing costs	677	767	2,045	2,265
Shares issued as compensation	—	—	225	270
Straight-line rent	(37)	785	(41)	1,249
Tenant improvements	(4,469)	(4,444)	(8,258)	(9,621)
Leasing commissions	(929)	(421)	(3,176)	(3,169)
Non-investment capex	(753)	(1,658)	(2,761)	(4,157)
Adjusted Funds From Operations (AFFO)	\$ (3,181)	\$ (1,829)	\$ (4,388)	\$ (1,970)
Per Share Data				
EPS	\$ (0.08)	\$ (0.15)	\$ (0.36)	\$ (0.43)
FFO	\$ 0.02	\$ 0.03	\$ 0.07	\$ 0.10
AFFO	\$ (0.03)	\$ (0.02)	\$ (0.04)	\$ (0.02)
Weighted average shares (basic and diluted)	103,690	103,567	103,623	103,492

Funds From Operations (“FFO”)

The Company evaluates performance based on Funds From Operations, which we refer to as FFO, as management believes that FFO represents the most accurate measure of activity and is the basis for distributions paid to equity holders. The Company defines FFO as net income or loss (computed in accordance with GAAP), excluding gains (or losses) from sales of property, hedge ineffectiveness, acquisition costs of newly acquired properties that are not capitalized and lease acquisition costs that are not capitalized plus depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges on mortgage loans, properties or investments in non-consolidated REITs, and after adjustments to exclude equity in income or losses from, and, to include the proportionate share of FFO from, non-consolidated REITs.

FFO should not be considered as an alternative to net income or loss (determined in accordance with GAAP), nor as an indicator of the Company’s financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company’s liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company’s needs.

Other real estate companies and the National Association of Real Estate Investment Trusts, or NAREIT, may define this term in a different manner. We have included the NAREIT FFO as of May 17, 2016 in the table and note that other REITs may not define FFO in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently than we do.

We believe that in order to facilitate a clear understanding of the results of the Company, FFO should be examined in connection with net income or loss and cash flows from operating, investing and financing activities in the consolidated financial statements.

Adjusted Funds From Operations (“AFFO”)

The Company also evaluates performance based on Adjusted Funds From Operations, which we refer to as AFFO. The Company defines AFFO as (1) FFO, (2) excluding loss on extinguishment of debt that is non-cash, (3) excluding our proportionate share of FFO and including distributions received, from non-consolidated REITs, (4) excluding the effect of straight-line rent, (5) plus the amortization of deferred financing costs, (6) plus the value of shares issued as compensation and (7) less recurring capital expenditures that are generally for maintenance of properties, which we call non-investment capex or are second generation capital expenditures. Second generation costs include re-tenanting space after a tenant vacates, which include tenant improvements and leasing commissions.

We exclude development/redevelopment activities, capital expenditures planned at acquisition and costs to reposition a property. We also exclude first generation leasing costs, which are generally to fill vacant space in properties we acquire or were planned for at acquisition.

AFFO should not be considered as an alternative to net income or loss (determined in accordance with GAAP), nor as an indicator of the Company’s financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company’s liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company’s needs. Other real estate companies may define this term in a different manner. We believe that in order to facilitate a clear understanding of the results of the Company, AFFO should be examined in connection with net income or loss and cash flows from operating, investing and financing activities in the consolidated financial statements.

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule I

Reconciliation and Definition of Sequential Same Store results to property Net Operating Income (NOI) and Net Income

Net Operating Income (“NOI”)

The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) plus general and administrative expenses, depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, interest expense, less equity in earnings of nonconsolidated REITs, interest income, management fee income, hedge ineffectiveness, gains or losses on extinguishment of debt, gains or losses on the sale of assets and excludes non-property specific income and expenses. The information presented includes footnotes and the data is shown by region with properties owned in the periods presented, which we call Sequential Same Store. The comparative Sequential Same Store results include properties held for all periods presented. We exclude properties that have been placed in service, but that do not have operating activity for all periods presented, dispositions and significant nonrecurring income such as bankruptcy settlements and lease termination fees. NOI, as defined by the Company, may not be comparable to NOI reported by other REITs that define NOI differently. NOI should not be considered an alternative to net income or loss as an indication of our performance or to cash flows as a measure of the Company’s liquidity or its ability to make distributions. The calculations of NOI and Sequential Same Store are shown in the following table:

(in thousands)	Rentable Square Feet or RSF	Three Months Ended 30-Sep-25	Three Months Ended 30-Jun-25	Inc (Dec)	% Change
Region					
MidWest	758	1,489	1,758	(269)	(15.3)%
South	1,908	4,144	4,393	(249)	(5.7)%
West	2,142	5,450	5,516	(66)	(1.2)%
Property NOI* from Owned Properties	4,808	11,083	11,667	(584)	(5.0)%
Disposition and Acquisition Properties (a)	-	9	(108)	117	1.0 %
NOI*	4,808	\$ 11,092	\$ 11,559	\$ (467)	(4.0)%
Sequential Same Store		\$ 11,083	\$ 11,667	\$ (584)	(5.0)%
Less Nonrecurring Items in NOI* (b)		52	52	—	(0.0)%
Comparative Sequential Same Store		\$ 11,031	\$ 11,615	\$ (584)	(5.0)%

Reconciliation to	Three Months Ended	Three Months Ended
Net loss	30-Sep-25	30-Jun-25
Net loss	\$ (8,326)	\$ (7,876)
Add (deduct):		
Loss on extinguishment of debt	7	3
(Gain) loss on sale of properties and impairment of assets held for sale, net	—	(384)
Management fee income	(345)	(334)
Depreciation and amortization	10,550	10,626
Amortization of above/below market leases	—	—
General and administrative	3,034	3,281
Interest expense	6,348	6,339
Interest income	(249)	(248)
Non-property specific items, net	73	152
NOI*	\$ 11,092	\$ 11,559

- (a) We define Disposition and Acquisition Properties as properties that were sold acquired or consolidated and do not have operating activity for all periods presented.
- (b) Nonrecurring Items in NOI include proceeds from bankruptcies, lease termination fees or other significant nonrecurring income or expenses, which may affect comparability.

*Excludes NOI from investments in and interest income from secured loans to non-consolidated REITs.



Franklin Street Properties Corp.
Supplemental Operating & Financial Data

401 Edgewater Place ~Wakefield, MA 01880
781.557.1300.~ www.fspreit.com



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All financial information contained in this supplemental information package is unaudited. In addition, certain statements contained in this supplemental information package may be deemed to be forward-looking statements within the meaning of the federal securities laws. Although FSP believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from FSP's current expectations include adverse changes in general economic or local market conditions, including as a result of geopolitical events, the long-term effects of the COVID-19 pandemic and wars, terrorist attacks or other acts of violence, which may negatively affect the markets in which we and our tenants operate, the effects of changes in tariffs and trade policies, inflation rates, interest rates, disruptions in the debt markets, economic conditions in the markets in which we own properties, risks of a lessening of demand for the types of real estate owned by us, adverse changes in energy prices, which if sustained, could negatively impact occupancy and rental rates in the markets in which we own properties, including energy-influenced markets such as Dallas, Denver and Houston, changes in government regulations and regulatory uncertainty, uncertainty about governmental fiscal and trade policy and expenditures that cannot be anticipated such as utility rate and usage increases, delays in construction schedules, unanticipated increases in construction costs, unanticipated repairs, additional staffing, insurance increases and real estate tax valuation reassessments. FSP assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.



Addison Circle One, Addison, TX



Company Information

Overview

Franklin Street Properties Corp., based in Wakefield, Massachusetts, is focused on infill and central business district (CBD) office properties in the U.S. Sunbelt and Mountain West, as well as select opportunistic markets. FSP is focused on long-term growth and appreciation, as well as current income. FSP is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust (REIT) for federal income tax purposes. FSP's real estate operations include property acquisitions and dispositions, short-term financing, leasing, development and asset management.

Our Business

As of September 30, 2025, the Company owned a portfolio of real estate consisting of 14 owned properties. The Company may also pursue, on a selective basis, the sale of its properties in order to take advantage of the value creation and demand for its properties, for geographic, property specific reasons or for other general corporate purposes.

Management Team

George J. Carter
Chief Executive Officer and
Chairman of the Board

Jeffrey B. Carter
President and Chief Investment
Officer

John G. Demeritt
Executive Vice President, Chief
Financial Officer and Treasurer

Scott H. Carter
Executive Vice President, General
Counsel and Secretary

John F. Donahue
Executive Vice President

Eriel Anchondo
Executive Vice President and
Chief Operating Officer

Inquiries

Inquiries should be directed to: Georgia Touma
877.686.9496 or InvestorRelations@fspreit.com

(1) Total Market Capitalization is the closing share price multiplied by the number of shares outstanding plus total debt outstanding.

Snapshot (as of September 30, 2025)

Corporate Headquarters	Wakefield, MA
Fiscal Year-End	31-Dec
Owned Properties	14
Total Square Feet	4.8 Million
Trading Symbol	FSP
Exchange	NYSE
	American
Common Shares Outstanding	103,690,340

Total Market Capitalization	\$0.4 Billion (1)
Insider Holdings	8.67%



Eldridge Green, Houston, TX



Summary of Financial Highlights

(in thousands except per share amounts, SF & number of properties)

	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
Income Items:					
Rental revenue	\$ 27,300	\$ 26,715	\$ 27,107	\$ 28,375	\$ 29,662
Total revenue	27,300	26,715	27,107	28,375	29,682
Net loss	(8,326)	(7,876)	(21,435)	(8,526)	(15,622)
Adjusted EBITDA*	8,582	8,790	8,418	8,989	9,657
FFO*	2,323	2,516	2,727	2,707	2,665
AFFO*	(3,181)	(514)	(693)	(5,157)	(1,829)
Per Share Data:					
Loss per share	\$ (0.08)	\$ (0.08)	\$ (0.21)	\$ (0.08)	\$ (0.15)
FFO*	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.03
AFFO*	\$ (0.03)	\$ (0.00)	\$ (0.01)	\$ (0.05)	\$ (0.02)
Weighted Average Shares (diluted)	103,690	103,610	103,567	103,567	103,567
Closing share price	\$ 1.60	\$ 1.64	\$ 1.78	\$ 1.83	\$ 1.77
Dividend declared	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Balance Sheet Items:					
Real estate, net	\$ 799,622	\$ 803,412	\$ 810,327	\$ 834,908	\$ 837,349
Other assets, net	101,410	99,831	106,039	112,023	144,164
Total assets, net	901,032	903,243	916,366	946,931	981,513
Total liabilities, net	285,695	278,543	282,980	291,074	316,094
Stockholders' equity	615,337	624,700	633,386	655,857	665,419
Market Capitalization and Debt:					
Total Market Capitalization (a)	\$ 414,822	\$ 419,870	\$ 434,528	\$ 439,859	\$ 461,000
Total debt outstanding (excluding unamortized financing costs)	\$ 248,917	\$ 249,818	\$ 250,179	\$ 250,332	\$ 277,687
Debt to Total Market Capitalization	60.0%	59.5%	57.6%	56.9%	60.2%
Net Debt to Adjusted EBITDA ratio*	6.3	6.2	6.5	5.8	6.1
Owned Properties Leasing Statistics:					
Owned properties assets	14	14	14	14	15
Owned properties total SF	4,807,663	4,807,663	4,806,456	4,806,253	4,966,398
Owned properties % leased	68.9%	69.1%	69.2%	70.3%	70.4%

(a) Total Market Capitalization is the closing share price multiplied by the number of shares outstanding plus total debt outstanding on that date.

* See pages 9 & 10 for reconciliations of Net income or loss to FFO, AFFO and Adjusted EBITDA, respectively, and the Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



Condensed Consolidated Income Statements

(\$ in thousands, except per share amounts)

	For the Three Months Ended			For The Nine Months Ended	For the Three Months Ended				For the Year Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Revenue:									
Rental	\$ 27,107	\$ 26,715	\$ 27,300	\$ 81,122	\$ 31,225	\$ 30,818	\$ 29,662	\$ 28,375	\$ 120,080
Other	—	—	—	—	—	12	20	—	32
Total revenue	27,107	26,715	27,300	81,122	31,225	30,830	29,682	28,375	120,112
Expenses:									
Real estate operating expenses	10,095	10,701	10,671	31,467	11,019	11,027	11,574	11,423	45,043
Real estate taxes and insurance	5,369	4,191	5,262	14,822	5,936	5,727	5,512	5,541	22,716
Depreciation and amortization	10,824	10,626	10,550	32,000	11,625	11,482	10,911	10,756	44,774
General and administrative	3,484	3,281	3,034	9,799	4,159	3,635	3,275	2,815	13,884
Interest	5,691	6,339	6,348	18,378	6,846	7,082	6,585	5,911	26,424
Total expenses	35,463	35,138	35,865	106,466	39,585	38,953	37,857	36,446	152,841
Loss on extinguishment of debt	(2)	(3)	(7)	(12)	(137)	—	(477)	(428)	(1,042)
Gain (loss) on sale of properties and impairment of assets held for sale, net	(13,284)	384	—	(12,900)	(5)	(13,200)	(7,254)	(367)	(20,826)
Interest income	259	248	249	756	1,008	348	340	394	2,090
Loss before taxes	(21,383)	(7,794)	(8,323)	(37,500)	(7,494)	(20,975)	(15,566)	(8,472)	(52,507)
Tax expense	52	82	3	137	58	48	56	54	216
Net loss	\$ (21,435)	\$ (7,876)	\$ (8,326)	\$ (37,637)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (8,526)	\$ (52,723)
Weighted average number of shares outstanding, basic and diluted	103,567	103,610	103,690	103,623	103,430	103,477	103,567	103,567	103,510
Net loss per share, basic and diluted	\$ (0.21)	\$ (0.08)	\$ (0.08)	\$ (0.36)	\$ (0.07)	\$ (0.20)	\$ (0.15)	\$ (0.08)	\$ (0.51)



Condensed Consolidated Balance Sheets

(in thousands)

	March 31, 2025	June 30, 2025	September 30, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Assets:							
Real estate assets:							
Land	\$ 98,882	\$ 98,883	\$ 98,883	\$ 110,298	\$ 105,298	\$ 105,298	\$ 105,298
Buildings and improvements	1,083,971	1,085,048	1,088,981	1,137,496	1,086,300	1,090,551	1,096,265
Fixtures and equipment	11,289	11,399	11,355	13,002	10,436	10,776	11,053
	1,194,142	1,195,330	1,199,219	1,260,796	1,202,034	1,206,625	1,212,616
Less accumulated depreciation	383,815	391,918	399,597	376,063	361,278	369,276	377,708
Real estate assets, net	810,327	803,412	799,622	884,733	840,756	837,349	834,908
Acquired real estate leases, net	3,737	3,309	2,899	5,971	5,306	4,695	4,205
Assets held for sale	5,685	—	—	38,947	67,823	32,926	—
Cash, cash equivalents and restricted cash	31,559	30,518	31,575	37,779	31,495	42,375	42,683
Tenant rent receivables, net	1,462	1,568	1,380	2,200	2,349	1,349	1,283
Straight-line rent receivable, net	37,724	37,839	38,857	40,357	38,901	38,432	37,727
Prepaid expenses and other assets	3,429	3,583	3,889	4,140	4,064	3,243	3,114
Office computers and furniture, net of accumulated depreciation	62	55	48	106	92	80	70
Deferred leasing commissions, net	22,381	22,959	22,762	24,730	21,741	21,064	22,941
Total assets	\$ 916,366	\$ 903,243	\$ 901,032	\$ 1,038,963	\$ 1,012,527	\$ 981,513	\$ 946,931
Liabilities and Stockholders' Equity:							
Liabilities:							
Term loan payable, net of unamortized financing costs	\$ 124,861	125,124	125,114	\$ 149,169	\$ 149,604	\$ 137,601	\$ 124,491
Series A & Series B Senior Notes	122,595	122,656	122,449	147,340	147,611	135,545	122,430
Accounts payable and accrued expenses	27,510	22,010	28,785	30,099	23,765	32,821	34,067
Accrued compensation	1,205	1,911	2,635	1,196	2,300	3,193	3,097
Tenant security deposits	6,156	6,289	6,258	6,268	6,248	6,120	6,237
Lease liability	612	515	417	953	859	763	707
Acquired unfavorable real estate leases, net	41	38	37	74	63	51	45
Total liabilities	282,980	278,543	285,695	335,099	330,450	316,094	291,074
Commitments and contingencies							
Stockholders' Equity:							
Preferred stock	—	—	—	—	—	—	—
Common stock	10	10	10	10	10	10	10
Additional paid-in capital	1,335,361	1,335,586	1,335,586	1,335,091	1,335,361	1,335,361	1,335,361
Accumulated other comprehensive income	—	—	—	—	—	—	—
Accumulated distributions in excess of accumulated earnings	(701,985)	(710,896)	(720,259)	(631,237)	(653,294)	(669,952)	(679,514)
Total stockholders' equity	633,386	624,700	615,337	703,864	682,077	665,419	655,857
Total liabilities and stockholders' equity	\$ 916,366	\$ 903,243	\$ 901,032	\$ 1,038,963	\$ 1,012,527	\$ 981,513	\$ 946,931



Condensed Consolidated Statements of Cash Flows

(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (37,637)	\$ (44,197)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	34,045	36,284
Amortization of above and below market leases	—	(17)
Amortization of other comprehensive income into interest expense	—	(355)
Shares issued as compensation	225	270
Loss on extinguishment of debt	12	614
Loss on sale of properties and impairment of assets held for sale, net	12,900	20,459
Changes in operating assets and liabilities:		
Tenant rent receivables	(97)	842
Straight-line rents	(41)	1,249
Lease acquisition costs	(1,096)	(660)
Prepaid expenses and other assets	(498)	314
Accounts payable and accrued expenses	(4,274)	(4,364)
Accrued compensation	(462)	(451)
Tenant security deposits	21	(84)
Payment of deferred leasing commissions	(3,176)	(3,168)
Net cash provided by (used in) operating activities	(78)	6,736
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(12,608)	(19,074)
Proceeds received from sales of properties	6,100	62,909
Net cash provided by (used in) investing activities	(6,508)	43,835
Cash flows from financing activities:		
Distributions to stockholders	(3,108)	(3,104)
Repayments of Bank note payable	—	(22,667)
Repayments of Term loans payable	(716)	(41,775)
Repayments of Series A&B Senior Notes	(698)	(62,870)
Deferred financing costs	—	(5,660)
Net cash used in financing activities	(4,522)	(136,076)
Net decrease in cash, cash equivalents and restricted cash	(11,108)	(85,505)
Cash, cash equivalents and restricted cash, beginning of period	42,683	127,880
Cash, cash equivalents and restricted cash, end of period	\$ 31,575	\$ 42,375



Property Net Operating Income (NOI)* with Same Store Comparison (in thousands)

(in thousands)	Rentable Square Feet or RSF	Three Months Ended			Nine Months Ended 30-Sep-25	Three Months Ended				Nine Months Ended 30-Sep-24	Inc (Dec)	% Change
		31-Mar-25	30-Jun-25	30-Sep-25		31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24			
Region												
MidWest	758	1,356	1,758	1,489	4,603	1,640	1,665	1,278	1,170	4,583	20	0.4 %
South	1,908	4,331	4,393	4,144	12,868	4,621	4,579	4,390	4,549	13,590	(722)	(5.3)%
West	2,142	5,849	5,516	5,450	16,815	6,204	6,224	6,037	5,670	18,465	(1,650)	(8.9)%
Property NOI* from Owned Properties	4,808	11,536	11,667	11,083	34,286	12,465	12,468	11,705	11,389	36,638	(2,352)	(6.4)%
Disposition and Acquisition Properties (a)	-	(193)	(108)	9	(292)	1,443	1,280	678	(266)	3,401	(3,693)	(8.7)%
Property NOI*	4,808	\$ 11,343	\$ 11,559	\$ 11,092	\$ 33,994	\$ 13,908	\$ 13,748	\$ 12,383	\$ 11,123	\$ 40,039	\$ (6,045)	(15.1)%
Same Store		\$ 11,536	\$ 11,667	\$ 11,083	\$ 34,286	\$ 12,465	\$ 12,468	\$ 11,705	\$ 11,389	\$ 36,638	\$ (2,352)	(6.4)%
Less Nonrecurring Items in NOI* (b)		55	52	52	159	246	255	78	185	579	(420)	1.0 %
Comparative Same Store		\$ 11,481	\$ 11,615	\$ 11,031	\$ 34,127	\$ 12,219	\$ 12,213	\$ 11,627	\$ 11,204	\$ 36,059	\$ (1,932)	(5.4)%

- (a) We define Disposition and Acquisition Properties as properties that were sold or acquired or consolidated and do not have operating activity for all periods presented.
- (b) Nonrecurring items in NOI include proceeds from bankruptcies, lease termination fees or other significant nonrecurring income or expenses, which may affect comparability.

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



FFO* & AFFO* Reconciliation

(in thousands, except per share amounts)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Net loss	\$ (21,435)	\$ (7,876)	\$ (8,326)	\$ (37,637)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (8,526)	\$ (52,723)
Loss (gain) on sale of properties and impairment of assets held for sale, net	13,284	(384)	—	12,900	5	13,200	7,254	367	20,826
Depreciation & amortization	10,824	10,626	10,550	32,000	11,619	11,476	10,907	10,755	44,757
NAREIT FFO*	2,673	2,366	2,224	7,263	4,072	3,653	2,539	2,596	12,860
Lease Acquisition costs	54	150	99	303	121	68	126	111	426
Funds From Operations (FFO)*	\$ 2,727	\$ 2,516	\$ 2,323	\$ 7,566	\$ 4,193	\$ 3,721	\$ 2,665	\$ 2,707	\$ 13,286
Adjusted Funds From Operations (AFFO)*									
Funds From Operations (FFO)*	\$ 2,727	\$ 2,516	\$ 2,323	\$ 7,566	\$ 4,193	\$ 3,721	\$ 2,665	\$ 2,707	\$ 13,286
Loss on extinguishment of debt	2	3	7	12	137	—	477	428	1,042
Amortization of deferred financing costs	685	683	677	2,045	680	818	767	703	2,968
Shares issued as compensation	—	225	—	225	—	270	—	—	270
Straight-line rent	70	(74)	(37)	(41)	206	258	785	720	1,969
Tenant improvements	(2,374)	(1,415)	(4,469)	(8,258)	(2,619)	(2,558)	(4,444)	(4,173)	(13,794)
Leasing commissions	(545)	(1,702)	(929)	(3,176)	(2,237)	(511)	(421)	(2,974)	(6,143)
Non-investment capex	(1,258)	(750)	(753)	(2,761)	(1,019)	(1,480)	(1,658)	(2,568)	(6,725)
Adjusted Funds From Operations (AFFO)*	\$ (693)	\$ (514)	\$ (3,181)	\$ (4,388)	\$ (659)	\$ 518	\$ (1,829)	\$ (5,157)	\$ (7,127)
Per Share Data:									
Loss per share	\$ (0.21)	\$ (0.08)	\$ (0.08)	\$ (0.36)	\$ (0.07)	\$ (0.20)	\$ (0.15)	\$ (0.08)	\$ (0.51)
FFO*	0.03	0.02	0.02	0.07	0.04	0.04	0.03	0.03	0.13
AFFO*	(0.01)	(0.00)	(0.03)	(0.04)	(0.01)	0.01	(0.02)	(0.05)	(0.07)
Weighted Average Shares (basic and diluted)	103,567	103,610	103,690	103,623	103,430	103,477	103,567	103,567	103,510

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



EBITDA* & Adjusted EBITDA* Reconciliation

(in thousands, except ratio amounts)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Net loss	\$ (21,435)	\$ (7,876)	\$ (8,326)	\$ (37,637)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (8,526)	\$ (52,723)
Interest expense	5,691	6,339	6,348	18,378	6,846	7,082	6,585	5,911	26,424
Depreciation and amortization	10,824	10,626	10,550	32,000	11,619	11,476	10,907	10,755	44,757
Income taxes	52	82	3	137	58	48	56	54	216
EBITDA*	\$ (4,868)	\$ 9,171	\$ 8,575	\$ 12,878	\$ 10,971	\$ (2,417)	\$ 1,926	\$ 8,194	\$ 18,674
Loss on extinguishment of debt	2	3	7	12	137	—	477	428	1,042
Loss (gain) on sale of properties and impairment of assets held for sale, net	13,284	(384)	—	12,900	5	13,200	7,254	367	20,826
Adjusted EBITDA*	\$ 8,418	\$ 8,790	\$ 8,582	\$ 25,790	\$ 11,113	\$ 10,783	\$ 9,657	\$ 8,989	\$ 40,542
Interest expense	\$ 5,691	\$ 6,339	\$ 6,348	\$ 18,378	\$ 6,846	\$ 7,082	\$ 6,585	\$ 5,911	\$ 26,424
Scheduled principal payments	—	—	—	—	—	—	—	—	—
Interest and scheduled principal payments	\$ 5,691	\$ 6,339	\$ 6,348	\$ 18,378	\$ 6,846	\$ 7,082	\$ 6,585	\$ 5,911	\$ 26,424
Interest coverage ratio	1.48	1.39	1.35	1.40	1.62	1.52	1.47	1.52	1.53
Debt service coverage ratio	1.48	1.39	1.35	1.40	1.62	1.52	1.47	1.52	1.53
Debt excluding unamortized financing costs	\$ 250,179	\$ 249,818	\$ 248,917		\$ 303,000	\$ 303,000	\$ 277,687	\$ 250,332	
Cash, cash equivalents and restricted cash	31,559	30,518	31,575		37,779	31,495	42,375	42,683	
Net Debt (Debt less Cash, cash equivalents and restricted cash)	\$ 218,620	\$ 219,300	\$ 217,342		\$ 265,221	\$ 271,505	\$ 235,312	\$ 207,649	
Adjusted EBITDA*	\$ 8,418	\$ 8,790	\$ 8,582		\$ 11,113	\$ 10,783	\$ 9,657	\$ 8,989	
Annualized	\$ 33,672	\$ 35,160	\$ 34,328		\$ 44,452	\$ 43,132	\$ 38,628	\$ 35,956	
Net Debt-to-Adjusted EBITDA ratio*	6.5	6.2	6.3		6.0	6.3	6.1	5.8	

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



Reconciliation of Net Income (Loss) to Property NOI*

(in thousands)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Net loss	\$ (21,435)	\$ (7,876)	\$ (8,326)	\$ (37,637)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (8,526)	\$ (52,723)
Add (deduct):									
Loss on extinguishment of debt	2	3	7	12	137	—	477	428	1,042
Loss (gain) on sale of properties and impairment of assets held for sale, net	13,284	(384)	—	12,900	5	13,200	7,254	367	20,826
Management fee income	(380)	(334)	(345)	(1,059)	(462)	(443)	(422)	(386)	(1,713)
Depreciation and amortization	10,824	10,626	10,550	32,000	11,625	11,482	10,911	10,757	44,775
Amortization of above/below market leases	—	—	—	—	(6)	(6)	(5)	(1)	(18)
General and administrative	3,484	3,281	3,034	9,799	4,159	3,635	3,275	2,815	13,884
Interest expense	5,691	6,339	6,348	18,378	6,846	7,082	6,585	5,912	26,425
Interest income	(259)	(248)	(249)	(756)	(1,008)	(348)	(340)	(395)	(2,091)
Non-property specific items, net	132	152	73	357	164	169	270	152	755
Property NOI*	\$ 11,343	\$ 11,559	\$ 11,092	\$ 33,994	\$ 13,908	\$ 13,748	\$ 12,383	\$ 11,123	\$ 51,162

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



Debt Summary

(in thousands)

	Maturity Date	Outstanding Balance at: 30-Sep-25	Interest Rate (a) Components	Interest Rate at 30-Sep-25
BofA Term Loan	1-Apr-26	\$ 55,315	SOFR + 4.00%	9.00%
BMO Term Loan Tranche B	1-Apr-26	70,680	SOFR + 4.00%	9.00%
Series A Senior Notes	1-Apr-26	71,295		9.00%
Series B Senior Notes	1-Apr-26	51,627		9.00%
		<u>\$ 248,917</u>		<u>9.00%</u>

- The table above is a summary of our debt as of September 30, 2025. Additional information on our debt can be found in our Annual Report on Form 10-K for the year ended December 31, 2024, which may be updated in our future Quarterly Reports on Form 10-Q, on file with the U.S. Securities and Exchange Commission.
- On February 21, 2024, we entered into an amendment to the credit agreement evidencing our BMO Term Loan Tranche B. On February 21, 2024, as part of the amendment to the credit agreement, we repaid a \$29.0 million portion of the BMO Term Loan, so that \$86.0 million of the principal amount remained outstanding. The amendment, among other items, extended the maturity date from October 1, 2024 to April 1, 2026.
- On February 21, 2024, we entered into an amendment to the credit agreement evidencing our BofA Revolver. On February 21, 2024, as part of the amendment to the revolving line of credit agreement, we repaid a \$22.7 million portion of the \$90 million then outstanding, so that \$67.3 million of the principal amount remained outstanding. The amendment, among other items, extended the maturity date from October 1, 2024 to April 1, 2026 and converted the revolving loan to a term loan.
- On February 21, 2024, we entered into an amendment to the note purchase agreement evidencing our \$200 million of Senior Notes. On February 21, 2024, as part of the amendment to the note purchase agreement, we repaid a \$29.2 million portion of the Series A Notes, so that \$86.8 million of the principal amount remained outstanding. On February 21, 2024, as part of the amendment to the note purchase agreement, we repaid a \$21.2 million portion of the Series B Notes, so that \$62.8 million of the principal amount remained outstanding. The amendment, among other items, changed the maturity date applicable to the Series A Notes from December 20, 2024 to April 1, 2026, and changed the maturity date applicable to the Series B Notes from December 20, 2027 to April 1, 2026.
- On July 8, 2024, we sold a property located in Glen Allen, Virginia for a gross sales price of \$31 million, and on July 10, 2024, we used approximately \$25.5 million of net proceeds to repay our outstanding debt pari passu based on principal amounts then outstanding.
- On October 23, 2024, we sold a property located in Atlanta, Georgia for a gross selling price of \$34 million, and on October 25, 2024, we used approximately \$27.4 million of net proceeds to repay our outstanding debt pari passu based on principal amounts then outstanding.
- On March 4, 2025, May 14, 2025 and July 31, 2025, we received escrows in the aggregate of \$1.6 million that were held from the sale of two properties and used approximately \$1.4 million to repay our outstanding debt pari passu based on principal amounts then outstanding, resulting in the debt that remains outstanding included in the table above.
- We incurred financing costs, some of which are deferred and amortized into interest expense during the terms of the loans we execute. We estimate the future annualized amount of the amortization included in interest expense will be approximately \$2.7 million.

(a) Interest rates exclude amortization of deferred financing costs.



Capital Analysis

(in thousands, except per share amounts)

	31-Mar-25	30-Jun-25	30-Sep-25	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24
Market Data:							
Shares Outstanding	103,567	103,690	103,690	103,430	103,567	103,567	103,567
Closing market price per share	\$ 1.78	\$ 1.64	\$ 1.60	\$ 2.27	\$ 1.53	\$ 1.77	\$ 1.83
Market capitalization	\$ 184,349	\$ 170,052	\$ 165,905	\$ 234,787	\$ 158,457	\$ 183,313	\$ 189,527
Total debt outstanding excluding unamortized financing costs	250,179	249,818	248,917	303,000	303,000	277,687	250,332
Total Market Capitalization	\$ 434,528	\$ 419,870	\$ 414,822	\$ 537,787	\$ 461,457	\$ 461,000	\$ 439,859
Dividend Data:							
Total dividends declared for the quarter	\$ 1,036	\$ 1,035	\$ 1,037	\$ 1,034	\$ 1,034	\$ 1,036	\$ 1,036
Common dividend declared per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Declared dividend as a % of Net income (loss) per share	(5)%	(13)%	(12)%	(14)%	(5)%	(7)%	(12)%
Declared dividend as a % of AFFO* per share	(149)%	(202)%	(33)%	(157)%	200%	(57)%	(20)%

* See page 9 for a reconciliation of Net Income (Loss) to AFFO and the Appendix for Non-GAAP Financial Measures Definitions beginning on page 25.



Owned & Consolidated Portfolio Overview

	As of the Quarter Ended				
	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
Total Owned Properties:					
Number of properties (a)	14	14	14	14	15
Square feet	4,807,663	4,807,663	4,806,456	4,806,253	4,966,398
Leased percentage	68.9%	69.1%	69.2%	70.3%	70.4%
Consolidated Property - Single Asset REIT (SAR):					
Number of properties	—	—	1	1	1
Square feet	—	—	213,760	213,760	213,760
Leased percentage	—	—	4.1%	4.1%	4.1%
Total Owned and Consolidated Properties:					
Number of properties	14	14	15	15	16
Square feet	4,807,663	4,807,663	5,020,216	5,020,013	5,180,158
Leased percentage	68.9%	69.1%	66.4%	67.5%	67.7%

(a) Includes properties that were classified as assets held for sale.



Owned Portfolio Overview

<u>MSA / Property Name</u>	<u>City</u>	<u>State</u>	<u>Square Feet</u>	<u>Percent Leased</u>	<u>Wtd Occupied Percentage (a)</u>	<u>GAAP Rent (b)</u>	<u>MSA / Property Name</u>	<u>City</u>	<u>State</u>	<u>Square Feet</u>	<u>Percent Leased</u>	<u>Wtd Occupied Percentage (a)</u>	<u>GAAP Rent (b)</u>
South Region							Midwest Region						
Dallas-Fort Worth							Minneapolis						
Legacy Tennyson Center	Plano	TX	209,562	60.9%	51.0%	\$ 32.40	121 South 8th Street	Minneapolis	MN	297,744	78.5%	76.5%	\$ 22.32
Addison Circle	Addison	TX	289,333	67.7%	68.4%	35.47	801 Marquette Ave	Minneapolis	MN	129,691	91.8%	91.8%	25.61
Liberty Plaza	Addison	TX	217,841	65.4%	68.8%	27.00	Plaza Seven	Minneapolis	MN	330,096	51.0%	50.8%	29.00
Houston							Midwest Region Total						
Park Ten	Houston	TX	157,609	86.8%	84.4%	27.62				757,531	68.8%	67.9%	\$ 25.26
Eldridge Green	Houston	TX	248,399	100.0%	100.0%	29.25	West Region						
Park Ten Phase II	Houston	TX	156,746	76.3%	69.7%	29.57	Denver						
Westchase I & II	Houston	TX	629,025	66.2%	63.3%	27.24	1999 Broadway	Denver	CO	682,639	50.2%	49.0%	\$ 34.73
							Greenwood Plaza	Englewood	CO	196,236	65.0%	65.0%	31.49
							1001 17th Street	Denver	CO	650,607	75.1%	73.6%	36.65
							600 17th Street	Denver	CO	612,135	72.5%	72.6%	34.28
							West Region Total						
										2,141,617	65.5%	64.7%	\$ 34.95
South Region Total							Total Owned Properties						
			1,908,515	72.7%	70.4%	\$ 29.44				4,807,663	68.9%	67.5%	\$ 31.13

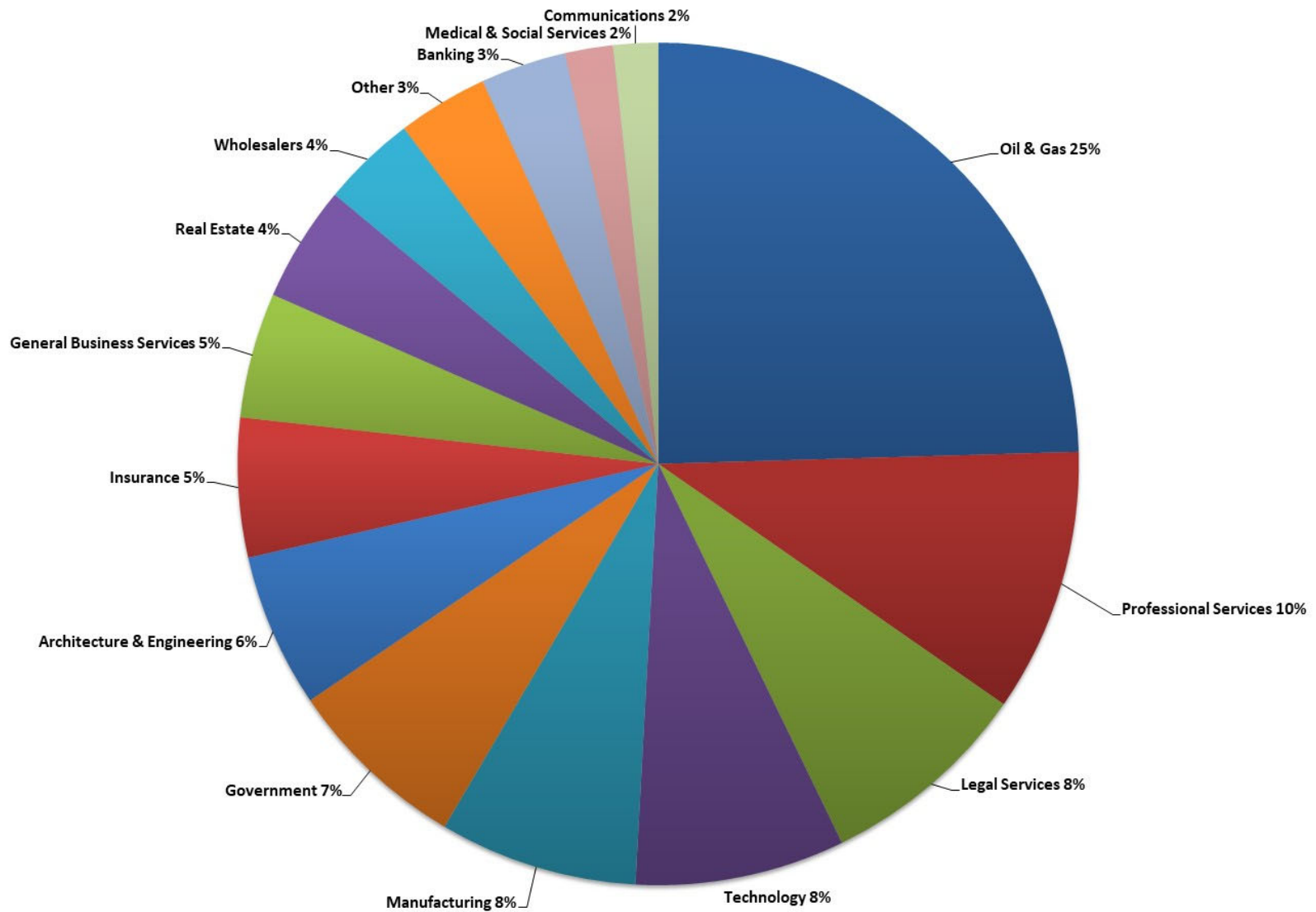
(a) Weighted Occupied Percentage for the nine months ended September 30, 2025.

(b) Weighted Average GAAP Rent per Occupied Square Foot.



Tenants by Industry

(Owned Properties by Square Feet)





20 Largest Tenants with Annualized Rent and Remaining Term

(Owned Properties)

	Tenant Name	Number of Leases	Remaining Lease Term in Months	Aggregate Leased Square Feet	% of Total Square Feet	Annualized Rent (a)	% of Aggregate Leased Annualized Rent
1	CITGO Petroleum Corporation	1	90	248,399	5.2%	\$ 7,707,821	7.5%
2	EOG Resources, Inc.	1	15	169,167	3.5%	6,460,488	6.3%
3	US Government (b)	2	4, 64	168,573	3.5%	6,518,834	6.3%
4	Kaiser Foundation Health Plan, Inc.	1	44	120,979	2.5%	4,160,024	4.0%
5	Deluxe Corporation	1	142	98,922	2.1%	3,038,604	2.9%
6	Ping Identity Corp.	1	9	89,856	1.9%	3,743,401	3.6%
7	Olin Corporation	1	118	81,480	1.7%	2,517,732	2.4%
8	Permian Resources Operating, LLC	1	73	67,856	1.4%	3,024,403	2.9%
9	Hall and Evans LLC	1	47	65,878	1.4%	2,830,001	2.7%
10	Cyxtera Management, Inc.	1	52	61,826	1.3%	2,466,239	2.4%
11	Precision Drilling (US) Corporation	1	32	59,569	1.2%	2,155,207	2.1%
12	PwC US Group	1	40	54,334	1.1%	1,841,379	1.8%
13	Coresite, LLC (c)	1	122	49,518	1.0%	—	0.0%
14	Schwegman, Lundberg & Woessner, P.A.	1	28	46,269	1.0%	1,402,045	1.4%
15	Ark-La-Tex Financial Services, LLC.	1	18	41,011	0.8%	1,545,544	1.5%
16	Invenergy, LLC. (d)	1	123	35,088	0.7%	—	0.0%
17	Chevron U.S.A., Inc.	1	23	35,088	0.7%	1,509,135	1.5%
18	Moss, Luse & Womble, LLC (e)	1	131	34,071	0.7%	586,217	0.6%
19	QB Energy Operating, LLC.	1	89	34,063	0.7%	1,465,390	1.4%
20	International Business Machines Corporation (f)	1	3,69	31,564	0.7%	683,028	0.7%
			Total	1,593,511	33.1%	\$ 53,655,492	52.0%

Footnotes on next page



20 Largest Tenants with Annualized Rent and Remaining Term

(Owned Properties)

Footnotes:

- (a) Annualized rent represents the monthly rent charged, including tenant reimbursements, for each lease in effect at September 30, 2025 multiplied by 12. Tenant reimbursements generally include payment of real estate taxes, operating expenses and common area maintenance and utility charges.
- (b) Includes 43,573 square feet expiring in 2026. The remaining 125,000 square feet expire in 2031.
- (c) Rent abated through November 30, 2025.
- (d) Includes 28,013 square feet that commenced on December 20, 2024 with rent commencing on April 20, 2026; 3,146 square feet commencing on January 1, 2027; and 3,929 square feet commencing on January 1, 2028.
- (e) Includes 17,182 square feet commencing on November 1, 2025.
- (f) Includes 19,095 square feet expiring in 2025. The remaining 12,469 square feet expire in 2031.



Leasing Activity

(Owned Properties)

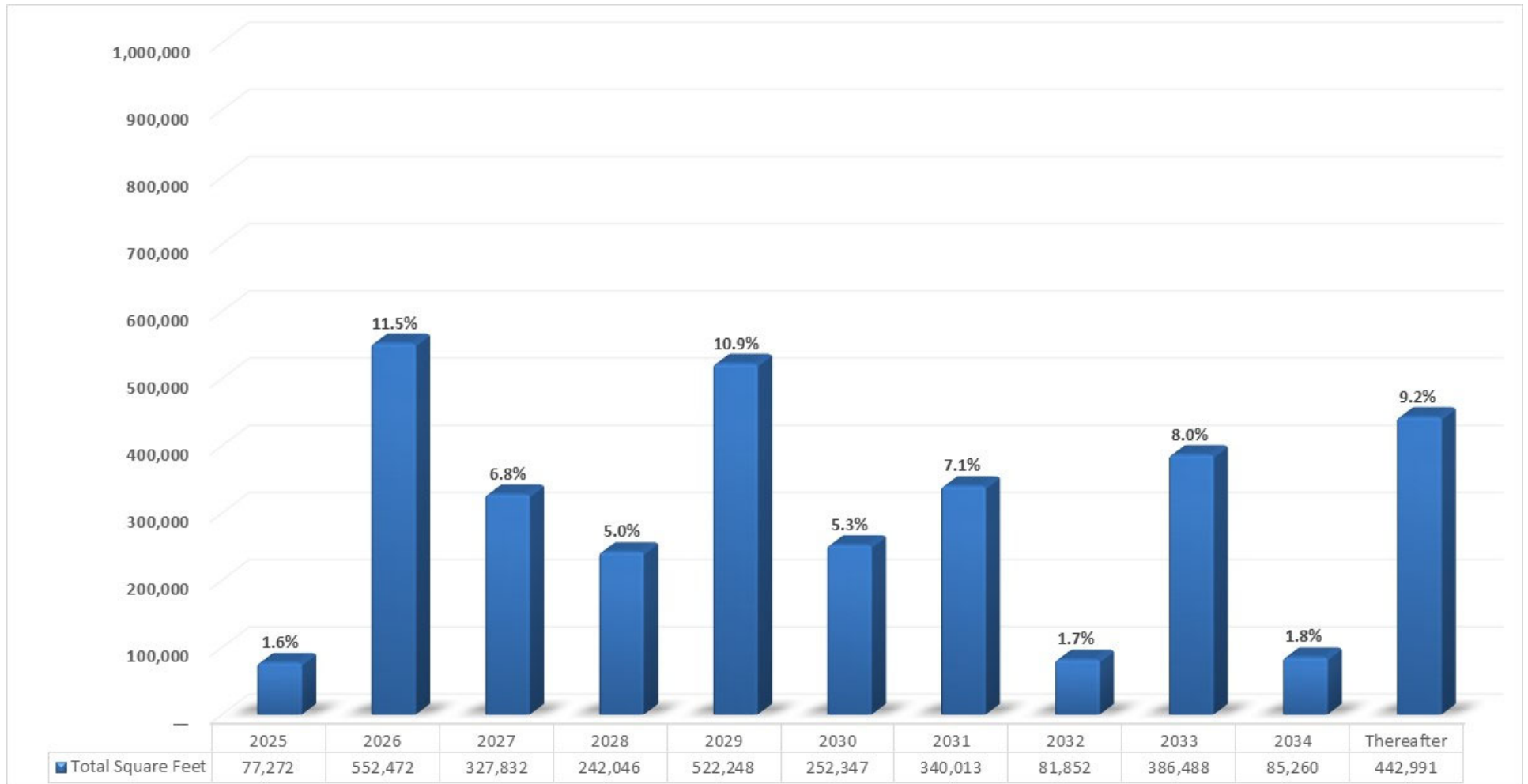
	Nine Months Ended		Year Ended	Year Ended
	30-Sep-25	30-Sep-24	31-Dec-24	31-Dec-23
Leasing Activity				
(in Square Feet - SF)				
New leasing	55,000	122,000	171,000	228,000
Renewals and expansions	219,000	242,000	445,000	478,000
	<u>274,000</u>	<u>364,000</u>	<u>616,000</u>	<u>706,000</u>
Other information per SF				
(Activity on a year-to-date basis)				
GAAP Rents on leasing	\$ 31.81	29.94	\$ 30.06	29.71
Weighted average lease term	5.7 Years	5.4 Years	6.3 Years	6.8 Years
 Increase over average GAAP rents in prior year (a)	 6.0%	 10.9%	 8.2%	 7.4%
 Average free rent	 4 Months	 4 Months	 4 Months	 6 Months
Tenant Improvements	\$ 24.83	25.30	\$ 26.06	22.42
Leasing Costs	\$ 9.98	7.83	\$ 9.72	10.56

- (a) The increase or decrease percentage is calculated by comparing average GAAP rents at properties that had leasing activity in the current year to average GAAP rents at the same properties in the prior year.



Lease Expirations by Square Feet

(Owned Properties)





Lease Expirations with Annualized Rent per Square Foot (SF)

(Owned Properties)

Year of Lease Expiration December 31,	Number of Leases Expiring Within the Year (a)	Rentable Square Footage Subject to Expiring Leases	Annualized Rent Under Expiring Leases (b)	Annualized Rent Per Square Foot Under Expiring Leases	Percentage of Total Annualized Rent Under Expiring Leases	Cumulative Total
2025	8 (c)	77,272	\$ 1,998,939	\$ 25.87	1.9%	1.9%
2026	36	552,472	20,239,219	36.63	19.6%	21.5%
2027	33	327,832	11,436,718	34.89	11.1%	32.6%
2028	25	242,046	7,691,017	31.78	7.5%	40.1%
2029	37	522,248	16,861,601	32.29	16.3%	56.4%
2030	19	252,347	7,343,029	29.10	7.1%	63.5%
2031	19	340,013	11,661,045	34.30	11.3%	74.8%
2032	8	81,852	2,330,815	28.48	2.3%	77.1%
2033	10	386,488	12,010,845	31.08	11.7%	88.8%
2034	7	85,260	1,724,368	20.22	1.7%	90.5%
2035 and thereafter	26	442,991 (d)	9,822,423	22.17	9.5%	100.0%
Leased total	228	3,310,821	\$ 103,120,019	\$ 31.15	100.0%	
Owned property vacant SF		1,496,842				
Total Portfolio Square Footage		4,807,663				

- (a) The number of leases approximates the number of tenants. Tenants with lease maturities in different years are included in annual totals for each lease. Tenants may have multiple leases in the same year.
- (b) Annualized rent represents the monthly rent charged, including tenant reimbursements, for each lease in effect at September 30, 2025 multiplied by 12. Tenant reimbursements generally include payment of real estate taxes, operating expenses and common area maintenance and utility charges.
- (c) Includes 2 leases that are month-to-month.
- (d) Includes 51,088 square feet that are non-revenue producing building amenities.



Capital Expenditures

(Owned and Consolidated Properties)

(in thousands)

	For the Three Months Ended			Nine Months Ended
	31-Mar-25	30-Jun-25	30-Sep-25	30-Sep-25
Tenant improvements	\$ 2,374	\$ 1,415	\$ 4,469	\$ 8,258
Deferred leasing costs	545	1,702	929	3,176
Non-investment capex	1,258	750	753	2,761
Total Capital Expenditures	<u>\$ 4,177</u>	<u>\$ 3,867</u>	<u>\$ 6,151</u>	<u>\$ 14,195</u>

	For the Three Months Ended				Year Ended
	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Dec-24
Tenant improvements	\$ 2,619	\$ 2,558	\$ 4,444	\$ 4,173	\$ 13,794
Deferred leasing costs	2,237	511	421	2,974	6,143
Non-investment capex	1,019	1,480	1,658	2,568	6,725
Total Capital Expenditures	<u>\$ 5,875</u>	<u>\$ 4,549</u>	<u>\$ 6,523</u>	<u>\$ 9,715</u>	<u>\$ 26,662</u>

First generation leasing and investment capital expenditures was \$0 for the nine months ended September 30, 2025 and \$0 for the year ended December 31, 2024.



Disposition Activity

(in thousands except for Square Feet)

Recent Dispositions:

	City	State	Square Feet	Date Sold	Gross Sale Proceeds	Gain (loss) on Sale
2025						
Monument Circle	Indianapolis	IN	213,760	6/6/25	\$ 6,000	\$ (12,911)
2024						
Collins Crossing	Richardson	TX	300,887	1/26/24	\$ 35,000	\$ (2,145)
Innsbrook	Glenn Allen	VA	298,183	7/8/2024	31,000	(13,247)
Pershing Park	Atlanta	GA	160,145	10/23/24	34,000	(27,511)
2023						
Northwest Point	Elk Grove	IL	177,095	3/10/23	\$ 29,125	\$ 8,391
Forest Park	Charlotte	NC	64,198	8/9/23	9,200	(844)
Liberty Plaza (a)	Addison	TX	n/a	8/23/23	157	53
One Legacy Circle	Plano	TX	214,110	10/26/23	48,000	10,558
Blue Lagoon Drive	Miami	FL	213,182	12/6/23	68,000	(18,872)
2022						
380 Interlocken	Broomfield	CO	240,359	8/31/22	\$ 42,000	\$ 5,665
390 Interlocken	Broomfield	CO	241,512	8/31/22	60,500	18,412
909 Davis	Evanston	IL	195,098	12/28/22	27,750	3,359
2021						
One Ravinia	Atlanta	GA	386,602	5/27/21	\$ 74,879	\$ 29,075
Two Ravinia	Atlanta	GA	411,047	5/27/21	71,771	29
One Overton Park	Atlanta	GA	387,267	5/27/21	72,850	(6,336)
Loudoun Tech Center	Dulles	VA	136,658	6/29/21	17,250	(2,148)
River Crossing	Indianapolis	IN	205,729	8/31/21	35,050	(1,734)
Timberlake	Chesterfield	MO	234,496	9/23/21	44,667	6,184
Timberlake East	Chesterfield	MO	117,036	9/23/21	22,333	4,111
999 Peachtree	Atlanta	GA	621,946	10/22/21	223,900	86,766
Meadow Point	Chantilly	VA	138,537	11/16/21	25,500	1,878
Stonecroft	Chantilly	VA	111,469	11/16/21	14,500	(4,768)
2020						
Emperor Boulevard	Durham	NC	259,531	12/23/20	\$ 89,700	\$ 41,928

(a) Conveyance of approximately 7,826 square feet of land as part of a road revitalization project.



Net Asset Value Components

(in thousands except per share data)

	As of 30-Sep-25	Assets:		Other information:
Total Market Capitalization Values		Straight-line rent receivable	\$ 38,857	Leased SF to be FFO producing
Shares outstanding	103,690.3	Assets held for sale	—	during 2025-2028 (in 000's)
Closing price	\$ 1.60	Cash, cash equivalents and restricted cash	31,575	
Market capitalization	\$ 165,905	Tenant rent receivables	1,380	Straight-line rental revenue current quarter
Debt	248,917	Prepaid expenses	3,490	\$ 37
Total Market Capitalization	\$ 414,822	Office computers and furniture	48	
		Other assets:		
		Deferred financing costs, net	1,354	
		Other assets - Right-to-Use Asset	399	
			\$ 77,103	
NOI Components	3 Months Ended 30-Sep-25			
Same Store NOI (1)	\$ 11,083			
Acquisitions (1) (2)	—	Liabilities:		
Property NOI (1)	11,083	Debt (excluding contra for unamortized financing costs)	\$ 248,917	Footnotes to the components
Full quarter adjustment (3)	—	Accounts payable & accrued expenses	31,420	(1) See pages 11 & 30 for definitions and reconciliations.
Stabilized portfolio	\$ 11,083	Tenant security deposits	6,258	
		Other liabilities: lease liability	417	(2) Includes NOI from acquisitions not in Same Store.
			\$ 287,012	
Financial Statement Reconciliation:				(3) Adjustment to reflect property NOI for a full quarter in the quarter acquired, if necessary.
Rental Revenue	\$ 27,300			
Rental operating expenses	(10,671)			(4) HB3 Tax in Texas is classified as an income tax, though we treat it as a real estate tax in Property NOI.
Real estate taxes and insurance	(5,262)			
NOI from dispositions & acquisition properties	(9)			(5) Management & other fees are eliminated in consolidation but included in Property NOI.
Taxes (4)	(3)			
Management & other fees (5)	(272)			
Property NOI (1)	\$ 11,083			



Appendix: Non-GAAP Financial Measure Definitions

Definition of Funds From Operations (“FFO”)

The Company evaluates performance based on Funds From Operations, which we refer to as FFO, as management believes that FFO represents the most accurate measure of activity and is the basis for distributions paid to equity holders. The Company defines FFO as net income or loss (computed in accordance with GAAP), excluding gains (or losses) from sales of property, hedge ineffectiveness, acquisition costs of newly acquired properties that are not capitalized and lease acquisition costs that are not capitalized plus depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges on mortgage loans, properties or investments in non-consolidated REITs, and after adjustments to exclude equity in income or losses from, and, to include the proportionate share of FFO from, non-consolidated REITs.

FFO should not be considered as an alternative to net income or loss (determined in accordance with GAAP), nor as an indicator of the Company’s financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company’s liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company’s needs.

Other real estate companies and the National Association of Real Estate Investment Trusts, or NAREIT, may define this term in a different manner. We have included the NAREIT FFO definition as of May 17, 2016 in the table on page 9 and note that other REITs may not define FFO in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently than we do.

We believe that in order to facilitate a clear understanding of the results of the Company, FFO should be examined in connection with net income or loss and cash flows from operating, investing and financing activities in the consolidated financial statements.



Appendix: Non-GAAP Financial Measure Definitions

Definition of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA

EBITDA is defined as net income or loss plus interest expense, income tax expense and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA excluding hedge ineffectiveness, gains or losses on extinguishment of debt, gains and losses on sales of properties or shares of equity investments or provisions for losses on assets held for sale or equity investments. EBITDA and Adjusted EBITDA are not intended to represent cash flow for the period, are not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and are not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA and Adjusted EBITDA are presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA or Adjusted EBITDA the same way, this presentation may not be comparable to similarly titled measures of other companies. The Company believes that net income or loss is the financial measure calculated and presented in accordance with GAAP that is most directly comparable to EBITDA and Adjusted EBITDA.

Definition of Property Net Operating Income (Property NOI)

The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) plus general and administrative expenses, depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, interest expense, less equity in earnings of nonconsolidated REITs, interest income, management fee income, hedge ineffectiveness, gains or losses on extinguishment of debt, gains or losses on the sale of assets and excludes non-property specific income and expenses. The information presented includes footnotes and the data is shown by region with properties owned in the periods presented, which we call Same Store. The comparative Same Store results include properties held for all periods presented. We also exclude properties that have been acquired, consolidated or placed in service, but that do not have operating activity for all periods presented, dispositions and significant nonrecurring income such as bankruptcy settlements and lease termination fees. NOI, as defined by the Company, may not be comparable to NOI reported by other REITs that define NOI differently. NOI should not be considered an alternative to net income or loss as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions.



Appendix: Non-GAAP Financial Measure Definitions

Definition of Adjusted Funds From Operations (AFFO)

The Company also evaluates performance based on Adjusted Funds From Operations, which we refer to as AFFO. The Company defines AFFO as (1) FFO, (2) excluding loss on extinguishment of debt that is non-cash, (3) excluding our proportionate share of FFO and including distributions received, from non-consolidated REITs, (4) excluding the effect of straight-line rent, (5) plus the amortization of deferred financing costs, (6) plus the value of shares issued as compensation and (7) less recurring capital expenditures that are generally for maintenance of properties, which we call non-investment capex or are second generation capital expenditures. Second generation costs include re-tenanting space after a tenant vacates, which include tenant improvements and leasing commissions.

We exclude development/redevelopment activities, capital expenditures planned at acquisition and costs to reposition a property. We also exclude first generation leasing costs, which are generally to fill vacant space in properties we acquire or were planned for at acquisition.

AFFO should not be considered as an alternative to net income or loss (determined in accordance with GAAP), nor as an indicator of the Company's financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company's liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company's needs. Other real estate companies may define this term in a different manner. We believe that in order to facilitate a clear understanding of the results of the Company, AFFO should be examined in connection with net income or loss and cash flows from operating, investing and financing activities in the consolidated financial statements.



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