



**EMPIRE STATE**  
REALTY TRUST  
Investor Presentation October 2021



# Well-Positioned with Path to the Future

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## Balance sheet

- \$582 million cash, \$850 million undrawn revolving credit facility
- No outstanding debt maturity until 2024

## Value proposition

- Energy efficient, Indoor Environmental Quality leadership, modernized for the 21<sup>st</sup> Century
- Benefits from the flight to quality trend in the leasing market
- Less expensive than new construction/aged Class A

## Upside

- \$45 million in contracted revenue growth represents embedded upside
- Immediate upside as Observatory performance improves
  - No capital expenditure, free rent, commissions
  - Immense operating leverage
- External Growth

## ESG Leadership

- GRESB 5 Star Rating, score of 94 ranks second amongst peers
- Shares ESRT's leadership in decarbonization strategies and technologies through New York State's Empire Building Challenge
- Net-zero carbon emissions commitments
  - Empire State Building by 2030 and for the entire portfolio by 2035
- 100% renewable energy power, Nation's largest real estate 100% user of green power per EPA
- EPA ENERGY STAR Partner of the Year
- WELL Health-Safety Rating
  - First Commercial Portfolio in the Americas
- Fitwel champion, 83% of our Manhattan portfolio certified
- Our Chairman, President and CEO, Anthony E. Malkin is a recognized leader on sustainability initiatives for our local and national community

# Strong and Flexible Balance Sheet

**AMPLE LIQUIDITY, MODEST LEVERAGE, NO OUTSTANDING DEBT MATURITY UNTIL 2024**

**\$1.4BN**

**Total Liquidity  
Available**

**5.6x**

**Net Debt / Adj.  
EBITDA**

**7.4 years**

**Weighted Avg.  
Debt Maturity**

**\$582MM**

**Cash and S-T  
Investments**

**34.7%**

**Net Debt /  
Enterprise Value**

**94%**

**Fixed Rate  
Outstanding Debt**

**\$850MM**

**Undrawn  
Capacity on LOC**

**74% of SF**

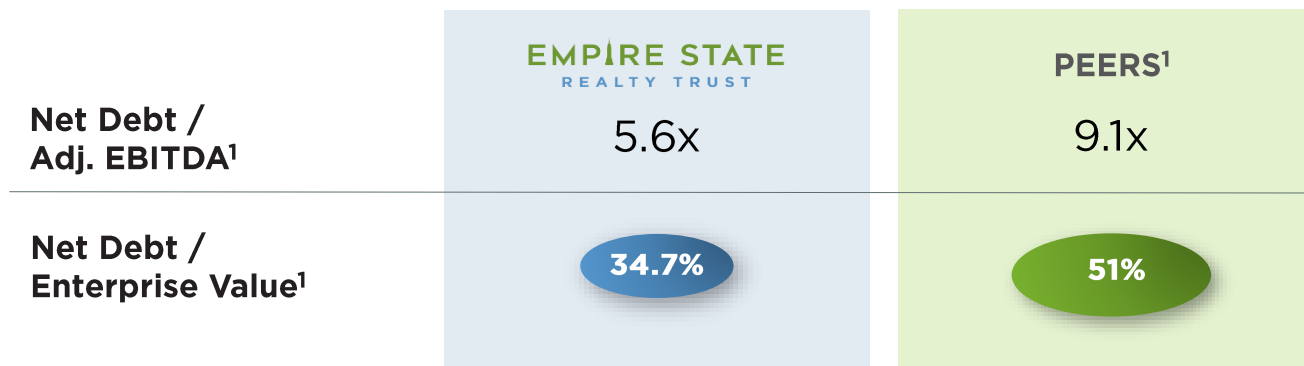
**Unencumbered  
Portfolio**

**3.91%**

**Weighted Avg.  
Interest Rate**

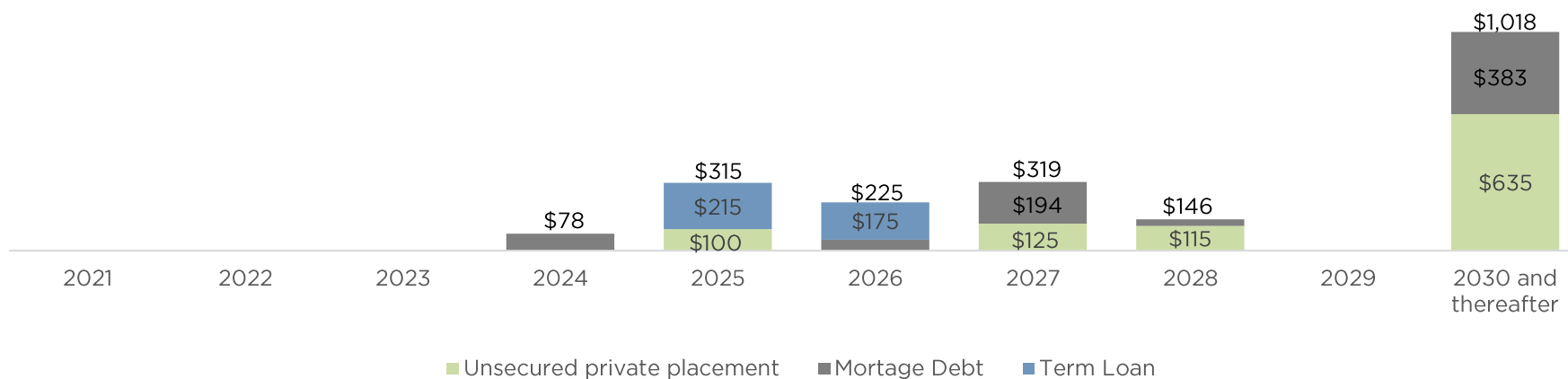
Company data and filings as of September 30, 2021

# Flexible Balance Sheet



## CURRENT DEBT MATURITY PROFILE (As of September 30, 2021)<sup>2</sup>

(\$ millions)

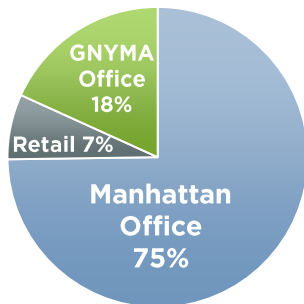


<sup>1</sup> Peer group includes Boston Properties and SL Green as of September 30, 2021 for net debt to Adj. EBITDA and net debt to enterprise value and Paramount Group and Vornado Realty Trust as of June 30, 2021 for net debt to Adj. EBITDA and net debt to enterprise value. Company data and filings as of September 30, 2021.

<sup>2</sup> Debt maturity profile excludes regularly scheduled amortization and revolving credit facility which is currently undrawn.



# Portfolio Overview



**10.1 Million Total Rentable Square Feet 100% powered by renewable wind energy**



**GRESB**  
★★★★★ 2021

**Earned GRESB 5 Star Rating and Green Star recognition**

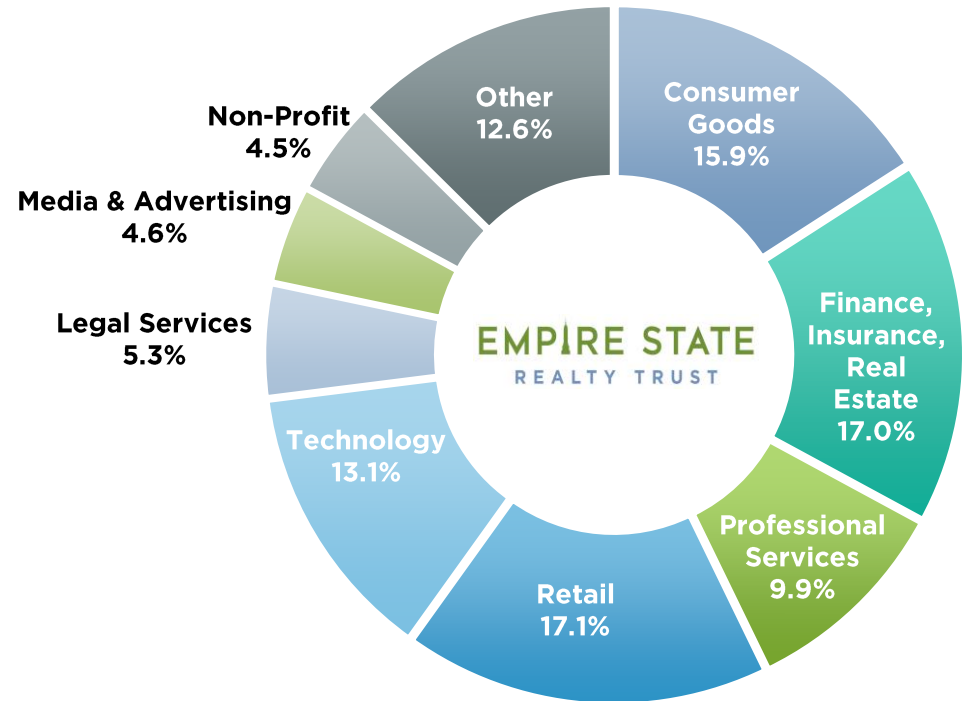
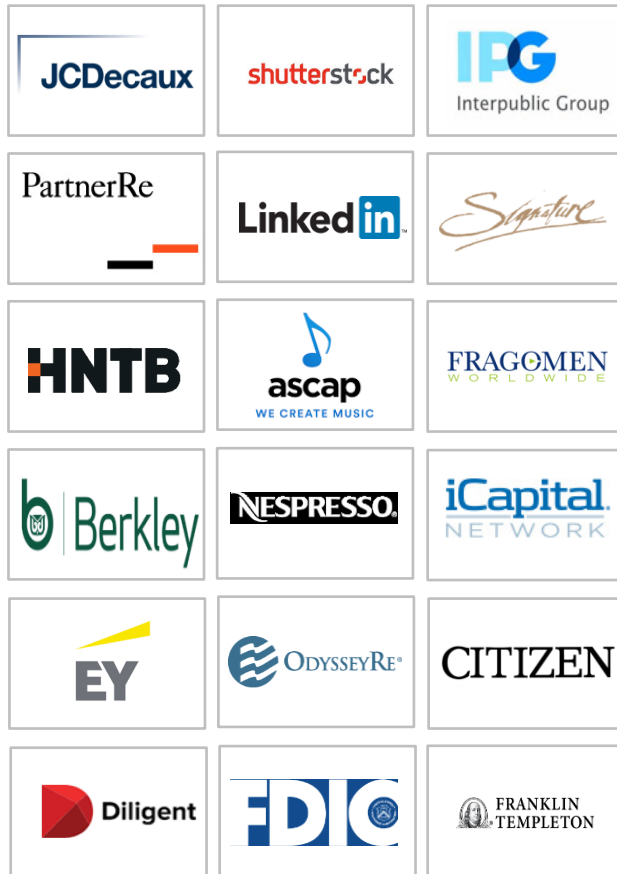


**First Commercial Portfolio in the Americas to Achieve the WELL Health-Safety Rating**



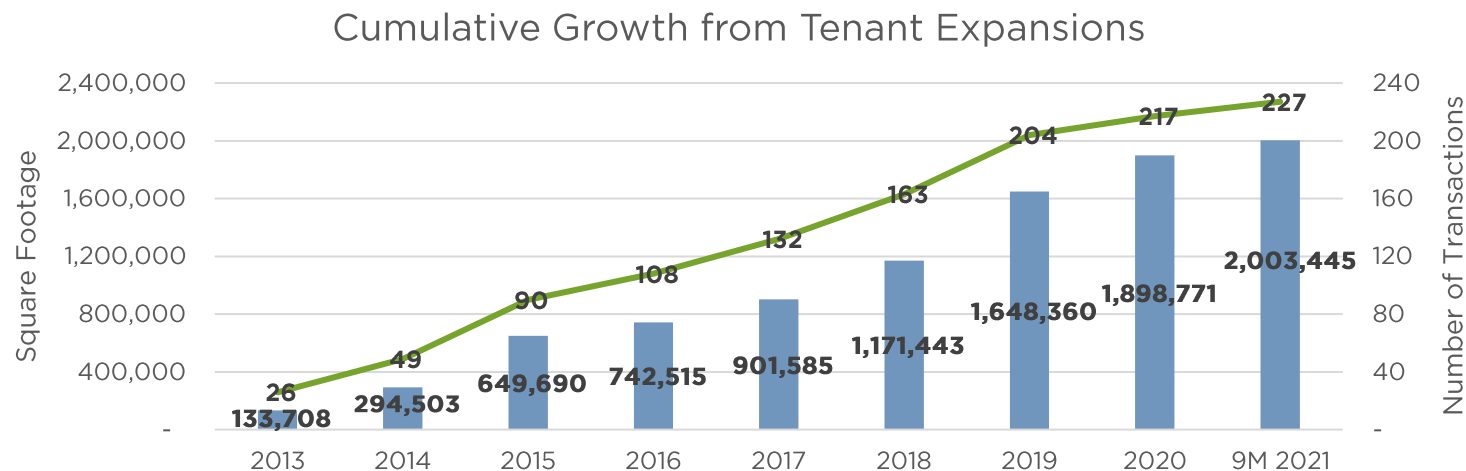
Company data and filings as of September 30, 2021.

# Varied Tenant Base



Industry diversification by annualized fully escalated rent.  
Company data and filings as of September 30, 2021.

# Tenant Expansions Fuel Leases



## › Tenants expand due to:

- Proven execution
- Buildings modernized for the 21<sup>st</sup> Century
- Combination of location and amenities
- Proven benefits of energy efficiency
- Indoor Environmental Quality Leadership
- Attractive value proposition



<sup>1</sup> Since 2013, the year in which we went public, through September 30, 2021.

# Attractive Value Proposition

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## New Build Class A

- › New construction since 2008

## “Aged Trophy” Class A

- › Stock constructed from 1970-2000 that needs base building renovation of approx. \$100 PSF

ESRT

- › Modernized for the 21<sup>st</sup> Century, energy efficient assets, Indoor Environmental Quality leadership
- › Substantially lower price point versus rents for new construction/aged Class A, and offers much more than Class B

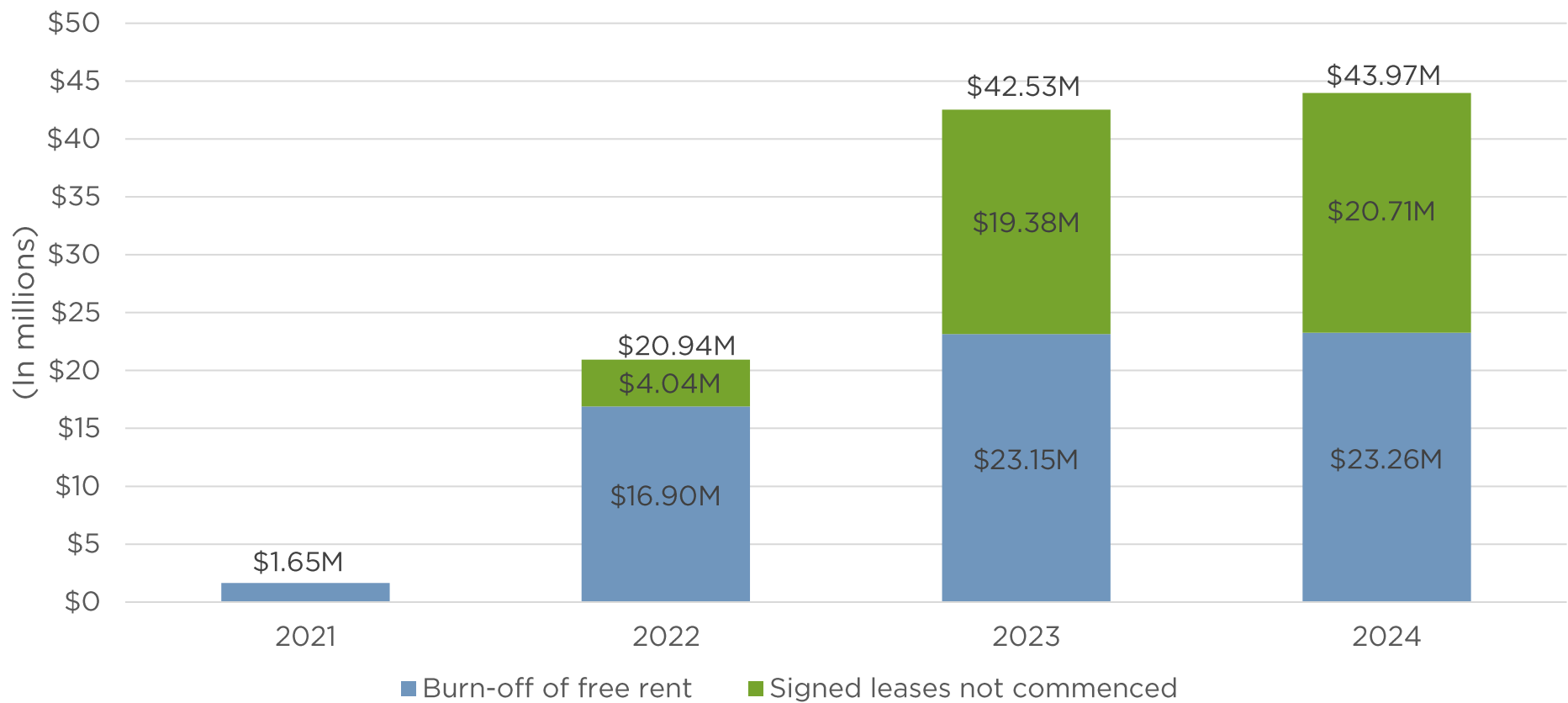
## Class B

- › Existing condition



# Embedded Upside From Contracted Revenue Growth

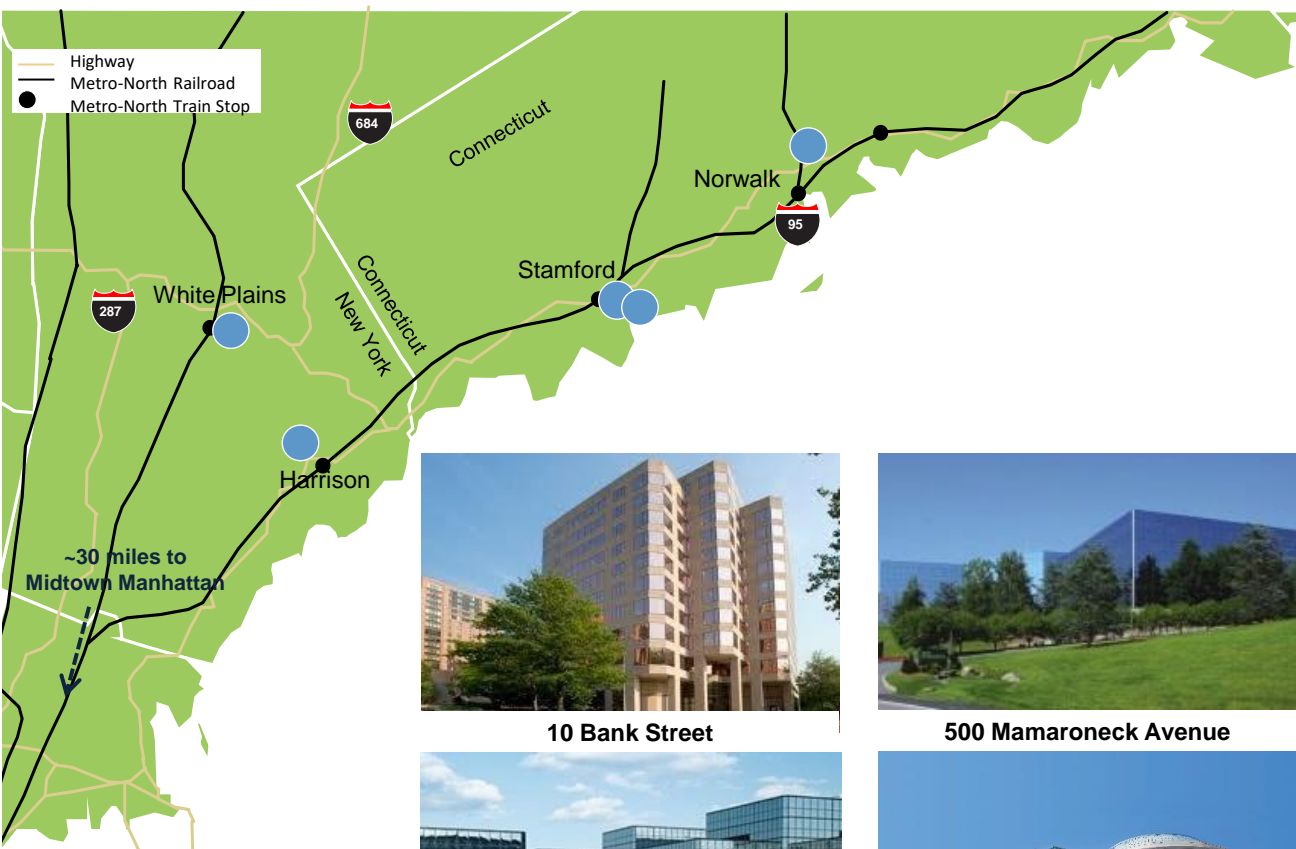
\$45M<sup>1</sup> Cumulative Cash Rent Contribution to Cash NOI



<sup>1</sup> Includes an additional \$1.1 million in cumulative cash rent contribution to cash NOI in 2025 as shown on page 6 of our 3Q 2021 supplemental. Company data and filings as of September 30, 2021.

# Greater NY Metropolitan Office Portfolio

## QUALITY ASSETS AND TENANTS



- › Best assets located at or near major transit hubs
- › Amenities update underway
- › 12.1% of 3Q 2021 property NOI / 18.2% of total SF
- › 79.8% occupied / 80.7% leased
- › Notable tenants include W.R. Berkley, Franklin Templeton, OdysseyRe, PartnerRe and Berkshire Hathaway



**10 Bank Street**



**500 Mamaroneck Avenue**



**First Stamford Place**



**Metro Center**

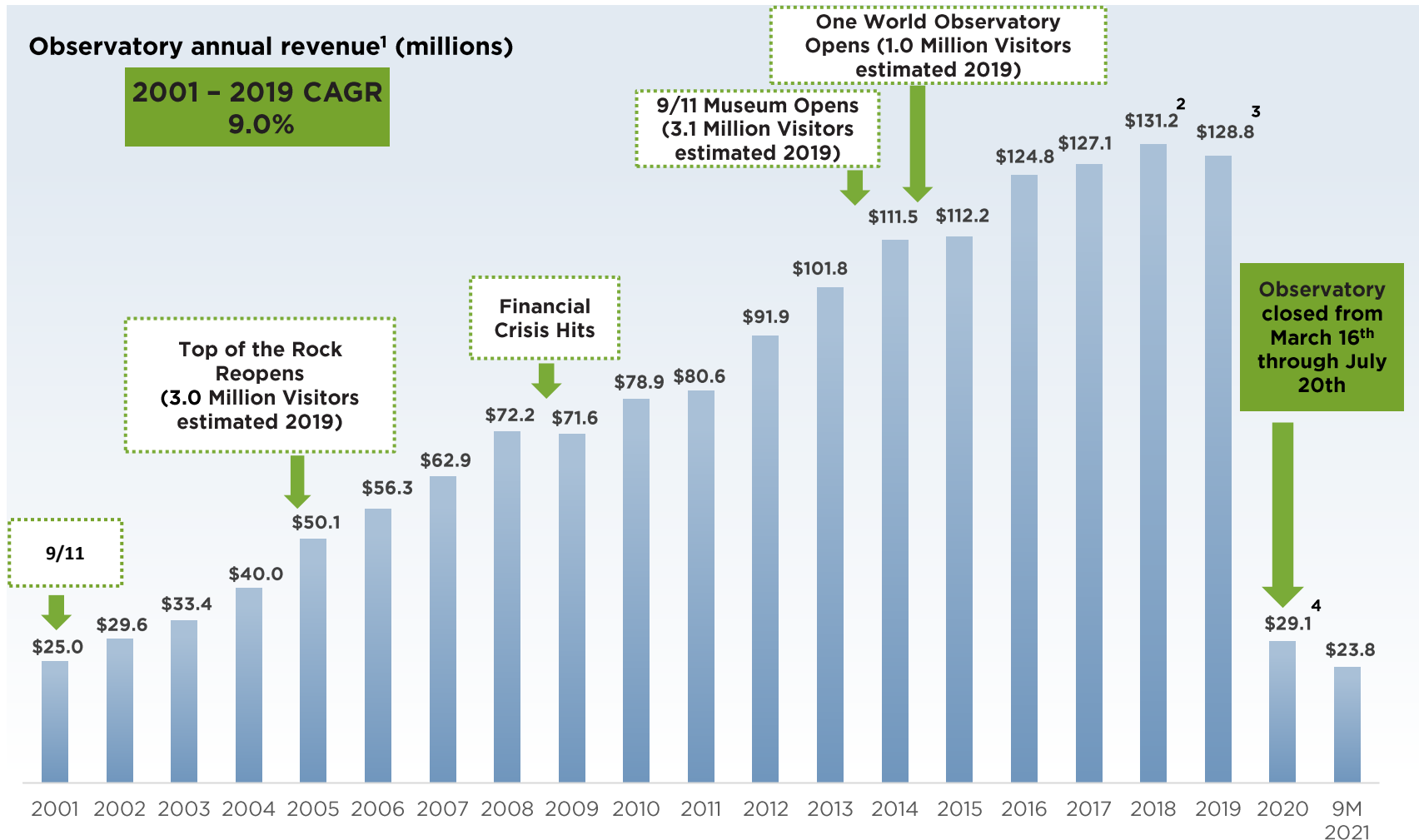


**383 Main Avenue**

Company data and filings as of September 30, 2021.

# Observatory Performance

## CONSISTENT PERFORMANCE AMID ECONOMIC CYCLES, FX MOVEMENTS AND NEW ATTRACTIONS



<sup>1</sup> Observatory revenues include the fixed license fee received from WDFG North America, the Observatory gift shop operator.

<sup>2</sup> The 102<sup>nd</sup> floor was closed for 1Q 2018 to replace elevator. The revenue impact was approximately \$3 million dollars.

<sup>3</sup> The 102<sup>nd</sup> floor was closed for approximately 9 months in 2019 for redevelopment. The revenue impact was approximately \$9 million dollars for those 9 months.

<sup>4</sup> The Observatory experienced a significant decline in visitors from the second week of March and was closed on March 16, 2020 through July 20, 2020.

# Hypothetical Observatory Admissions

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## Equivalent Quarterly Weighted Average Admissions<sup>1</sup>:

- 2Q 2021: 17% of 2019 levels
- 3Q 2021: 24 %
  - Jul: 29%
  - Aug: 22%
  - Sept: 22%
- 4Q 2021: 40%
  - Oct<sup>2</sup>: 24%
  - Nov: 35%
  - Dec: 60%
- 1Q 2022: 70%
- 2Q 2022: 80%
- 3Q 2022: 90%
- 4Q 2022: 100%

## Commentary:

- Observatory visitor recapture vs 2019 was beyond our hypothetical in July and early August
- Two factors reduced admissions below our hypothetical in balance of 3Q 2021:
  - Resurgent Delta variant and impact on travel;
  - U.S. borders closed to international tourism
- U.S. will reopen to fully vaccinated international travelers in November 2021
  - Historically, September, October, and November (ex-Thanksgiving) are seasonally low volume months with strong international component
  - We have adjusted down October and November to take into account no and ramp-up of international tourists, respectively
- We will monitor developments and update our hypothetical, as warranted

<sup>1</sup>These assumptions are subject to pandemic developments, the actions of the authorities, and rebuild of tourism volumes both domestically and internationally.

<sup>2</sup>Month-to-date through October 26<sup>th</sup>, 2021.

# Observatory is a Global Brand

**80% OF VISITORS DECIDE TO VISIT BEFORE LEAVING HOME<sup>1</sup>**

## Demographics<sup>1</sup>:

64% International, 36% Domestic

47% of Visitors are 18-34 years old

## Top Foreign Countries<sup>1</sup>:

1. United Kingdom
2. France
3. Spain
4. Canada
5. Italy
6. Germany
7. Mexico



## What Differentiates the ESB

- Global and Iconic brand built through:
  - 90 years of popular cultural references
  - Global recognition as an NYC landmark
  - Organic media / advertising strategy to reinforce ESB image
  - Yields millions in advertising value equivalent (AVE) annually

## FY 2020 TOTAL RESULTS

**65.2B**

MEDIA IMPRESSIONS<sup>2</sup>

**\$73.4MM**

AD VALUE<sup>2,3</sup>

**124MM**

SOCIAL MEDIA IMPRESSIONS<sup>2</sup>

<sup>1</sup> Data from ESRT customer polling from February 2019 and August 2019.

<sup>2</sup> Media Impressions are based on U.S. print and media broadcast outlets, excluding international. Data for media impressions and ad value is from Cision, while data for social media impressions is from Social Studio and Iconosquare.

<sup>3</sup> The ad value equivalent (AVE) dollar figure does not include the value of the social media impressions.



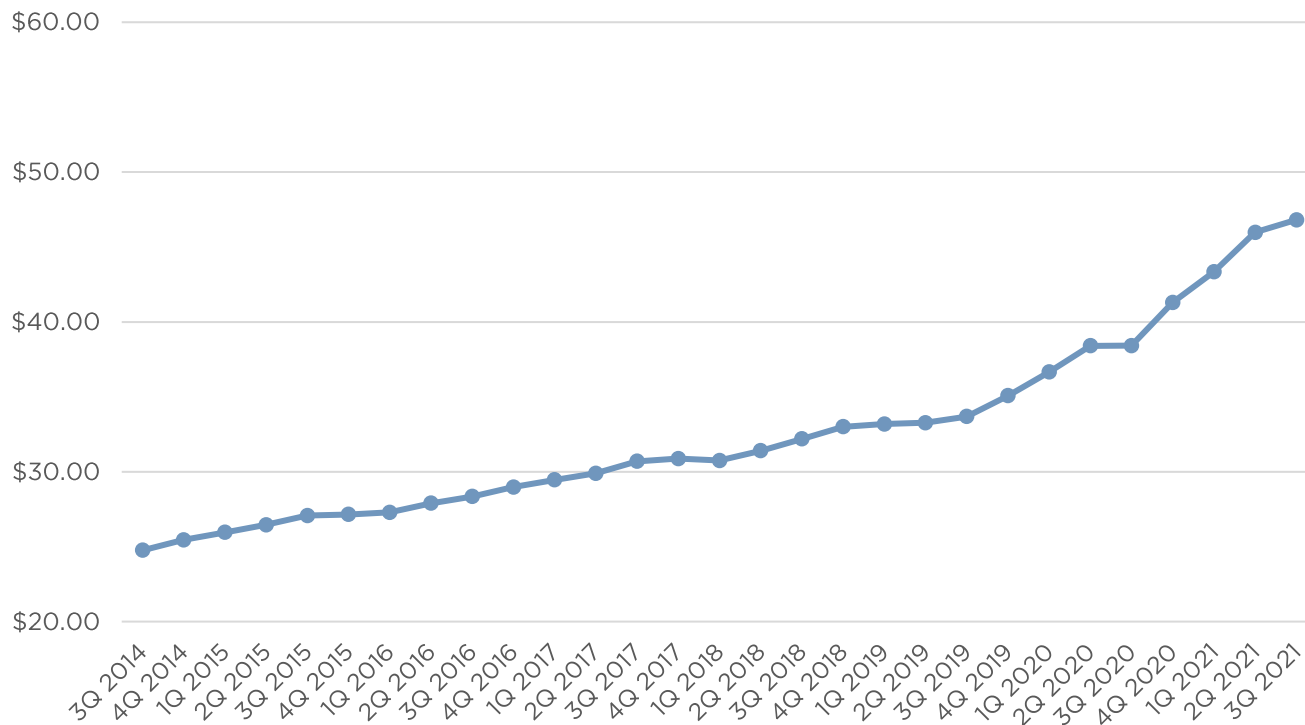
# Observatory Ticket Mix

## ACTIVE MANAGEMENT OF TICKET MIX TO DRIVE REVENUE PER CAPITA

Direct sales at full price is largest source

Premium experience offerings capture incremental revenue

### Growth in Observatory Revenue Per Capita<sup>1</sup>



<sup>1</sup> Revenue per Capita equals: a) Observatory revenue less the fixed license fee received from WDFG North America, the Observatory gift shop operator, divided by b) number of visitors. LTM Revenue calculation includes recognition of deferred revenues for all periods except from 3Q20 and 4Q20 to avoid distortion in the per cap data amidst ramp-up of visitor volume. In 3Q 2021, the calculation is based on company data and filings as of September 30, 2021 on a trailing twelve months. In 3Q 2020 - 1Q 2021, the calculation is based on company data and filings on a trailing fifteen months excluding 2Q 2020 when the Observatory was closed.

Company Data and filings as of September 30, 2021.

# ESRT Releases Inaugural Sustainability Report

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ESRT's 2020 Sustainability Report is available on our sustainability website - click [here](#) to access



- Our first report states our industry-leading sustainability accomplishments and goals
  - Transparent and metrics-based disclosure
  - Net-zero carbon emissions for the Empire State Building by 2030
  - Net-zero carbon emissions across our entire portfolio by 2035
  - 20% reduction of energy use intensity by 2024
  - 5% annual reduction in waste generation
  - 2% annual reduction in water usage
  - Separate and comparable reporting on DE&I

# Sustainability Leadership

## ESG Integration Company-Wide

- Board of Directors' oversight of ESG initiatives and matters with specific committee responsibility outlined in committee charters
- Our Chairman, President and CEO, Anthony E. Malkin is a recognized leader on sustainability initiatives for our local and national community
  - Sole New York City owner member of NYC Climate Mobilization Local Law 97 Advisory Board
  - Chairman of the Real Estate Roundtable Sustainability Policy Advisory Committee
  - Co-Chair of LL97 Technical Pathways for Commercial Buildings Working Group
- Dana Robbins Schneider, our SVP, Director of Energy, Sustainability & ESG, leads sustainability initiatives and our portfolio-wide best practices
- Joined The Empire Building Challenge with a commitment to leadership at a statewide level to achieve 85% local emissions reduction by 2035
- 2021 Energy Star Partner of The Year Award for leadership in forward-thinking energy efficiency initiatives
- Fitwel champion with 83% of our Manhattan portfolio certified
- Nation's largest 100% user of green power in real estate per the EPA
- First commercial portfolio in the Americas to achieve the WELL Health-Safety Rating
- Achieved the highest possible GRESB 5 Star Rating for the second consecutive year with a score of 94



GRESB  
★★★★★ 2021

**2021 GRESB 5 Star Rating**



**2020 WELL Health Safety Rating**



**Gold Green Lease Leaders Award**



**U.S. Green Building Council Member**



**2020 Fitwel Champion**



**Energy Star and Energy Star for Tenant Spaces**  
**EMPIRE STATE**  
REALTY TRUST



**Green Power Purchasing Award**



**ULI Tenant Energy Optimization Program**



**Sustainability Policy Advisory Committee**



**Sustainability Committee**

# Social – Human Capital & Community

## Human Capital Development Goals

- Actively engage with our employees on policy and company culture
- Implement state of the art wellness programs
- Increase employee training and education opportunities and participation
- Increase the gender and ethnic diversity of our workforce and leadership

## Status:



## Progress:

- 96% of employees reported having strong partnerships with their colleagues
- 96% of employees were proud to work at ESRT
- Company-wide wellness programs
- Annual health fairs
- 100% of employees have engaged in coursework via LinkedIn learning and Empire Academy programs
- Leadership training on inclusion and communication
- Gender<sup>1</sup>:
  - All Employees - 50% female / 50% male
  - VP & higher – 22% female / 78% male
- Ethnic<sup>1</sup>:
  - All Employees - 39% white / 61% non-white
  - VP & higher – 81% white / 19% non-white

## Community Engagement:

- Further develop a community engagement program with an emphasis on employee volunteerism in our communities, including company-sponsored volunteer events and philanthropy
  - Provide employees with paid time off for volunteerism efforts
- Proactively worked with small local retail tenants whose businesses have been adversely impacted by COVID-19 to convert their 2020 fixed rent to percentage rent

<sup>1</sup> Based on company-wide employees, corporate and union, as of December 31, 2020.

# Governance

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## Board Diversity

- 22% female / 78% male
- 22% minority / 78% white
- Average age is 60 years old and average tenure is 5.2 years

## Board Practices

- Board is balance of continuity (3 directors since 2013 IPO) and refreshment with 4 new directors in last 4 years, plus a CEO / chair and 1 middle tenure director
- Focused on enhanced diversity and refreshment with 3 independent diverse directors appointed in the last 4 years
- SVP, Director of Energy, Sustainability & ESG reports to the Board at least quarterly

## Board Independence

- Lead Independent Director, elected annually, with responsibilities outlined in the corporate governance guidelines
- Independent Board (8 of 9 directors) / All Board committees composed of independent directors

## Accountability

- Proxy access stockholder right / Stockholder right to amend bylaws
- Stockholder right to amend bylaws, adopted in response to investor feedback
- Frequent and robust shareholder engagement efforts
- Adopted ESG metric as a subjective component of our NEO's 2020 annual incentive bonus with 10% weighting, and increased to 15% weighting for 2021

## Stock Ownership/Compensation

- Robust stock ownership guidelines for directors and executive officers
- Claw back policy in place
- Double-trigger change in control benefits



# Management Team



**Anthony E. Malkin**  
*Chairman, President &  
Chief Executive Officer*  
33 years with ESRT  
33 years in industry  
A.B. from  
Harvard College



**Christina Chiu**  
*Executive Vice  
President & Chief  
Financial Officer*  
1 year with ESRT  
19 years in industry  
B.S. from  
New York University  
Stern School of Business



**Thomas P. Durels**  
*Executive Vice  
President, Real Estate*  
31 years with ESRT  
38 years in industry  
B.S. from  
Lehigh University



**Thomas N. Keltner, Jr.**  
*Executive Vice  
President,  
General Counsel  
& Secretary*  
43 years with ESRT  
43 years in industry  
A.B. from Harvard  
College and J.D. from  
Columbia Law School

- › Senior management team with an average of approximately 33 years of experience in real estate
  - › Since IPO, management team bench has been deepened with key additions
- › Extensive experience through several economic and real estate cycles
- › Management is aligned with shareholders
  - › Senior management team owns a significant amount of stock



# Appendix



# Environmental – Energy & Emissions

## Sustainability Goals and Progress

### Energy Goals

- 50% reduction in energy use intensity by 2035<sup>1</sup>
  - 20% reduction of energy use intensity at ESB by 2024<sup>1</sup>
- Increase renewable energy usage across the portfolio

### Status:



### Progress:

- 25% reduction in energy use intensity through 2020<sup>1</sup> driven by low building utilization rates throughout COVID-19 pandemic
- Entire portfolio is 100% powered by renewable wind energy



### Emission Goals:

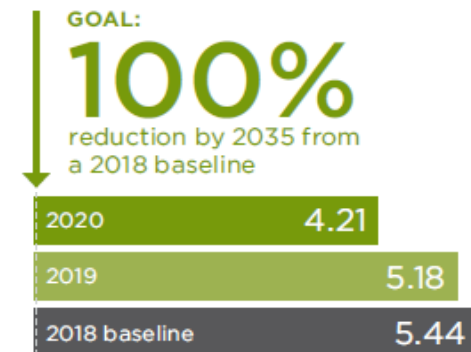
- Achieve net-zero greenhouse gas emissions across the entire portfolio by 2035
  - Empire State Building net-zero by 2030
- Meet the Empire Building Challenge and commit to leadership at a statewide level to achieve 85% local emissions reduction by 2035

### Status:



### Progress:

- 23% reduction in greenhouse gas emissions intensity through 2020<sup>1</sup>
- ESRT has lowest kgCO2 psf of New York City office REITs<sup>2</sup>
- Anthony E. Malkin is on the NYC LL97 Advisory Board, Co-Chair of LL97 Technical Pathways for Commercial Buildings Working Group





# Indoor Environmental Quality (IEQ) & ESG Certification

## Sustainability Goals and Progress

### IEQ Goals

### Status:

### Progress:

- Improve the IEQ in our buildings to improve efficiencies, tenant safety and wellness
- Healthy Buildings & Sustainable Guidelines



- 1st commercial portfolio in the Americas to achieve WELL Health-Safety rating
- Perform comprehensive annual indoor air quality testing at all properties
- MERV 13 filters, increased air ventilation and active bipolar ionization air purification system, which we have installed in select spaces, neutralizes more than 99.9% of coronavirus particles<sup>1</sup>



### ESG Certification Goals:

### Status:

### Progress:

- Continue to report to GRESB annually
- Maintain Fitwel Certification and IWBI WELL Health-Safety rating triennially / annually
- Pursue ENERGY STAR Certification at 100% of eligible buildings



- Achieved GRESB 5 Star Rating, Green Star Recognition for the second consecutive year with a score of 94
  - 2nd highest score in the most competitive U.S. peer group
- Achieved WELL Health-Safety rating
- Fitwel 2020 champion – covering 83% of our Manhattan portfolio
- 76% of portfolio is ENERGY STAR Certified (100% of eligible buildings)



G R E S B  
★★★★★ 2021



# Environmental – Waste & Water

## Sustainability Goals and Progress

### Waste & Recycling Goals

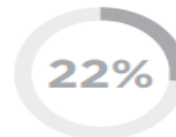
- 75% waste diversion rate by 2035<sup>1</sup>
  - Reduce waste generation by 5% year over year<sup>1</sup>
- Perform waste audits at 100% of buildings annually

### Status:



### Progress:

#### WASTE DIVERSION



2018 baseline



2020



- Unable to conduct audits effectively in 2020 due to COVID-19 precautions and impact on waste diversion measures

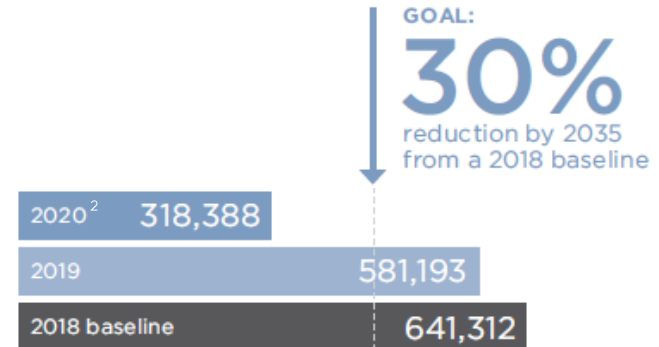
### Water Conservation Goals:

- 30% reduction in water usage by 2035<sup>1</sup>
  - Reduce water usage 2% year-over-year
- Implement real-time water metering and software across the portfolio by 2025

### Status:



### Progress:





# ESRT Achieves GRESB 5 STAR & WELL Health-Safety Ratings

## First Commercial Portfolio in the Americas to Achieve the WELL Health-Safety Rating



## ESRT GRESB Recognition

- Achieved the highest possible GRESB 5 Star Rating
- ESRT's score of 94 is the second-highest score in the most competitive peer group in the U.S.
- Score of 96 – the highest in the U.S. diversified group - and an “A” rating in the Public Disclosure Assessment, which measures ESG disclosure activities
- GRESB is recognized globally as a rigorous standard widely recognized as one of the best measures of sustainability performance of real estate companies and funds

## WELL Health-Safety Rating

- Evidence-based, third-party verified rating for new and existing buildings focused on operational policies, maintenance protocols, emergency plans and stakeholder engagement strategies to help organizations prepare their spaces for re-entry in a post COVID-19 environment
- Serves as validation of ESRT's work to provide tenants with healthy and safe environments
- Member of the Well Living Lab Alliance; a partnership with Delos and the Mayo Clinic that works to advance knowledge about how the IEQ improves human health and well-being

# Tenant Re-Occupancy: Health and Safety

## Tenant Communications

- Proactive communications inform tenants of the new health and safety protocols in preparation for their return to the office

## Cleaning & Air Quality

- Increased cleaning frequency of high touch points in common areas, reduced touchpoints
- Regular tests of indoor air quality and water systems
- Frequent maintenance and cleaning of cooling towers, air handler coils and filters
- MERV 13 filters and maximized ventilation in all ESRT controlled air handling systems
- Active bi-polar ionization air purification system, which we have installed in select spaces, neutralizes more than 99.9% of airborne Coronavirus particles<sup>1</sup>

## Entry & Common Area Protocol

- Masks and social distancing are requested for unvaccinated tenants and guests
- Hand sanitizer dispensers located at lobby entrances and ground level elevator banks

# Observatory Reopening: Health and Safety

## Customer Communications

- Our official website and our reseller partners will advise all prospective guests of our enhanced protocols and admission requirements, click [here](#)

## Indoor Environmental Quality & Cleaning

- MERV 13 air filters
- Active bipolar ionization air purification systems
- Maximize ventilation/air replacement capacity throughout

## Customer Facing Protocol Highlights

- Masks are required for guests and staff
- Hand sanitizer dispensers deployed throughout high touch areas
- Reservations are required for admittance

# Observatory Valuation

## INSTITUTIONAL APPETITE FOR OBSERVATORY ASSETS

- Recent market developments:
  - KKR bought a majority stake in the Edge at Hudson Yards. Additional factors:
    - Subject to management agreement
    - Existing debt in place
    - Lack of pre-COVID operating history
    - Ahead of tourism recovery
  - One Vanderbilt recently attained a very strong level of financing proceeds on the building and Summit observatory attraction
  - NYC observatories are institutional assets
  - These are price discovery transactions, not mature investment valuations

## ESB Observatory Implications

- Additional positive factors for ESB Observatory:
  - Iconic status and authentic experience
  - Strong pre-COVID operating history
  - Record per cap revenues
  - Greater visitor capacity
  - Fully redeveloped \$165 million experience
  - #1 among pass programs

## SUM OF THE PARTS VALUES BOTH RENTAL REVENUE AND RESIDUAL PROFIT STREAMS

Observatory Results – Full Year 2019 <sup>1</sup>	In \$MM
Visitor Revenue	123
Gift Shop License Fee	6 <sup>(2)</sup>
Total Revenue	129
Less Operating Expenses	34
NOI	95
Less Intercompany rent expense	82
NOI after intercompany rent	13

- If ESRT did not operate the Observatory and leased it to a third party, an operator would have to pay rent
- Potential rent would be at least what ESRT pays in intercompany rent and this potential rent would be valued at an appropriate cap rate for Manhattan office and retail properties
- The residual NOI would be valued as an operating business similar to a gated attraction.

Intercompany Rent  
Capitalized at a  
Market Cap Rate



Residual NOI at a  
Gated Attraction  
Business Multiple



Total  
Observatory  
Implied Value

<sup>1</sup> Company data utilized is full year 2019 results, the last stabilized year pre-pandemic.

<sup>2</sup> Fixed license fee received from WDFG North America, the Observatory gift shop operator, that is due and payable only when the Observatory is open.

# Reconciliation of Non-GAAP Measures

<b>Reconciliation of Net Income to NOI and Cash NOI</b>	<b>Three Months Ended</b>					<b>Year Ended</b>
	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>December 31, 2020</b>
Net income (loss)	\$ (10,183)	\$ 4,411	\$ (3,191)	\$ 710	\$ (12,269)	\$ (22,889)
Add:						
General and administrative expenses	14,427	14,089	13,853	13,627	14,517	62,244
Depreciation and amortization	65,794	45,088	44,457	47,397	44,733	191,006
Interest expense	23,577	23,422	23,768	23,001	23,360	89,993
Income tax expense (benefit)	20	(1,185)	(2,106)	(4,177)	38	(6,971)
Impairment charges	-	-	-	-	1,259	5,360
IPO litigation expense	-	-	-	-	1,165	1,165
Less:						
Third-party management and other fees	(314)	(327)	(276)	(295)	(283)	(1,225)
Interest income	(211)	(164)	(122)	(108)	(366)	(2,637)
Net operating income	93,110	85,334	76,383	80,155	72,154	316,046
Straight-line rent	(3,087)	(3,763)	(6,347)	640	(395)	(5,238)
Above/below-market rent revenue amortization	(4,244)	(717)	(654)	(674)	(679)	(3,627)
Below-market ground lease amortization	1,957	1,958	1,958	1,958	1,957	7,831
Total cash net operating income	87,736	82,812	71,340	82,079	73,037	315,012

Company data and filings as of September 30, 2021. Amounts in thousands.



# Reconciliation of Non-GAAP Measures

	Twelve Months to Date	Three Months Ended			
		September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Rental revenue	\$ 498,263	\$ 125,455	\$ 125,091	\$ 126,231	\$ 121,486
Tenant expense reimbursement	59,373	14,103	15,706	14,000	15,564
Deduct:					
Straight-line rental revenues	(12,557)	(3,087)	(3,763)	(6,347)	640
Above/below-market rent revenue amortization	(6,289)	(4,244)	(717)	(654)	(674)
Total cash revenues	\$ 538,790	\$ 132,227	\$ 136,317	\$ 133,230	\$ 137,016

The Company adopted Financial Accounting Standards Board Topic 842 using the modified retrospective approach as of January 1, 2019 and elected to apply the transition provisions of the standard at adoption. As such, the prior period amounts presented under ASC 840 were not restated to conform with the 2019 presentation. The Company adopted the practical expedient in Topic 842, which allowed the Company to avoid separating lease and non-lease rental income. Consequently, all rental income earned pursuant to tenant leases in 2020 is reflected as one category, "Rental Revenue," in the 2020 consolidated statements of income.

Company data and filings as of September 30, 2021. Amounts in thousands.

# Reconciliation of Non-GAAP Measures

	Three Months Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Net income (loss)	\$ (10,183)	\$ 4,411	\$ (3,191)	\$ 710	\$ (12,269)
Interest expense	23,577	23,422	23,554	23,001	23,360
Income tax expense (benefit)	20	(1,185)	(2,106)	(4,177)	38
Depreciation and amortization	65,794	45,088	44,457	47,397	44,733
<b>EBITDA</b>	<b>79,208</b>	<b>71,736</b>	<b>62,714</b>	<b>66,931</b>	<b>55,862</b>
Impairment charges, net of reimbursement	-	-	-	-	1,259
<b>Adjusted EBITDA</b>	<b>\$ 79,208</b>	<b>\$ 71,736</b>	<b>\$ 62,714</b>	<b>\$ 66,931</b>	<b>\$ 57,121</b>

Company data and filings as of September 30, 2021. Amounts in thousands.

# Disclaimer

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This presentation includes “forward looking statements” within the meaning of the federal securities laws. Forward-looking statements may be identified by the use of words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “contemplates,” “aims,” “continues,” “would” or “anticipates” or the negative of these words and phrases or similar words or phrases.

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (i) economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic; (ii) resolution of legal proceedings involving the Company; (iii) reduced demand for office or retail space, including as a result of the COVID-19 pandemic; (iv) changes in our business strategy; (v) changes in technology and market competition that affect utilization of our office, retail, broadcast or other facilities; (vi) changes in domestic or international tourism, including due to health crises such as the COVID-19 pandemic, geopolitical events and/or currency exchange rates, which may cause a decline in Observatory visitors; (vii) defaults on, early terminations of, or non-renewal of, leases by tenants; (viii) increases in the Company’s borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of LIBOR after 2021; (ix) declining real estate valuations and impairment charges; (x) termination or expiration of our ground leases; (xi) changes in our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due and potential limitations on our ability to borrow additional funds in compliance with drawdown conditions and financial covenants; (xii) decreased rental rates or increased vacancy rates; (xiii) our failure to redevelop and reposition properties, or to execute any newly planned capital project successfully or on the anticipated timeline or at the anticipated costs; (xiv) difficulties in identifying properties to acquire and completing acquisitions; (xv) risks related to our development projects (including our Metro Tower development site) and capital projects, including the cost of construction delays and cost overruns; (xvi) impact of changes in governmental regulations, tax laws and rates and similar matters; (xvii) our failure to qualify as a REIT; (xviii) environmental uncertainties and risks related to adverse weather conditions, rising sea levels and natural disasters; and (xix) the accuracy of our methodologies and estimates regarding ESG metrics, goals and targets, tenant willingness and ability to collaborate towards reporting ESG metrics and meeting ESG goals and targets, and the impact of governmental regulation on our ESG efforts.

For a further discussion of these and other factors that could impact the Company’s future results, performance or transactions, see the section entitled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.

While forward-looking statements reflect the Company’s good faith beliefs, they are not guarantees of future performance. The Company disclaims any obligation to update or revise publicly any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events, or other changes after the date of this press release, except as required by applicable law. Prospective investors should not place undue reliance on any forward-looking statements, which are based only on information currently available to the Company (or to third parties making the forward-looking statements).