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**Franklin Street Properties Corp. Announces  
Third Quarter 2024 Results**

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Wakefield, MA—October 29, 2024—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, 2024.

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

“As the fourth quarter of 2024 begins, we continue to believe that the current price of our common stock does not accurately reflect the value of our underlying real estate assets. We will seek to increase shareholder value by continuing to (1) pursue the sale of select properties when we believe that short to intermediate term valuation potential has been reached and (2) strive to increase occupancy through leasing of vacant space. We intend to use proceeds from property dispositions primarily for debt reductions.

During the third quarter of 2024, we leased a total of approximately 92,000 square feet of office space within our approximately 5.0 million square foot directly-owned property portfolio.

During the third quarter of 2024, we completed the sale of our last property in the Commonwealth of Virginia on July 8, 2024. The property, located in Glen Allen and known as Innsbrook, sold for a gross selling price of \$31 million. On July 10, 2024, we repaid approximately \$25.3 million of our debt with a portion of the net proceeds of the Innsbrook disposition.

On October 23, 2024, we completed the sale of our last property in Atlanta, Georgia. The property, known as Pershing Park Plaza, sold for a gross selling price of \$34 million. On October 25, 2024, we repaid approximately \$27.4 million of our debt with a portion of the net proceeds from the Pershing Park Plaza disposition. As of October 25, 2024, our total indebtedness was approximately \$250.3 million, equivalent to approximately \$52 per square foot on our remaining approximately 4.8 million square foot directly-owned property portfolio.

We look forward to the remainder of 2024 and beyond with anticipation and optimism.”

**Financial Highlights**

- GAAP net loss was \$15.6 million and \$44.2 million, or \$0.15 and \$0.43 per basic and diluted share for the three and nine months ended September 30, 2024, respectively.
- Funds From Operations (FFO) was \$2.7 million and \$10.6 million, or \$0.03 and \$0.10 per basic and diluted share, for the three and nine months ended September 30, 2024, respectively.

**Leasing Highlights**

- During the nine months ended September 30, 2024, we leased approximately 364,000 square feet, including 122,000 square feet of new leases.
- Our directly-owned real estate portfolio of 15 owned properties, totaling approximately 5.0 million square feet, was approximately 70.4% leased as of September 30, 2024, compared to approximately 74.0% leased as of December 31, 2023. The decrease in the leased percentage is primarily a result of two property dispositions and lease expirations during the nine months ended September 30, 2024,

which were partially offset by leasing completed during the nine months ended September 30, 2024 .

- The weighted average GAAP base rent per square foot achieved on leasing activity during the nine months ended September 30, 2024, was \$29.94, or 10.9% higher than average rents in the respective properties for the year ended December 31, 2023. The average lease term on leases signed during the nine months ended September 30, 2024, was 5.4 years compared to 6.8 years during the year ended December 31, 2023. Overall, the portfolio weighted average rent per occupied square foot was \$31.92 as of September 30, 2024, compared to \$30.72 as of December 31, 2023.
- We believe that our continuing portfolio of real estate is well located, primarily in the Sunbelt and Mountain West geographic regions, and consists of high-quality assets with upside leasing potential.

### **Investment Highlights**

- To reduce indebtedness, since December of 2020, FSP has selectively sold office properties when values and circumstances have warranted.
- Since December of 2020, our dispositions have resulted in aggregate gross proceeds of approximately \$1,077,000,000 and reflect an average sales price per square foot of approximately \$211.
- On July 8, 2024, we sold our last property in the Commonwealth of Virginia. The property was a low-rise office property located in Glen Allen (Greater Richmond) and known as Innsbrook. The property sold for a gross selling price of \$31 million. On July 10, 2024, we used approximately \$25.3 million of the net proceeds from the disposition to repay debt.
- On October 23, 2024, we sold our last property in Atlanta, Georgia, known as Pershing Park Plaza. The property, an approximately 160,145 square foot office building, sold for a gross selling price of \$34 million. On October 25, 2024, we used approximately \$27.4 million of the net proceeds from the disposition to repay debt resulting in a reduction in total indebtedness to an aggregate of approximately \$250.3 million, which reflects about \$52 per square foot on the remaining approximately 4.8 million square foot directly owned portfolio.

### **Dividends**

- On October 4, 2024, we announced that our Board of Directors declared a quarterly cash dividend for the three months ended September 30, 2024, of \$0.01 per share of common stock that will be paid on November 7, 2024, to stockholders of record on October 18, 2024.

### **Consolidation of Sponsored REIT**

As of January 1, 2023, we consolidated the operations of our Monument Circle sponsored REIT into our financial statements. On October 29, 2021, we agreed to amend and restate our existing loan to Monument Circle that is secured by a mortgage on real estate owned by Monument Circle, which we refer to as the Sponsored REIT Loan. The amended and restated Sponsored REIT Loan extended the maturity date from December 6, 2022 to June 30, 2023 (and was further extended to September 30, 2023 on June 26, 2023), increased the aggregate principal amount of the loan from \$21 million to \$24 million, and included certain other modifications. On September 26, 2023, the maturity date was extended to September 30, 2024 and on September 27, 2024, was further extended to September 30, 2025. In consideration of our agreement to amend and restate the Sponsored REIT Loan, we obtained from the stockholders of Monument Circle the right to vote their shares in favor of any sale of the property owned by Monument Circle any time on or after January 1, 2023. As a result of our obtaining this right to vote shares, GAAP variable interest entity (VIE) rules required us to consolidate Monument Circle as of January 1, 2023. A gain on consolidation of approximately \$0.4 million was recognized in the three months ended March 31, 2023.

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 – Variable Interest Entities (VIEs)” and Note 2, “Related Party Transactions and Investments in Non-Consolidated Entities - Management fees and interest income from loans”, in the Notes to Consolidated Financial Statements included

in our Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2024.

### **Non-GAAP Financial Information**

A reconciliation of Net income (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.

### **2024 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, 2024. 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](http://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](http://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.

### **Earnings Call**

A conference call is scheduled for October 30, 2024, at 11:00 a.m. (ET) to discuss the third quarter 2024 results. To access the call, please dial 888-440-4368 and use conference ID 5398803. Internationally, the call may be accessed by dialing 646-960-0856 and using conference ID 5398803. To listen via live audio webcast, please visit the Webcasts & Presentations section in the Investor Relations section of the Company's website ([www.fspreit.com](http://www.fspreit.com)) at least ten minutes prior to the start of the call and follow the posted directions. The webcast will also be available via replay from the above location starting one hour after the call is finished.

### **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](http://www.fspreit.com).

### *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 expectations for future potential leasing activity, expectations for future potential property dispositions, 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, 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, 2023, which may be 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  
Supplementary Information  
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Franklin Street Properties Corp. Financial Results  
 Supplementary Schedule A  
 Condensed Consolidated Statements of Operations  
 (Unaudited)

(in thousands, except per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
Rental	\$ 29,662	\$ 36,903	\$ 91,705	\$ 110,927
Other	20	—	32	9
Total revenue	29,682	36,903	91,737	110,936
<b>Expenses:</b>				
Real estate operating expenses	11,574	12,797	33,620	37,627
Real estate taxes and insurance	5,512	7,115	17,175	21,257
Depreciation and amortization	10,911	13,408	34,018	42,780
General and administrative	3,275	3,265	11,069	10,849
Interest	6,585	6,209	20,513	18,099
Total expenses	37,857	42,794	116,395	130,612
Loss on extinguishment of debt	(477)	(39)	(614)	(106)
Gain on consolidation of Sponsored REIT	—	—	—	394
Loss on sale of properties and impairment of assets held for sale, net	(7,254)	(39,671)	(20,459)	(32,085)
Interest income	340	—	1,696	—
Loss before taxes	(15,566)	(45,601)	(44,035)	(51,473)
Tax expense	56	70	162	212
Net loss	\$ (15,622)	\$ (45,671)	\$ (44,197)	\$ (51,685)
Weighted average number of shares outstanding, basic and diluted	103,567	103,430	103,492	103,333
Net loss per share, basic and diluted	\$ (0.15)	\$ (0.44)	\$ (0.43)	\$ (0.50)

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>2024</u>	<u>December 31,</u> <u>2023</u>
<b>Assets:</b>		
<b>Real estate assets:</b>		
Land	\$ 105,298	\$ 110,298
Buildings and improvements	1,090,551	1,133,971
Fixtures and equipment	10,776	12,904
	1,206,625	1,257,173
Less accumulated depreciation	369,276	366,349
Real estate assets, net	837,349	890,824
Acquired real estate leases, less accumulated amortization of \$16,465 and \$20,413, respectively	4,695	6,694
Assets held for sale	32,926	73,318
Cash, cash equivalents and restricted cash	42,375	127,880
Tenant rent receivables	1,349	2,191
Straight-line rent receivable	38,432	40,397
Prepaid expenses and other assets	3,243	4,239
Office computers and furniture, net of accumulated depreciation of \$1,063 and \$1,020, respectively	80	123
Deferred leasing commissions, net of accumulated amortization of \$14,724 and \$16,008, respectively	21,064	23,664
<b>Total assets</b>	<b>\$ 981,513</b>	<b>\$ 1,169,330</b>
<b>Liabilities and Stockholders' Equity:</b>		
<b>Liabilities:</b>		
Bank note payable	\$ —	\$ 90,000
Term loans payable, less unamortized financing costs of \$2,956 and \$293, respectively	137,601	114,707
Series A & Series B Senior Notes, less unamortized financing costs of \$1,585 and \$329, respectively	135,545	199,670
Accounts payable and accrued expenses	32,821	41,879
Accrued compensation	3,193	3,644
Tenant security deposits	6,120	6,204
Lease liability	763	334
Acquired unfavorable real estate leases, less accumulated amortization of \$310 and \$396, respectively	51	87
<b>Total liabilities</b>	<b>316,094</b>	<b>456,525</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' Equity:</b>		
Preferred stock, \$.0001 par value, 20,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$.0001 par value, 180,000,000 shares authorized, 103,566,715 and 103,430,353 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,335,361	1,335,091
Accumulated other comprehensive income	—	355
Accumulated distributions in excess of accumulated earnings	(669,952)	(622,651)
<b>Total stockholders' equity</b>	<b>665,419</b>	<b>712,805</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 981,513</b>	<b>\$ 1,169,330</b>

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,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net loss	\$ (44,197)	\$ (51,685)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	36,284	44,705
Amortization of above and below market leases	(17)	(39)
Amortization of other comprehensive income into interest expense	(355)	(2,789)
Shares issued as compensation	270	315
Loss on extinguishment of debt	614	106
Gain on consolidation of Sponsored REIT	—	(394)
Loss on sale of properties and impairment of assets held for sale, net	20,459	32,085
Changes in operating assets and liabilities:		
Tenant rent receivables	842	(653)
Straight-line rents	1,249	427
Lease acquisition costs	(660)	(903)
Prepaid expenses and other assets	314	(644)
Accounts payable and accrued expenses	(4,364)	(2,516)
Accrued compensation	(451)	(465)
Tenant security deposits	(84)	(79)
Payment of deferred leasing commissions	(3,168)	(5,926)
Net cash provided by operating activities	6,736	11,545
<b>Cash flows from investing activities:</b>		
Property improvements, fixtures and equipment	(19,074)	(26,024)
Consolidation of Sponsored REIT	—	3,048
Proceeds received from sales of properties	62,909	37,062
Net cash provided by investing activities	43,835	14,086
<b>Cash flows from financing activities:</b>		
Distributions to stockholders	(3,104)	(3,099)
Proceeds received from termination of interest rate swap	—	4,206
Borrowings under Bank note payable	—	67,000
Repayments of Bank note payable	(22,667)	(35,000)
Repayments of Term loans payable	(41,775)	(50,000)
Repayments of Series A&B Senior Notes	(62,870)	—
Deferred financing costs	(5,660)	(2,327)
Net cash used in financing activities	(136,076)	(19,220)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	(85,505)	6,411
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	127,880	6,632
<b>Cash, cash equivalents and restricted cash, end of period</b>	\$ 42,375	\$ 13,043



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>
2024	76,685	1.5%
2025	437,680	8.4%
2026	597,396	11.5%
2027	301,032	5.8%
2028	252,285	4.9%
Thereafter (2)	3,515,080	67.9%
	<u>5,180,158</u>	<u>100.0%</u>

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

(2) Includes 1,674,459 square feet of vacancies at our owned and consolidated properties as of September 30, 2024.

(dollars & square feet in 000's)

<u>State</u>	<u>As of September 30, 2024</u>				
	<u>Properties</u>	<u>Investment</u>	<u>% of Portfolio</u>	<u>Square Feet</u>	<u>% of Portfolio</u>
Colorado	4	\$ 443,251	52.9%	2,140	41.3%
Texas	7	260,627	31.1%	1,909	36.9%
Georgia (a)	1	-	0.0%	160	3.1%
Minnesota	3	114,373	13.7%	757	14.6%
Indiana	1	19,098	2.3%	214	4.1%
Total	<u>16</u>	<u>\$ 837,349</u>	<u>100.0%</u>	<u>5,180</u>	<u>100.0%</u>

(a) Includes one property that was classified as an asset held for sale as of September 30, 2024.

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-24	30-Jun-24	30-Sep-24	30-Sep-24
Tenant improvements	\$ 2,619	\$ 2,558	\$ 4,444	\$ 9,621
Deferred leasing costs	2,237	511	421	3,169
Non-investment capex	1,019	1,480	1,658	4,157
	<u>\$ 5,875</u>	<u>\$ 4,549</u>	<u>\$ 6,523</u>	<u>\$ 16,947</u>

(in thousands)	For the Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23
Tenant improvements	\$ 3,047	\$ 4,381	\$ 3,653	\$ 5,295	\$ 16,376
Deferred leasing costs	908	3,230	1,114	1,649	6,901
Non-investment capex	2,967	2,042	1,775	5,230	12,014
	<u>\$ 6,922</u>	<u>\$ 9,653</u>	<u>\$ 6,542</u>	<u>\$ 12,174</u>	<u>\$ 35,291</u>

**Square foot & leased percentages**

	September 30, 2024	December 31, 2023
<b>Owned Properties:</b>		
Number of properties (a)	15	17
Square feet	4,966,398	5,565,782
Leased percentage	70.4%	74.0%
<b>Consolidated Property - Single Asset REIT (SAR):</b>		
Number of properties	1	1
Square feet	213,760	213,760
Leased percentage	4.1%	4.1%
<b>Total Owned and Consolidated Properties:</b>		
Number of properties	16	18
Square feet	5,180,158	5,779,542
Leased percentage	67.7%	71.5%

(a) Includes one property that was classified as an asset held for sale as of September 30, 2024 and two properties that were classified as assets held for sale as of December 31, 2023.

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

	<u>Property Name</u>	<u>Location</u>	<u>Square Feet</u>	<u>% Leased (1) as of 30-Jun-24</u>	<u>Second Quarter Average % Leased (2)</u>	<u>% Leased (1) as of 30-Sep-24</u>	<u>Third Quarter Average % Leased (2)</u>
1	PARK TEN	Houston, TX	157,609	82.1%	84.0%	82.1%	82.1%
2	PARK TEN PHASE II	Houston, TX	156,746	66.9%	85.6%	66.9%	66.9%
3	GREENWOOD PLAZA	Englewood, CO	196,236	65.0%	65.0%	65.0%	65.0%
4	ADDISON	Addison, TX	289,333	79.4%	79.4%	79.4%	79.4%
	INNSBROOK (3)	Glen Allen, VA	—	89.6%	89.9%	(3)	(3)
5	LIBERTY PLAZA	Addison, TX	217,841	75.9%	75.9%	75.9%	75.9%
6	ELDRIDGE GREEN	Houston, TX	248,399	100.0%	100.0%	100.0%	100.0%
7	121 SOUTH EIGHTH ST	Minneapolis, MN	297,541	77.6%	77.6%	72.4%	75.6%
8	801 MARQUETTE AVE	Minneapolis, MN	129,691	91.8%	91.8%	91.8%	91.8%
9	LEGACY TENNYSON CTR	Plano, TX	209,562	53.1%	53.1%	51.0%	52.4%
10	WESTCHASE I & II	Houston, TX	629,025	66.5%	65.7%	68.8%	67.6%
11	1999 BROADWAY	Denver, CO	682,639	50.7%	51.0%	50.7%	50.7%
12	1001 17TH STREET	Denver, CO	649,400	76.5%	76.5%	76.5%	76.5%
13	PLAZA SEVEN	Minneapolis, MN	330,096	61.6%	61.6%	53.8%	55.0%
14	PERSHING PLAZA (4)	Atlanta, GA	160,145	79.8%	79.8%	79.8%	79.8%
15	600 17TH STREET	Denver, CO	612,135	78.8%	78.8%	76.7%	77.1%
	<b>OWNED PORTFOLIO</b>		<b>4,966,398</b>	<b>72.3%</b>	<b>72.9%</b>	<b>70.4%</b>	<b>70.6%</b>
16	MONUMENT CIRCLE (5)	Indianapolis, IN	213,760	4.1%	4.1%	4.1%	4.1%
	<b>OWNED &amp; CONSOLIDATED PORTFOLIO</b>		<b>5,180,158</b>	<b>69.7%</b>	<b>70.2%</b>	<b>67.7%</b>	<b>67.9%</b>

- (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.  
 (3) Property was sold on July 8, 2024.  
 (4) Property was classified as an asset held for sale as of September 30, 2024.  
 (5) Consolidated property as of January 1, 2023, which was previously a managed property.

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

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

As of September 30, 2024

	Tenant	Sq Ft	% of Portfolio
1	CITGO Petroleum Corporation	248,399	4.8%
2	EOG Resources, Inc.	169,167	3.3%
3	US Government	168,573	3.2%
4	Kaiser Foundation Health Plan, Inc.	120,979	2.3%
5	Swift, Currie, McGhee & Hiers, LLP	101,296	2.0%
6	Deluxe Corporation	98,922	1.9%
7	Ping Identity Corp.	89,856	1.7%
8	Permian Resources Operating, LLC	67,856	1.3%
9	Hall and Evans LLC	65,878	1.3%
10	Cyxtera Management, Inc.	61,826	1.2%
11	Precision Drilling (US) Corporation	59,569	1.1%
12	PwC US Group	54,334	1.1%
13	Olin Corporation	54,080	1.0%
14	Coresite, LLC	49,518	1.0%
15	Schwegman, Lundberg & Woessner, P.A.	46,269	0.9%
16	Invenergy, LLC.	42,505	0.8%
17	Ark-La-Tex Financial Services, LLC.	41,011	0.8%
18	Chevron U.S.A., Inc.	35,088	0.7%
19	Caerus Operating, LLC.	34,063	0.7%
20	CarOffer, LLC.	30,913	0.6%
	Total	1,640,102	31.7%

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 income (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	
(In thousands, except per share amounts)	September 30,		September 30,	
	2024	2023	2024	2023
Net loss	\$ (15,622)	\$ (45,671)	\$ (44,197)	\$ (51,685)
Gain on consolidation of Sponsored REIT	—	—	—	(394)
Loss on sale of properties and impairment of asset held for sale, net	7,254	39,671	20,459	32,085
Depreciation & amortization	10,907	13,400	34,002	42,742
NAREIT FFO	2,539	7,400	10,264	22,748
Lease Acquisition costs	126	109	315	278
Funds From Operations (FFO)	<u>\$ 2,665</u>	<u>\$ 7,509</u>	<u>\$ 10,579</u>	<u>\$ 23,026</u>
Funds From Operations (FFO)	\$ 2,665	\$ 7,509	\$ 10,579	\$ 23,026
Loss on extinguishment of debt	477	39	614	106
Amortization of deferred financing costs	767	665	2,265	1,926
Shares issued as compensation	—	—	270	315
Straight-line rent	785	106	1,249	428
Tenant improvements	(4,444)	(3,653)	(9,621)	(11,081)
Leasing commissions	(421)	(1,114)	(3,169)	(5,252)
Non-investment capex	(1,658)	(1,775)	(4,157)	(6,784)
Adjusted Funds From Operations (AFFO)	<u>\$ (1,829)</u>	<u>\$ 1,777</u>	<u>\$ (1,970)</u>	<u>\$ 2,684</u>
<b>Per Share Data</b>				
EPS	\$ (0.15)	\$ (0.44)	\$ (0.43)	\$ (0.50)
FFO	\$ 0.03	\$ 0.07	\$ 0.10	\$ 0.22
AFFO	\$ (0.02)	\$ 0.02	\$ (0.02)	\$ 0.03
Weighted average shares (basic and diluted)	<u>103,567</u>	<u>103,430</u>	<u>103,492</u>	<u>103,333</u>

### **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-24	Three Months Ended 30-Jun-24	Inc (Dec)	% Change
<b>Region</b>					
MidWest	757	1,278	1,665	(387)	(23.2)%
South	2,069	5,087	5,241	(154)	(2.9)%
West	2,140	6,037	6,224	(187)	(3.0)%
Property NOI* from Owned Properties	4,966	12,402	13,130	(728)	(5.5)%
Disposition and Acquisition Properties (a)	214	(19)	618	(637)	(4.4)%
NOI*	<u>5,180</u>	<u>\$ 12,383</u>	<u>\$ 13,748</u>	<u>\$ (1,365)</u>	<u>(9.9)%</u>
Sequential Same Store		\$ 12,402	\$ 13,130	\$ (728)	(5.5)%
<b>Less Nonrecurring</b>					
Items in NOI* (b)		78	255	(177)	1.2%
<b>Comparative</b>					
Sequential Same Store		<u>\$ 12,324</u>	<u>\$ 12,875</u>	<u>\$ (551)</u>	<u>(4.3)%</u>

<b>Reconciliation to Net loss</b>	<b>Three Months Ended 30-Sep-24</b>	<b>Three Months Ended 30-Jun-24</b>
Net loss	\$ (15,622)	\$ (21,023)
Add (deduct):		
Loss on extinguishment of debt	477	—
Loss on sale of properties and impairment of assets held for sale, net	7,254	13,200
Management fee income	(422)	(443)
Depreciation and amortization	10,911	11,482
Amortization of above/below market leases	(5)	(6)
General and administrative	3,275	3,635
Interest expense	6,585	7,082
Interest income	(340)	(348)
Non-property specific items, net	270	169
<b>NOI*</b>	<b>\$ 12,383</b>	<b>\$ 13,748</b>

- (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

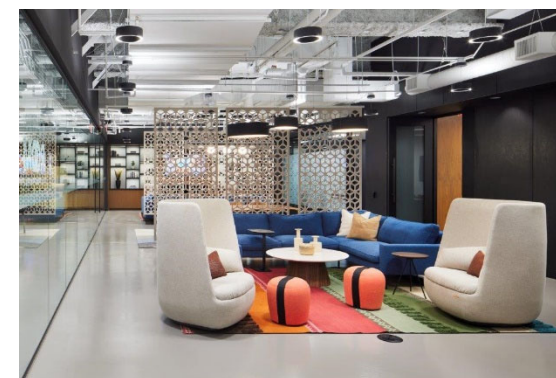
401 Edgewater Place ~Wakefield, MA 01880  
781.557.1300.~ [www.fspreit.com](http://www.fspreit.com)



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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, 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 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.



45 South Seventh Street Minneapolis, MN



# 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, 2024, the Company owned a portfolio of real estate consisting of 15 owned properties and one consolidated Sponsored REIT. 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

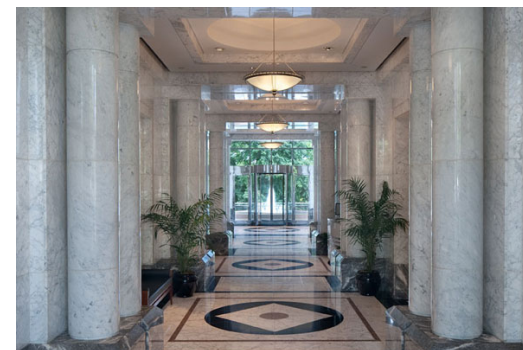
Inquiries should be directed to: Georgia Touma  
877.686.9496 or [InvestorRelations@fspreit.com](mailto:InvestorRelations@fspreit.com)

(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, 2024)

Corporate Headquarters	Wakefield, MA
Fiscal Year-End	31-Dec
Owned & Consolidated Properties	16
Total Square Feet	5.2 Million
Trading Symbol	FSP
Exchange	NYSE American
Common Shares Outstanding	103,566,715

Total Market Capitalization	\$0.5 Billion (1)
Insider Holdings	6.62%



1420 Peachtree Street NE Atlanta, GA



# Summary of Financial Highlights

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

	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
<b>Income Items:</b>					
Rental revenue	\$ 29,662	\$ 30,818	\$ 31,225	\$ 34,519	\$ 36,903
Total revenue	29,682	30,830	31,225	34,771	36,903
Net income (loss)	(15,622)	(21,023)	(7,552)	3,575	(45,671)
Adjusted EBITDA*	9,657	10,783	11,113	13,112	13,718
FFO*	2,665	3,721	4,193	6,938	7,509
AFFO*	(1,829)	518	(659)	(4,462)	1,777
<b>Per Share Data:</b>					
Earnings (loss) per share	\$ (0.15)	\$ (0.20)	\$ (0.07)	\$ 0.03	\$ (0.44)
FFO*	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.07	\$ 0.07
AFFO*	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ (0.04)	\$ 0.02
Weighted Average Shares (diluted)	103,567	103,477	103,430	103,430	103,430
Closing share price	\$ 1.77	\$ 1.53	\$ 2.27	\$ 2.56	\$ 1.85
Dividend declared	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
<b>Balance Sheet Items:</b>					
Real estate, net	\$ 837,349	\$ 840,756	\$ 884,733	\$ 890,824	\$ 921,581
Other assets, net	144,164	171,771	154,230	278,506	230,192
Total assets, net	981,513	1,012,527	1,038,963	1,169,330	1,151,773
Total liabilities, net	316,094	330,450	335,099	456,525	440,447
Shareholders equity	665,419	682,077	703,864	712,805	711,326
<b>Market Capitalization and Debt:</b>					
Total Market Capitalization (a)	\$ 461,000	\$ 461,457	\$ 537,787	\$ 669,782	\$ 586,346
Total debt outstanding (excluding unamortized financing costs)	\$ 277,687	\$ 303,000	\$ 303,000	\$ 405,000	\$ 395,000
Debt to Total Market Capitalization	60.2%	65.7%	56.3%	60.5%	67.4%
Net Debt to Adjusted EBITDA ratio*	6.1	6.3	6.0	5.3	7.0
<b>Owned Properties Leasing Statistics (b):</b>					
Owned properties assets	15	16	16	17	19
Owned properties total SF	4,966,398	5,264,416	5,264,416	5,565,782	5,992,700
Owned properties % leased	70.4%	72.3%	73.3%	74.0%	74.8%

- (a) Total Market Capitalization is the closing share price multiplied by the number of shares outstanding plus total debt outstanding on that date.  
(b) Excludes one property known as Monument Circle that was consolidated in our financial statements effective January 1, 2023. Please see the note: Consolidation of Sponsored REIT on page 24 for more information.

\* 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 26.



# Condensed Consolidated Income Statements

(\$ in thousands, except per share amounts)

	For the Three Months Ended			For the Nine	For the Three Months Ended				For the
	31-Mar-24	30-Jun-24	30-Sep-24	Months Ended 30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Year Ended 31-Dec-23
<b>Revenue:</b>									
Rental	\$ 31,225	\$ 30,818	\$ 29,662	\$ 91,705	\$ 37,767	\$ 36,257	\$ 36,903	\$ 34,519	\$ 145,446
Other	—	12	20	32	—	9	—	252	261
<b>Total revenue</b>	<b>31,225</b>	<b>30,830</b>	<b>29,682</b>	<b>91,737</b>	<b>37,767</b>	<b>36,266</b>	<b>36,903</b>	<b>34,771</b>	<b>145,707</b>
<b>Expenses:</b>									
Real estate operating expenses	11,019	11,027	11,574	33,620	12,690	12,140	12,797	13,105	50,732
Real estate taxes and insurance	5,936	5,727	5,512	17,175	6,973	7,169	7,115	5,943	27,200
Depreciation and amortization	11,625	11,482	10,911	34,018	14,727	14,645	13,408	11,958	54,738
General and administrative	4,159	3,635	3,275	11,069	3,817	3,767	3,265	3,172	14,021
Interest	6,846	7,082	6,585	20,513	5,806	6,084	6,209	6,219	24,318
<b>Total expenses</b>	<b>39,585</b>	<b>38,953</b>	<b>37,857</b>	<b>116,395</b>	<b>44,013</b>	<b>43,805</b>	<b>42,794</b>	<b>40,397</b>	<b>171,009</b>
Loss on extinguishment of debt	(137)	—	(477)	(614)	(67)	—	(39)	—	(106)
Gain on consolidation of Sponsored REIT	—	—	—	—	394	—	—	—	394
Gain (loss) on sale of properties and impairment of assets held for sale, net	(5)	(13,200)	(7,254)	(20,459)	8,392	(806)	(39,671)	8,701	(23,384)
Interest income	1,008	348	340	1,696	—	—	—	567	567
Income (loss) before taxes on income	(7,494)	(20,975)	(15,566)	(44,035)	2,473	(8,345)	(45,601)	3,642	(47,831)
Tax expense on income	58	48	56	162	67	75	70	67	279
<b>Net income (loss)</b>	<b>\$ (7,552)</b>	<b>\$ (21,023)</b>	<b>\$ (15,622)</b>	<b>\$ (44,197)</b>	<b>\$ 2,406</b>	<b>\$ (8,420)</b>	<b>\$ (45,671)</b>	<b>\$ 3,575</b>	<b>\$ (48,110)</b>
Weighted average number of shares outstanding, basic and diluted	103,430	103,477	103,567	103,492	103,236	103,330	103,430	103,430	103,357
<b>Net income (loss) per share, basic and diluted</b>	<b>\$ (0.07)</b>	<b>\$ (0.20)</b>	<b>\$ (0.15)</b>	<b>\$ (0.43)</b>	<b>\$ 0.02</b>	<b>\$ (0.08)</b>	<b>\$ (0.44)</b>	<b>\$ 0.03</b>	<b>\$ (0.47)</b>



# Condensed Consolidated Balance Sheets

(in thousands)

	March 31, 2024	June 30, 2024	September 30, 2024	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
<b>Assets:</b>							
Real estate assets:							
Land	\$ 110,298	\$ 105,298	\$ 105,298	\$ 130,147	\$ 128,588	\$ 114,298	\$ 110,298
Buildings and improvements	1,137,496	1,086,300	1,090,551	1,367,629	1,362,939	1,183,744	1,133,971
Fixtures and equipment	13,002	10,436	10,776	11,411	11,612	10,377	12,904
	1,260,796	1,202,034	1,206,625	1,509,187	1,503,139	1,308,419	1,257,173
Less accumulated depreciation	376,063	361,278	369,276	413,272	421,180	386,838	366,349
Real estate assets, net	884,733	840,756	837,349	1,095,915	1,081,959	921,581	890,824
Acquired real estate leases, net	5,971	5,306	4,695	9,620	8,828	7,447	6,694
Assets held for sale	38,947	67,823	32,926	—	8,860	132,659	73,318
Cash, cash equivalents and restricted cash	37,779	31,495	42,375	13,110	6,697	13,043	127,880
Tenant rent receivables, net	2,200	2,349	1,349	3,306	1,938	2,854	2,191
Straight-line rent receivable, net	40,357	38,901	38,432	51,703	50,267	43,253	40,397
Prepaid expenses and other assets	4,140	4,064	3,243	6,125	5,648	5,601	4,239
Office computers and furniture, net of accumulated depreciation	106	92	80	145	127	109	123
Deferred leasing commissions, net	24,730	21,741	21,064	33,758	34,985	25,226	23,664
<b>Total assets</b>	<b>\$ 1,038,963</b>	<b>\$ 1,012,527</b>	<b>\$ 981,513</b>	<b>\$ 1,213,682</b>	<b>\$ 1,199,309</b>	<b>\$ 1,151,773</b>	<b>\$ 1,169,330</b>
<b>Liabilities and Stockholders' Equity:</b>							
Liabilities:							
Bank note payable	\$ —	\$ —	\$ —	\$ 75,000	\$ 75,000	\$ 80,000	\$ 90,000
Term loan payable, net of unamortized financing costs	149,169	149,604	137,601	124,365	124,471	114,610	114,707
Series A & Series B Senior Notes	147,340	147,611	135,545	199,547	199,588	199,629	199,670
Accounts payable and accrued expenses	30,099	23,765	32,821	37,720	32,501	36,857	41,879
Accrued compensation	1,196	2,300	3,193	1,189	2,286	3,179	3,644
Tenant security deposits	6,268	6,248	6,120	5,740	5,666	5,631	6,204
Lease liability	953	859	763	655	550	444	334
Acquired unfavorable real estate leases, net	74	63	51	171	153	97	87
<b>Total liabilities</b>	<b>335,099</b>	<b>330,450</b>	<b>316,094</b>	<b>444,387</b>	<b>440,215</b>	<b>440,447</b>	<b>456,525</b>
Commitments and contingencies							
Stockholders' Equity:							
Preferred stock	—	—	—	—	—	—	—
Common stock	10	10	10	10	10	10	10
Additional paid-in capital	1,335,091	1,335,361	1,335,361	1,334,776	1,335,091	1,335,091	1,335,091
Accumulated other comprehensive income	—	—	—	3,544	2,480	1,417	355
Accumulated distributions in excess of accumulated earnings	(631,237)	(653,294)	(669,952)	(569,035)	(578,487)	(625,192)	(622,651)
<b>Total stockholders' equity</b>	<b>703,864</b>	<b>682,077</b>	<b>665,419</b>	<b>769,295</b>	<b>759,094</b>	<b>711,326</b>	<b>712,805</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,038,963</b>	<b>\$ 1,012,527</b>	<b>\$ 981,513</b>	<b>\$ 1,213,682</b>	<b>\$ 1,199,309</b>	<b>\$ 1,151,773</b>	<b>\$ 1,169,330</b>





# Condensed Consolidated Statements of Cash Flows

(in thousands)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (44,197)\$	(51,685)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	36,284	44,705
Amortization of above and below market leases	(17)	(39)
Amortization of other comprehensive income into interest expense	(355)	(2,789)
Shares issued as compensation	270	315
Loss on extinguishment of debt	614	106
Gain on consolidation of Sponsored REIT	—	(394)
Loss on sale of properties and impairment of assets held for sale, net	20,459	32,085
Changes in operating assets and liabilities:		
Tenant rent receivables	842	(653)
Straight-line rents	1,249	427
Lease acquisition costs	(660)	(903)
Prepaid expenses and other assets	314	(644)
Accounts payable and accrued expenses	(4,364)	(2,516)
Accrued compensation	(451)	(465)
Tenant security deposits	(84)	(79)
Payment of deferred leasing commissions	(3,168)	(5,926)
<b>Net cash provided by operating activities</b>	<b>6,736</b>	<b>11,545</b>
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(19,074)	(26,024)
Consolidation of Sponsored REIT	—	3,048
Proceeds received from sales of properties	62,909	37,062
<b>Net cash provided by investing activities</b>	<b>43,835</b>	<b>14,086</b>
Cash flows from financing activities:		
Distributions to stockholders	(3,104)	(3,099)
Proceeds received from termination of interest rate swap	—	4,206
Borrowings under Bank note payable	—	67,000
Repayments of Bank note payable	(22,667)	(35,000)
Repayments of Term loans payable	(41,775)	(50,000)
Repayments of Series A&B Senior Notes	(62,870)	—
Deferred financing costs	(5,660)	(2,327)
<b>Net cash used in financing activities</b>	<b>(136,076)</b>	<b>(19,220)</b>
Net increase (decrease) in cash, cash equivalents and restricted cash	(85,505)	6,411
Cash, cash equivalents and restricted cash, beginning of period	127,880	6,632
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 42,375 \$</b>	<b>13,043</b>



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

(in thousands)	Rentable Square Feet or RSF	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended	Nine Month	%
		31-Mar-24	30-Jun-24	30-Sep-24	30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23	Inc (Dec)	Change
Region												
MidWest	757	1,640	1,665	1,278	4,583	2,239	1,718	1,396	1,656	7,009	(770)	(14.4)%
South	2,069	5,266	5,241	5,087	15,594	5,129	5,251	5,359	5,482	21,221	(145)	(0.9)%
West	2,140	6,204	6,224	6,037	18,465	6,423	6,412	6,505	5,994	25,334	(875)	(4.5)%
Property NOI* from Owned Properties	4,966	13,110	13,130	12,402	38,642	13,791	13,381	13,260	13,132	53,564	(1,790)	(4.4)%
Disposition and Acquisition Properties (a)	214	798	618	(19)	1,397	3,949	3,190	3,344	1,947	12,430	(9,086)	(17.0)%
Property NOI*	5,180	\$ 13,908	\$ 13,748	\$ 12,383	\$ 40,039	\$ 17,740	\$ 16,571	\$ 16,604	\$ 15,079	\$ 65,994	\$ (10,876)	(21.4)%
Same Store		\$ 13,110	\$ 13,130	\$ 12,402	\$ 38,642	\$ 13,791	\$ 13,381	\$ 13,260	\$ 13,132	\$ 53,564	\$ (1,790)	(4.4)%
Less Nonrecurring Items in NOI* (b)		246	255	78	579	1,292	301	485	217	2,295	(1,499)	3.6 %
Comparative Same Store		\$ 12,864	\$ 12,875	\$ 12,324	\$ 38,063	\$ 12,499	\$ 13,080	\$ 12,775	\$ 12,915	\$ 51,269	\$ (291)	(0.8)%

- (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 26.





# FFO\* & AFFO\* Reconciliation

(in thousands, except per share amounts)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-24	30-Jun-24	30-Sep-24	30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23
Net income (loss)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (44,197)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)
(Gain) on consolidation of Sponsored REIT	—	—	—	—	(394)	—	—	—	(394)
(Gain) loss on sale of properties and impairment of assets held for sale, net	5	13,200	7,254	20,459	(8,392)	806	39,671	(8,701)	23,384
Depreciation & amortization	11,619	11,476	10,907	34,002	14,709	14,633	13,400	11,952	54,694
NAREIT FFO*	4,072	3,653	2,539	10,264	8,329	7,019	7,400	6,826	29,574
Lease Acquisition costs	121	68	126	315	78	91	109	112	390
<b>Funds From Operations (FFO)*</b>	<b>\$ 4,193</b>	<b>\$ 3,721</b>	<b>\$ 2,665</b>	<b>\$ 10,579</b>	<b>\$ 8,407</b>	<b>\$ 7,110</b>	<b>\$ 7,509</b>	<b>\$ 6,938</b>	<b>\$ 29,964</b>
<b>Adjusted Funds From Operations (AFFO)*</b>									
Funds From Operations (FFO)*	\$ 4,193	\$ 3,721	\$ 2,665	\$ 10,579	\$ 8,407	\$ 7,110	\$ 7,509	\$ 6,938	\$ 29,964
Loss on extinguishment of debt	137	—	477	614	67	—	39	—	106
Amortization of deferred financing costs	680	818	767	2,265	589	672	665	576	2,502
Shares issued as compensation	—	270	—	270	—	315	—	—	315
Straight-line rent	206	258	785	1,249	(331)	653	106	198	626
Tenant improvements	(2,619)	(2,558)	(4,444)	(9,621)	(3,047)	(4,381)	(3,653)	(5,295)	(16,376)
Leasing commissions	(2,237)	(511)	(421)	(3,169)	(908)	(3,230)	(1,114)	(1,649)	(6,901)
Non-investment capex	(1,019)	(1,480)	(1,658)	(4,157)	(2,967)	(2,042)	(1,775)	(5,230)	(12,014)
<b>Adjusted Funds From Operations (AFFO)*</b>	<b>\$ (659)</b>	<b>\$ 518</b>	<b>\$ (1,829)</b>	<b>\$ (1,970)</b>	<b>\$ 1,810</b>	<b>\$ (903)</b>	<b>\$ 1,777</b>	<b>\$ (4,462)</b>	<b>\$ (1,778)</b>
<b>Per Share Data:</b>									
Earnings (loss) per share	\$ (0.07)	\$ (0.20)	\$ (0.15)	\$ (0.43)	\$ 0.02	\$ (0.08)	\$ (0.44)	\$ 0.03	\$ (0.47)
FFO*	0.04	0.04	0.03	0.10	0.08	0.07	0.07	0.07	0.29
AFFO*	(0.01)	0.01	(0.02)	(0.02)	0.02	(0.01)	0.02	(0.04)	(0.02)
Weighted Average Shares (basic and diluted)	103,430	103,477	103,567	103,492	103,236	103,330	103,430	103,430	103,357

\* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 26.



# EBITDA\* & Adjusted EBITDA\* Reconciliation

(in thousands, except ratio amounts)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-24	30-Jun-24	30-Sep-24	30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23
Net income (loss)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (44,197)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)
Interest expense	6,846	7,082	6,585	20,513	5,806	6,084	6,209	6,219	24,318
Depreciation and amortization	11,619	11,476	10,907	34,002	14,709	14,633	13,400	11,952	54,694
Income taxes	58	48	56	162	67	75	70	67	279
EBITDA*	\$ 10,971	\$ (2,417)	1,926	\$ 10,480	\$ 22,988	\$ 12,372	\$ (25,992)	\$ 21,813	\$ 31,181
Loss on extinguishment of debt	137	—	477	614	67	—	39	—	106
Gain on consolidation of Sponsored REIT	—	—	—	—	(394)	—	—	—	(394)
(Gain) loss on sale of properties and impairment of assets held for sale, net	5	13,200	7,254	20,459	(8,392)	806	39,671	(8,701)	23,384
Adjusted EBITDA*	\$ 11,113	\$ 10,783	\$ 9,657	\$ 31,553	\$ 14,269	\$ 13,178	\$ 13,718	\$ 13,112	\$ 54,277
Interest expense	\$ 6,846	\$ 7,082	\$ 6,585	\$ 20,513	\$ 5,806	\$ 6,084	\$ 6,209	\$ 6,219	\$ 24,318
Scheduled principal payments	—	—	—	—	—	—	—	—	—
Interest and scheduled principal payments	\$ 6,846	\$ 7,082	\$ 6,585	\$ 20,513	\$ 5,806	\$ 6,084	\$ 6,209	\$ 6,219	\$ 24,318
Interest coverage ratio	1.62	1.52	1.47	1.54	2.46	2.17	2.21	2.11	2.23
Debt service coverage ratio	1.62	1.52	1.47	1.54	2.46	2.17	2.21	2.11	2.23
Debt excluding unamortized financing costs	\$ 303,000	\$ 303,000	\$ 277,687		\$ 400,000	\$ 400,000	\$ 395,000	\$ 405,000	
Cash, cash equivalents and restricted cash	37,779	31,495	42,375		13,110	6,697	13,043	127,880	
Net Debt (Debt less Cash, cash equivalents and restricted cash)	\$ 265,221	\$ 271,505	\$ 235,312		\$ 386,890	\$ 393,303	\$ 381,957	\$ 277,120	
Adjusted EBITDA*	\$ 11,113	\$ 10,783	\$ 9,657		\$ 14,269	\$ 13,178	\$ 13,718	\$ 13,112	
Annualized	\$ 44,452	\$ 43,132	\$ 38,628		\$ 57,076	\$ 52,712	\$ 54,872	\$ 52,448	
Net Debt-to-Adjusted EBITDA ratio*	6.0	6.3	6.1		6.8	7.5	7.0	5.3	

\* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 26.



## Reconciliation of Net Income (Loss) to Property NOI\*

(in thousands)

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	31-Mar-24	30-Jun-24	30-Sep-24		30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	
Net income (loss)	\$ (7,552)	\$ (21,023)	\$ (15,622)	\$ (44,197)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)
Add (deduct):									
Loss on extinguishment of debt	137	—	477	614	67	—	39	—	106
Gain on consolidation of Sponsored REIT	—	—	—	—	(394)	—	—	—	(394)
(Gain) loss on sale of properties and impairment of assets held for sale, net	5	13,200	7,254	20,459	(8,392)	806	39,671	(8,701)	23,384
Management fee income	(462)	(443)	(422)	(1,327)	(374)	(427)	(460)	(446)	(1,707)
Depreciation and amortization	11,625	11,482	10,911	34,018	14,727	14,645	13,409	11,957	54,738
Amortization of above/below market leases	(6)	(6)	(5)	(17)	(18)	(12)	(9)	(6)	(45)
General and administrative	4,159	3,635	3,275	11,069	3,817	3,768	3,265	3,171	14,021
Interest expense	6,846	7,082	6,585	20,513	5,806	6,084	6,209	6,219	24,318
Interest income	(1,008)	(348)	(340)	(1,696)	—	—	—	(567)	(567)
Non-property specific items, net	164	169	270	603	95	127	151	(123)	250
Property NOI*	\$ 13,908	\$ 13,748	\$ 12,383	\$ 40,039	\$ 17,740	\$ 16,571	\$ 16,604	\$ 15,079	\$ 65,994

\* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 26.



# Debt Summary

(in thousands)

	<u>Maturity Date</u>	<u>Outstanding Balance at: 30-Sep-24</u>	<u>Interest Rate (a) Components</u>	<u>Interest Rate at 30-Sep-24</u>
BofA Term Loan	1-Apr-26	\$ 61,708	SOFR + 3.00%	8.00%
BMO Term Loan Tranche B	1-Apr-26	78,850	SOFR + 3.00%	8.00%
Series A Senior Notes	1-Apr-26	79,535		8.00%
Series B Senior Notes	1-Apr-26	57,595		8.00%
		<u>\$ 277,688</u>		<u>8.00%</u>

- The table above is a summary of our debt as of September 30, 2024. Additional information on our debt can be found in our Quarterly Report on Form 10-Q for the three and nine month periods ended September 30, 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 8, 2023, we terminated all remaining interest rate swaps applicable to the BMO Term Loan and, on February 10, 2023, we received an aggregate of approximately \$4.3 million as a result of such terminations.
- 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 remains 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 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 \$25.3 million of net proceeds 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.
- Subsequent to September 30, 2024, 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.
- 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 \$3.0 million.

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



# Capital Analysis

(in thousands, except per share amounts)

	31-Mar-24	30-Jun-24	30-Sep-24	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
<b>Market Data:</b>							
Shares Outstanding	103,430	103,567	103,567	103,236	103,430	103,430	103,430
Closing market price per share	\$ 2.27	\$ 1.53	\$ 1.77	\$ 1.57	\$ 1.45	\$ 1.85	\$ 2.56
Market capitalization	\$ 234,787	\$ 158,457	\$ 183,313	\$ 162,080	\$ 149,974	\$ 191,346	\$ 264,782
Total debt outstanding excluding unamortized financing costs	303,000	303,000	277,687	400,000	400,000	395,000	405,000
Total Market Capitalization	\$ 537,787	\$ 461,457	\$ 461,000	\$ 562,080	\$ 549,974	\$ 586,346	\$ 669,782
<b>Dividend Data:</b>							
Total dividends declared for the quarter	\$ 1,034	\$ 1,034	\$ 1,036	\$ 1,033	\$ 1,032	\$ 1,034	\$ 1,034
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	(14)%	(5)%	(7)%	43%	(12)%	(2)%	29%
Declared dividend as a % of AFFO* per share	(157)%	200%	(57)%	57%	(114)%	58%	(23)%
<b>Liquidity:</b>							
Cash, cash equivalents and restricted cash	\$ 37,779	\$ 31,495	\$ 42,375	\$ 13,110	\$ 6,697	\$ 13,043	\$ 127,880
Revolver (converted to Term Loan 2/21/24):							
Gross potential available under the BofA Revolver	—	—	—	150,000	150,000	150,000	125,000
Less:							
Outstanding balance	—	—	—	(75,000)	(75,000)	(80,000)	(90,000)
<b>Total Liquidity</b>	<b>\$ 37,779</b>	<b>\$ 31,495</b>	<b>\$ 42,375</b>	<b>\$ 88,110</b>	<b>\$ 81,697</b>	<b>\$ 83,043</b>	<b>\$ 162,880</b>

\* See page 9 for a reconciliation of Net Income (Loss) to AFFO and the Appendix for Non-GAAP Financial Measures Definitions beginning on page 26.



# Owned & Consolidated Portfolio Overview

	As of the Quarter Ended				
	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
<b>Total Owned Properties:</b>					
Number of properties (a)	15	16	16	17	19
Square feet	4,966,398	5,264,416	5,264,416	5,565,782	5,992,700
Leased percentage	70.4%	72.3%	73.3%	74.0%	74.8%
<b>Consolidated Property - Single Asset REIT (SAR):</b>					
Number of properties	1	1	1	1	1
Square feet	213,760	213,760	213,760	213,760	213,760
Leased percentage	4.1%	4.1%	4.1%	4.1%	4.1%
<b>Total Owned and Consolidated Properties:</b>					
Number of properties	16	17	17	18	20
Square feet	5,180,158	5,478,176	5,478,176	5,779,542	6,206,460
Leased percentage	67.7%	69.7%	70.6%	71.5%	72.4%

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



# Owned & Consolidated Portfolio Overview

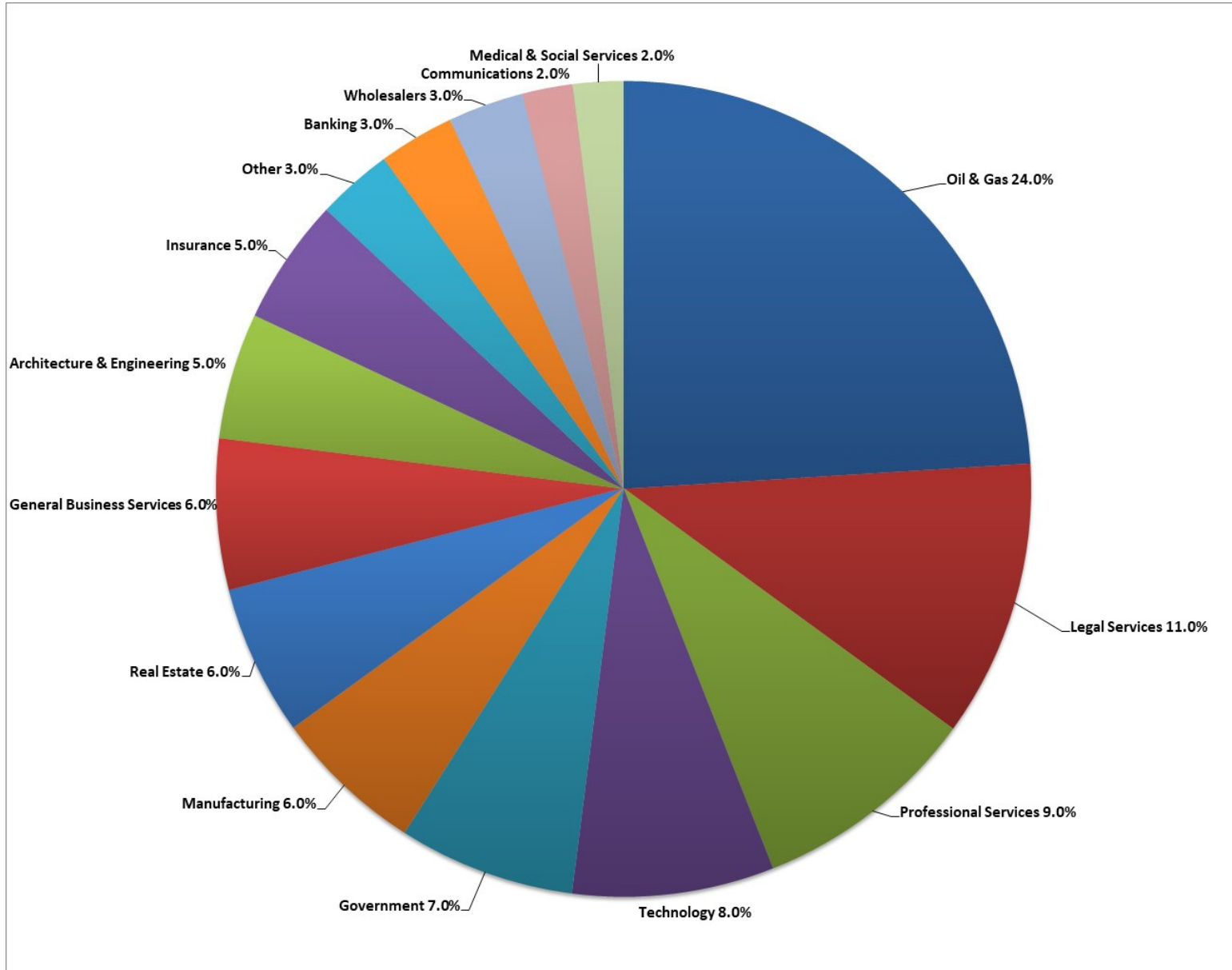
MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)	MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
<b>South Region</b>							<b>Midwest Region</b>						
<b>Dallas-Fort Worth</b>							<b>Minneapolis</b>						
Legacy Tennyson Center	Plano	TX	209,562	51.0%	52.1%	\$ 30.70	121 South 8th Street	Minneapolis	MN	297,541	72.4%	76.9%	\$ 25.90
Addison Circle	Addison	TX	289,333	79.4%	79.4%	35.18	801 Marquette Ave	Minneapolis	MN	129,691	91.8%	91.8%	25.56
Liberty Plaza	Addison	TX	217,841	75.9%	75.0%	26.18	Plaza Seven	Minneapolis	MN	330,096	53.8%	58.3%	29.97
<b>Houston</b>							<b>Indianapolis, IN</b>						
Park Ten	Houston	TX	157,609	82.1%	76.6%	29.18	Monument Circle (d)	Indianapolis	IN	213,760	4.1%	4.1%	33.16
Eldridge Green	Houston	TX	248,399	100.0%	100.0%	26.83	<b>Midwest Region Total</b>			<b>971,088</b>	<b>53.6%</b>	<b>56.6%</b>	<b>\$ 27.36</b>
Park Ten Phase II	Houston	TX	156,746	66.9%	82.5%	29.88	<b>West Region</b>						
Westchase I & II	Houston	TX	629,025	68.8%	61.5%	27.74	<b>Denver</b>						
<b>Atlanta</b>							1999 Broadway						
Pershing Plaza (c)	Atlanta	GA	160,145	79.8%	79.8%	39.55	Greenwood Plaza	Denver	CO	682,639	50.7%	51.0%	\$ 35.26
<b>South Region Total</b>							1001 17th Street						
			<b>2,068,660</b>	<b>74.7%</b>	<b>73.3%</b>	<b>\$ 30.06</b>	600 17th Street	Englewood	CO	196,236	65.0%	65.4%	30.10
								Denver	CO	649,400	76.5%	71.1%	38.47
								Denver	CO	612,135	76.7%	78.0%	34.80
							<b>West Region Total</b>						
										<b>2,140,410</b>	<b>67.3%</b>	<b>66.2%</b>	<b>\$ 35.68</b>
							<b>Total Owned &amp; Consolidated Properties</b>						
										<b>5,180,158</b>	<b>67.7%</b>	<b>67.2%</b>	<b>\$ 31.92</b>

- (a) Weighted Occupied Percentage for the nine months ended September 30, 2024.
- (b) Weighted Average GAAP Rent per Occupied Square Foot.
- (c) Property was classified as an asset held for sale as of September 30, 2024.
- (d) Consolidated as of January 1, 2023, held by Single Asset REIT (SAR).



# Tenants by Industry

(Owned and Consolidated Properties by Square Feet)







# 20 Largest Tenants with Annualized Rent and Remaining Term

(Owned and Consolidated 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	102	248,399	4.8%	\$ 7,384,902	6.4%
2	EOG Resources, Inc.	1	27	169,167	3.3%	6,392,821	5.6%
3	US Government (b)	2	16, 76	168,573	3.2%	6,468,376	5.6%
4	Kaiser Foundation Health Plan, Inc.	1	56	120,979	2.3%	3,911,586	3.4%
5	Swift, Currie, McGhee & Hiers, LLP	1	108	101,296	2.0%	4,313,600	3.8%
6	Deluxe Corporation	1	154	98,922	1.9%	3,023,518	2.6%
7	Ping Identity Corp.	1	21	89,856	1.7%	3,583,457	3.1%
8	Permian Resources Operating, LLC	1	85	67,856	1.3%	2,864,433	2.5%
9	Hall and Evans LLC	1	59	65,878	1.3%	2,712,080	2.4%
10	Cyxtera Management, Inc.	1	64	61,826	1.2%	2,435,326	2.1%
11	Precision Drilling (US) Corporation	1	44	59,569	1.1%	2,103,977	1.8%
12	PwC US Group	1	52	54,334	1.1%	1,908,210	1.7%
13	Olin Corporation	1	66	54,080	1.0%	1,766,794	1.5%
14	Coresite, LLC	1	134	49,518	1.0%	1,909,909	1.7%
15	Schwegman, Lundberg & Woessner, P.A.	1	40	46,269	0.9%	1,406,279	1.2%
16	Invenergy, LLC. (c)	2	4, 132	42,505	0.8%	299,647	0.3%
17	Ark-La-Tex Financial Services, LLC.	1	30	41,011	0.8%	1,525,038	1.3%
18	Chevron U.S.A., Inc.	1	35	35,088	0.7%	1,435,099	1.3%
19	Caerus Operating, LLC.	1	101	34,063	0.7%	1,399,989	1.2%
20	CarOffer, LLC.	1	64	30,913	0.6%	1,125,852	1.0%
			<b>Total</b>	<b>1,640,102</b>	<b>31.7%</b>	<b>\$ 57,970,893</b>	<b>50.5%</b>

Footnotes on next page



## 20 Largest Tenants with Annualized Rent and Remaining Term (Owned and Consolidated Properties)

Footnotes:

- (a) Annualized rent represents the monthly rent charged, including tenant reimbursements, for each lease in effect at September 30, 2024 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) Includes 7,417 square feet expiring in 2025; 28,013 square feet commencing on December 15, 2024 with rent commencing on April 15, 2026; 3,146 square feet commencing on January 1, 2027 and 3,929 square feet commencing on January 1, 2028.



# Leasing Activity

(Owned and Consolidated Properties)

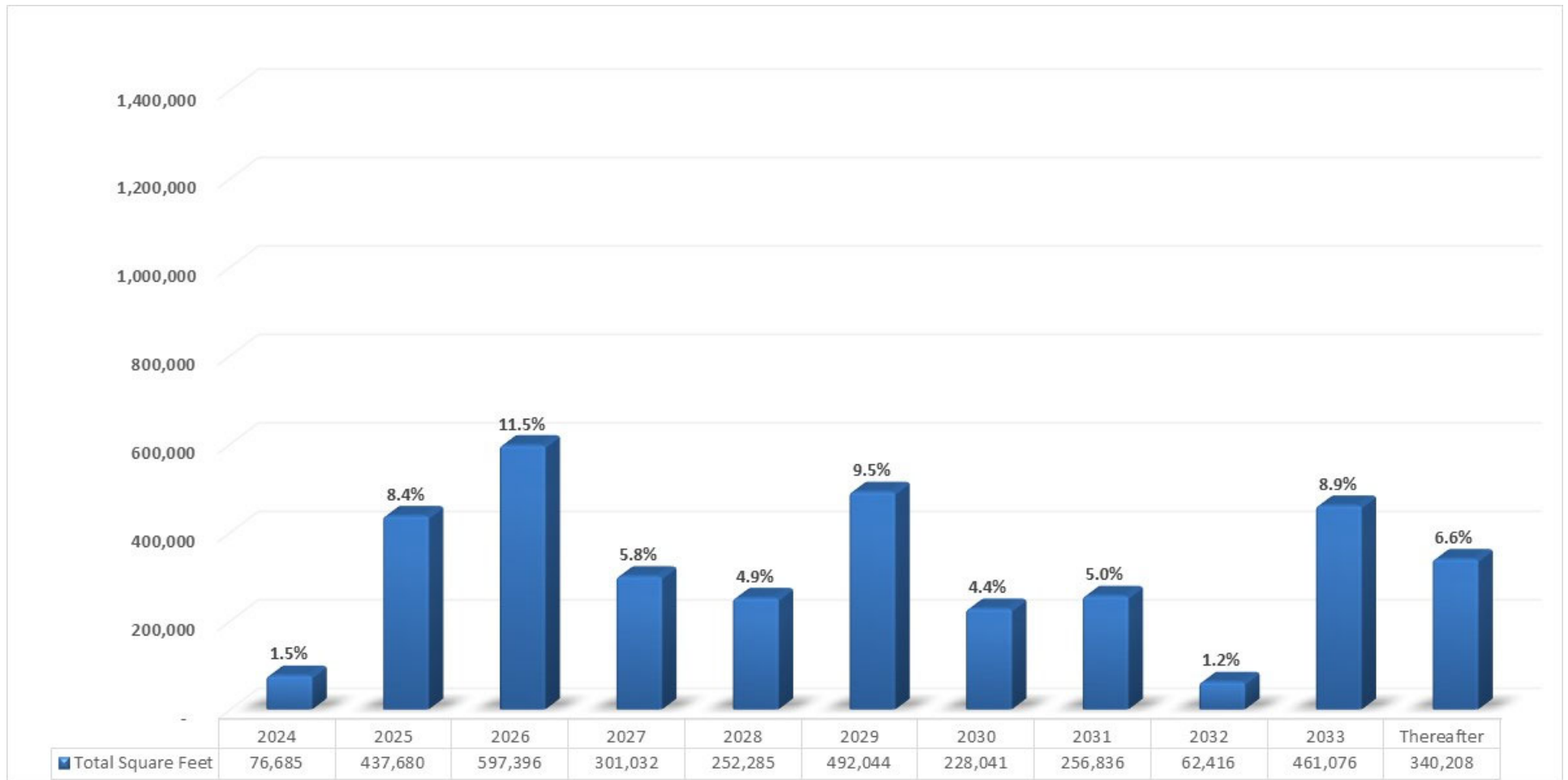
	Nine Months Ended		Year Ended	Year Ended
	30-Sep-24	30-Sep-23	31-Dec-23	31-Dec-22
<b>Leasing Activity</b> <b>(in Square Feet - SF)</b>				
New leasing	122,000	206,000	228,000	275,000
Renewals and expansions	242,000	365,000	478,000	160,000
	<u>364,000</u>	<u>571,000</u>	<u>706,000</u>	<u>435,000</u>
<b>Other information per SF</b> <b>(Activity on a year-to-date basis)</b>				
GAAP Rents on leasing	\$ 29.94	29.35	\$ 29.71	\$ 33.27
Weighted average lease term	5.4 Years	6.3 Years	6.8 Years	6.4 Years
Increase over average GAAP rents in prior year (a)	10.9%	7.2%	7.4%	10.6%
Average free rent	4 Months	5 Months	6 Months	6 Months
Tenant Improvements	\$ 25.30	20.13	\$ 22.42	\$ 31.86
Leasing Costs	\$ 7.83	9.92	\$ 10.56	\$ 11.80

(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 and Consolidated Properties)





# Lease Expirations with Annualized Rent per Square Foot (SF)

(Owned and Consolidated Properties)

Year of Lease Expiration December 31,	Number of Leases Expiring Within the Year (a)	Rentable Square Footage Subject to Expiring Leases (e)	Annualized Rent Under Expiring Leases (b)	Annualized Rent Per Square Foot Under Expiring Leases	Percentage of Total Annualized Rent Under Expiring Leases	Cumulative Total
2024	9 (c)	76,685	\$ 2,456,871	\$ 32.04	2.1%	2.1%
2025	55	437,680	14,784,725	33.78	12.9%	15.0%
2026	42	597,396	21,452,861	35.91	18.7%	33.7%
2027	29	301,032	10,672,214	35.45	9.3%	43.0%
2028	22	252,285	8,183,099	32.44	7.1%	50.1%
2029	32	492,044	14,997,926	30.48	13.1%	63.2%
2030	12	228,041	7,685,617	33.70	6.7%	69.9%
2031	8	256,836	9,460,926	36.84	8.3%	78.2%
2032	6	62,416	237,460	3.80	0.2%	78.4%
2033	7	461,076	15,860,427	34.40	13.8%	92.2%
2034 and thereafter	27	340,208 (d)	8,912,013	26.20	7.8%	100.0%
Leased total	249	3,505,699	\$ 114,704,139	\$ 32.72	100.0%	
Owning property vacant SF		1,469,414				
Monument Circle vacant SF (e)		205,045				
Total Portfolio Square Footage		<u>5,180,158</u>				

- (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, 2024 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 53,387 square feet that are non-revenue producing building amenities.
- (e) Includes one property known as Monument Circle that was consolidated in our financial statements effective January 1, 2023. Please see the note: Consolidation of Sponsored REIT on page 24 for more information.



# Capital Expenditures

(Owned and Consolidated Properties)

(in thousands)

	For the Three Months Ended			Nine Months Ended
	31-Mar-24	30-Jun-24	30-Sep-24	30-Sep-24
Tenant improvements	\$ 2,619	\$ 2,558	\$ 4,444	\$ 9,621
Deferred leasing costs	2,237	511	421	3,169
Non-investment capex	1,019	1,480	1,658	4,157
Total Capital Expenditures	<u>\$ 5,875</u>	<u>\$ 4,549</u>	<u>\$ 6,523</u>	<u>\$ 16,947</u>

	For the Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23
Tenant improvements	\$ 3,047	\$ 4,381	\$ 3,653	\$ 5,295	\$ 16,376
Deferred leasing costs	908	3,230	1,114	1,649	6,901
Non-investment capex	2,967	2,042	1,775	5,230	12,014
Total Capital Expenditures	<u>\$ 6,922</u>	<u>\$ 9,653</u>	<u>\$ 6,542</u>	<u>\$ 12,174</u>	<u>\$ 35,291</u>

First generation leasing and investment capital was \$0 for the nine months ended September 30, 2024 and \$1.5 million for the year ended December 31, 2023.



# Disposition Activity

(in thousands except for Square Feet)

## Recent Dispositions:

	City	State	Square Feet	Date Sold	Gross Sale Proceeds	Gain (loss) on Sale
<b>2024</b>						
Collins Crossing	Richardson	TX	300,887	1/26/24	\$ 35,000	\$ (2,145)
Innsbrook	Glenn Allen	VA	298,183	7/8/2024	31,000	(13,248)
<b>2023</b>						
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)
<b>2022</b>						
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
<b>2021</b>						
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)
<b>2020</b>						
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.



# Loan Portfolio of Secured Real Estate

(in thousands)

(dollars in thousands, except footnotes)

Sponsored REIT	Location	Maturity Date	Maximum Amount of Loan	Amount Outstanding 30-Sep-24	Interest Rate at 30-Sep-24
<b>Mortgage loan secured by property</b>					
FSP Monument Circle LLC (1)	Indianapolis, IN	30-Sep-25	\$ 24,000	\$ 24,000	7.51%
			<u>\$ 24,000</u>	<u>\$ 24,000</u>	

(1) Includes an origination fee of \$164,000 and an exit fee of \$38,000 when repaid by the borrower.

On September 27, 2024, the maturity date of this mortgage loan was extended to September 30, 2025. The mortgage loan is secured by the property and has been eliminated in consolidation, which is explained below.

## Consolidation of Sponsored REIT

As of January 1, 2023, we consolidated Monument Circle into our financial statements. On October 29, 2021, we agreed to amend and restate our existing loan to Monument Circle that is secured by a mortgage on real estate owned by Monument Circle, which we refer to as the Sponsored REIT Loan. The amended and restated Sponsored REIT Loan extended the maturity date from December 6, 2022 to June 30, 2023 (and was further extended to September 30, 2023 on June 26, 2023), increased the aggregate principal amount of the loan from \$21 million to \$24 million, and included certain other modifications. On September 26, 2023, the maturity date of this mortgage loan was extended to September 30, 2024 and on September 27, 2024, further extended to September 30, 2025. In consideration of our agreement to amend and restate the Sponsored REIT Loan, we obtained from the stockholders of Monument Circle the right to vote their shares in favor of any sale of the property owned by Monument Circle any time on or after January 1, 2023. As a result of our obtaining this right to vote shares, GAAP variable interest entity (VIE) rules required us to consolidate Monument Circle as of January 1, 2023. A gain on consolidation of approximately \$0.4 million was recognized in the three months ended March 31, 2023.

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 – Variable Interest Entities (VIEs)" and Note 2, "Related Party Transactions and Investments in Non-Consolidated Entities - Management fees and interest income from loans", in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.





# Net Asset Value Components

(in thousands except per share data)

	As of 30-Sep-24	Assets:		Other information:
Total Market Capitalization Values		Straight-line rent receivable	\$ 38,432	Leased SF to be FFO producing
Shares outstanding	103,566.7	Assets held for sale	32,926	during 2024-2028 (in 000's) <span style="float: right;">82</span>
Closing price	\$ 1.77	Cash, cash equivalents and restricted cash	42,375	
Market capitalization	\$ 183,313	Tenant rent receivables	1,349	Straight-line rental revenue current quarter <span style="float: right;">\$ (785)</span>
Debt	277,687	Prepaid expenses	2,479	
Total Market Capitalization	\$ 461,000	Office computers and furniture	80	
		Other assets:		
		Deferred financing costs, net	4,541	
	<b>3 Months</b>	Other assets - Right-to-Use Asset	764	
	<b>Ended</b>		\$ 122,946	
	<b>30-Sep-24</b>			
<b>NOI Components</b>				
Same Store NOI (1)	\$ 12,402			
Acquisitions (1) (2)	—	<b>Liabilities:</b>		
Property NOI (1)	12,402	Debt (excluding contra for unamortized financing costs)	\$ 277,687	<b>Footnotes to the components</b>
Full quarter adjustment (3)	—	Accounts payable & accrued expenses	36,014	(1) See pages 11 & 30 for definitions and reconciliations.
<b>Stabilized portfolio</b>	<b>\$ 12,402</b>	Tenant security deposits	6,120	(2) Includes NOI from acquisitions not in Same Store.
		Other liabilities: lease liability	763	(3) Adjustment to reflect property NOI for a full quarter in the quarter acquired, if necessary.
			\$ 320,584	(4) HB3 Tax in Texas is classified as an income tax, though we treat it as a real estate tax in Property NOI.
Financial Statement Reconciliation:				(5) Management & other fees are eliminated in consolidation but included in Property NOI.
Rental Revenue	\$ 29,662			
Rental operating expenses	(11,574)			
Real estate taxes and insurance	(5,512)			
NOI from dispositions & acquisition properties	19			
Taxes (4)	(56)			
Management & other fees (5)	(137)			
Property NOI (1)	\$ 12,402			



## 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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