401 Edgewater Place • Suite 200 • Wakefield, Massachusetts 01880 • (781) 557-1300 • www.fspreit.com

Contact: Georgia Touma (877) 686-9496 **For Immediate Release**

Franklin Street Properties Corp. Announces First Quarter 2023 Results

Wakefield, MA—May 2, 2023—Franklin Street Properties Corp. (the "Company", "FSP", "we" or "our") (NYSE American: FSP), a real estate investment trust (REIT), announced its results for the first quarter ended March 31, 2023.

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

"As the second quarter of 2023 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 (1) pursuing the sale of select properties where we believe that short to intermediate term valuation potential has been reached and (2) striving to lease vacant space. We intend to use proceeds from property dispositions primarily for debt reduction.

We look forward to the remainder of 2023 and beyond with anticipation and optimism."

Financial Highlights

- GAAP net income was $2.4 million or $0.02 per basic and diluted share for the three months ended March 31, 2023.
- Funds From Operations (FFO) was $8.4 million, or $0.08 per basic and diluted share, for the three months ended March 31, 2023.
- We sold one office property located in Elk Grove, Illinois on March 10, 2023 for a sales price of $29.1 million, at a gain of approximately $8.4 million. Sale proceeds were primarily used to repay a portion of the drawn balance of our revolving line of credit.

Leasing Highlights

- During the three months ended March 31, 2023, we leased approximately 129,000 square feet, including 48,000 square feet of new leases.
- Our directly owned real estate portfolio of 20 owned properties, totaling approximately 6.0 million square feet, was approximately 73.9% leased as of March 31, 2023, compared to approximately 75.6% leased as of December 31, 2022. The decrease in the leased percentage is primarily a result of lease expirations during the three months ended March 31, 2023 and from a property disposition.
- Subsequent to March 31, 2023, we entered into leases totaling approximately 112,000 square feet, including leases with new tenants and existing tenant expansions. As of April 30, 2023, our directly owned portfolio increased to approximately 75.6% leased, an increase from our leased percentage of 73.9% as of March 31, 2023 and unchanged from our leased percentage as of December 31, 2022.
- The weighted average GAAP base rent per square foot achieved on leasing activity during the three months ended March 31, 2023 was $32.87, or 5.7% higher than average rents in the respective properties as applicable compared to the year ended December 31, 2022. The average lease term on leases signed during the three months ended March 31, 2023 was 6.1 years compared to 6.4 years during the year ended December 31, 2022. Overall the portfolio weighted average rent per occupied square foot was $31.06 as of March 31, 2023 compared to $30.48 as of December 31, 2022.

- We are currently tracking approximately 700,000 square feet of new prospective tenants, including approximately 400,000 square feet of prospective tenants that have identified FSP assets on their respective short lists of potential locations.
- 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 in a post-COVID-19 environment.

Investment Highlights

- On March 10, 2023, we completed the sale of 50 Northwest Point in Elk Grove, Illinois for approximately $29.1 million in gross proceeds and recorded a gain of approximately $8.4 million. Proceeds were used primarily to reduce debt.
- We remain committed to selling select properties during 2023 and using proceeds primarily for debt reduction.
- At this time, primarily for competitive reasons and uncertainty surrounding the timing and amount of proceeds received from property dispositions, we are continuing our suspension of property disposition guidance.
- We will continue to provide quarterly updates on any disposition activity.

Dividends

- On April 7, 2023, we announced that our Board of Directors declared a quarterly cash dividend for the three months ended March 31, 2023 of $0.01 per share of common stock that will be paid on May 11, 2023 to stockholders of record on April 21, 2023.

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 (subject to further extension to September 30, 2023), increased the aggregate principal amount of the loan from $21 million to $24 million, and included certain other modifications. 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 quarter ended March 31, 2023.

Non-GAAP Financial Information

A reconciliation of Net income 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.

2023 Net Income, 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, FFO and property disposition guidance.

Real Estate Update

Supplementary schedules provide property information for the Company's owned and consolidated properties as of March 31, 2023. The Company will also be filing an updated supplemental information package that will provide stockholders and the financial community with additional operating and financial data. The Company will file this supplemental information package with the SEC and make it available on its website at www.fspreit.com.

Today's news release, along with other news about Franklin Street Properties Corp., is available on the Internet at www.fspreit.com. We routinely post information that may be important to investors in the Investor Relations section of our website. We encourage investors to consult that section of our website regularly for important information about us and, if they are interested in automatically receiving news and information as soon as it is posted, to sign up for E-mail Alerts.

Earnings Call

A conference call is scheduled for May 3, 2023 at 11:00 a.m. (ET) to discuss the first quarter 2023 results. To access the call, please dial 1-833-470-1428 and use access code 692599. Internationally, the call may be accessed by dialing 1-404-975-4839 and using access code 692599. 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) 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 seeks value-oriented investments with an eye towards 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.

Forward-Looking Statements

Statements made in this press release that state FSP's or management's intentions, beliefs, expectations, or predictions for the future may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This press release may also contain forward-looking statements, such as those relating to our ability to lease space in the future, expectations for 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 COVID-19 pandemic and other potential infectious disease outbreaks and terrorist attacks or other acts of violence, which may negatively affect the markets in which we and our tenants operate, inflation rates, increasing 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, and any delays in the timing of any such anticipated dispositions, 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, 2022, 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
Table of Contents

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 March 31, 2023	2022
Revenue:		
Rental	$ 37,767	$ 41,797
Related party revenue:		
Management fees and interest income from loans	—	460
Other	—	7
Total revenue	37,767	42,264
Expenses:		
Real estate operating expenses	12,690	12,834
Real estate taxes and insurance	6,973	8,719
Depreciation and amortization	14,727	15,670
General and administrative	3,817	3,784
Interest	5,806	5,366
Total expenses	44,013	46,373
Loss on extinguishment of debt	(67)	—
Gain on consolidation of Sponsored REIT	394	—
Gain on sale of properties, net	8,392	—
Income (loss) before taxes	2,473	(4,109)
Tax expense	67	49
Net income (loss)	$ 2,406	$ (4,158)
Weighted average number of shares outstanding, basic and diluted	103,236	103,691
Net income (loss) per share, basic and diluted	$ 0.02	$ (0.04)

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

(in thousands, except share and par value amounts)	March 31, 2023	December 31, 2022
Assets:		
Real estate assets:		
Land	$ 130,147	$ 126,645
Buildings and improvements	1,367,629	1,388,869
Fixtures and equipment	11,411	11,151
	1,509,187	1,526,665
Less accumulated depreciation	413,272	423,417
Real estate assets, net	1,095,915	1,103,248
Acquired real estate leases, less accumulated amortization of $20,170 and $20,243, respectively	9,620	10,186
Cash, cash equivalents and restricted cash	13,110	6,632
Tenant rent receivables	3,306	2,201
Straight-line rent receivable	51,703	52,739
Prepaid expenses and other assets	6,125	6,676
Related party mortgage loan receivable, less allowance for credit loss of $0 and $4,237, respectively	—	19,763
Other assets: derivative asset	—	4,358
Office computers and furniture, net of accumulated depreciation of $1,132 and $1,115, respectively	145	154
Deferred leasing commissions, net of accumulated amortization of $19,852 and $19,043, respectively	33,758	35,709
Total assets	$ 1,213,682	$ 1,241,666
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	$ 75,000	$ 48,000
Term loans payable, less unamortized financing costs of $635 and $250, respectively	124,365	164,750
Series A & Series B Senior Notes, less unamortized financing costs of $453 and $494, respectively	199,547	199,506
Accounts payable and accrued expenses	37,720	50,366
Accrued compensation	1,189	3,644
Tenant security deposits	5,740	5,710
Lease liability	655	759
Acquired unfavorable real estate leases, less accumulated amortization of $519 and $574, respectively	171	195
Total liabilities	444,387	472,930
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $.0001 par value, 20,000,000 shares authorized, none issued or outstanding	—	—
Common stock, $.0001 par value, 180,000,000 shares authorized, 103,235,914 and 103,235,914 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,334,776	1,334,776
Accumulated other comprehensive income	3,544	4,358
Accumulated distributions in excess of accumulated earnings	(569,035)	(570,408)
Total stockholders' equity	769,295	768,736
Total liabilities and stockholders' equity	$ 1,213,682	$ 1,241,666

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

(in thousands)	For the Three Months Ended March 31, 2023	2022
Cash flows from operating activities:		
Net income (loss)	$ 2,406	$ (4,158)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	15,316	16,195
Amortization of above and below market leases	(18)	(9)
Amortization of other comprehensive income into interest expense	(662)	—
Loss on extinguishment of debt	67	—
Gain on consolidation of Sponsored REIT	(394)	—
Gain on sale of properties, net	(8,392)	—
Changes in operating assets and liabilities:		
Tenant rent receivables	(1,105)	(87)
Straight-line rents	(332)	(1,216)
Lease acquisition costs	(818)	(1,069)
Prepaid expenses and other assets	(513)	(1,274)
Accounts payable and accrued expenses	(3,317)	(10,568)
Accrued compensation	(2,455)	(3,498)
Tenant security deposits	30	(382)
Payment of deferred leasing commissions	(908)	(3,706)
Net cash used in operating activities	(1,095)	(9,772)
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(11,420)	(9,952)
Consolidation of Sponsored REIT	3,048	—
Proceeds received from sales of properties	28,098	—
Net cash provided by (used in) investing activities	19,726	(9,952)
Cash flows from financing activities:		
Distributions to stockholders	(1,033)	(42,640)
Proceeds received from termination of interest rate swap	4,206	—
Stock repurchases	—	(4,843)
Borrowings under bank note payable	57,000	45,000
Repayments of bank note payable	(30,000)	(5,000)
Repayments of term loans payable	(40,000)	—
Deferred financing costs	(2,326)	(2,561)
Net cash used in financing activities	(12,153)	(10,044)
Net increase (decrease) in cash, cash equivalents and restricted cash	6,478	(29,768)
Cash, cash equivalents and restricted cash, beginning of year	6,632	40,751
Cash, cash equivalents and restricted cash, end of period	$ 13,110	$ 10,983

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

Commercial portfolio lease expirations (1)

Year	Total Square Feet	% of Portfolio
2023	256,233	4.1%
2024	705,840	11.3%
2025	436,447	7.0%
2026	608,427	9.7%
2027	321,740	5.1%
Thereafter (2)	3,934,539	62.8%
	6,263,226	100.0%

(1) Percentages are determined based upon total square footage.
(2) Includes 1,785,876 square feet of vacancies at our owned and consolidated properties as of March 31, 2023.

(dollars & square feet in 000's)	As of March 31, 2023				
State	Properties	Investment	% of Portfolio	Square Feet	% of Portfolio
Colorado	4	$ 460,360	42.0%	2,133	34.0%
Texas	9	331,302	30.2%	2,423	38.7%
Georgia	1	52,854	4.8%	160	2.6%
Minnesota	3	120,745	11.0%	758	12.1%
Virginia	1	32,008	2.9%	298	4.8%
Florida	1	70,510	6.5%	213	3.4%
Indiana	1	19,609	1.8%	214	3.4%
North Carolina	1	8,527	0.8%	64	1.0%
Total	21	$ 1,095,915	100.0%	6,263	100.0%

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
	31-Mar-23
Tenant improvements	$ 3,047
Deferred leasing costs	908
Non-investment capex	2,967
	$ 6,922

	For the Three Months Ended				Year Ended
	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Tenant improvements	$ 1,877	$ 5,453	$ 6,813	$ 7,508	$ 21,651
Deferred leasing costs	3,032	1,327	2,053	1,152	7,564
Non-investment capex	5,065	6,736	9,289	9,074	30,164
	$ 9,974	$ 13,516	$ 18,155	$ 17,734	$ 59,379

Square foot & leased percentages	March 31, 2023	December 31, 2022
Owned Properties:		
Number of properties	20	21
Square feet	6,049,466	6,239,530
Leased percentage	73.9%	75.6%
Consolidated Property - Single Asset REIT (SAR):		
Number of properties	1	—
Square feet	213,760	—
Leased percentage	4.1%	
Total Owned and Consolidated Properties:		
Number of properties	21	21
Square feet	6,263,226	6,239,530
Leased percentage	71.5%	75.6%

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

	Property Name	Location	Square Feet	% Leased (1) as of 31-Dec-22	Fourth Quarter Average % Leased (2)	% Leased (1) as of 31-Mar-23	First Quarter Average % Leased (2)
1	FOREST PARK	Charlotte, NC	64,198	78.4%	78.4%	78.4%	78.4%
	NORTHWEST POINT	Elk Grove Village, IL	—	100.0%	100.0%	(3)	(3)
2	PARK TEN	Houston, TX	157,609	78.1%	76.1%	90.8%	86.6%
3	PARK TEN PHASE II	Houston, TX	156,746	95.0%	95.0%	95.0%	95.0%
4	GREENWOOD PLAZA	Englewood, CO	196,236	66.3%	66.3%	66.3%	66.3%
5	ADDISON	Addison, TX	289,333	83.0%	83.0%	83.0%	83.0%
6	COLLINS CROSSING	Richardson, TX	300,887	96.1%	96.1%	97.1%	96.8%
7	INNSBROOK	Glen Allen, VA	298,183	47.8%	47.8%	47.8%	47.8%
8	LIBERTY PLAZA	Addison, TX	217,841	72.9%	74.7%	72.9%	72.9%
9	BLUE LAGOON	Miami, FL	213,182	98.5%	98.5%	98.5%	98.5%
10	ELDRIDGE GREEN	Houston, TX	248,399	100.0%	100.0%	100.0%	100.0%
11	121 SOUTH EIGHTH ST	Minneapolis, MN	298,121	85.2%	86.3%	84.5%	84.5%
12	801 MARQUETTE AVE	Minneapolis, MN	129,691	91.8%	91.8%	91.8%	91.8%
13	LEGACY TENNYSON CTR	Plano, TX	209,461	49.0%	46.2%	49.0%	49.0%
14	ONE LEGACY	Plano, TX	214,110	64.7%	64.7%	69.3%	69.3%
15	WESTCHASE I & II	Houston, TX	629,025	63.5%	63.7%	59.0%	60.3%
16	1999 BROADWAY	Denver, CO	680,255	66.9%	66.9%	61.9%	65.2%
17	1001 17TH STREET	Denver, CO	644,785	70.2%	70.1%	70.8%	70.3%
18	PLAZA SEVEN	Minneapolis, MN	330,096	79.3%	79.3%	65.0%	71.6%
19	PERSHING PLAZA	Atlanta, GA	160,145	79.2%	79.2%	79.8%	79.8%
20	600 17TH STREET	Denver, CO	611,163	78.3%	78.0%	80.5%	79.3%
	OWNED PORTFOLIO		**6,049,466**	**75.6%**	**75.9%**	**73.9%**	**74.9%**
21	MONUMENT CIRCLE (4)	Charlotte, NC	213,760	(4)	(4)	4.1%	4.1%
	OWNED & CONSOLIDATED PORTFOLIO		**6,263,226**	**75.6%**	**75.9%**	**71.5%**	**72.5%**

(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 March 10, 2023.
(4) Consolidated property as of January 1, 2023, previously was 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 March 31, 2023

	Tenant	Sq Ft	% of Portfolio
1	CITGO Petroleum Corporation	248,399	4.0%
2	EOG Resources, Inc.	169,167	2.7%
3	US Government	168,573	2.7%
4	Lennar Homes, LLC	155,808	2.5%
5	Kaiser Foundation Health Plan	120,979	1.9%
6	Argo Data Resource Corporation	114,200	1.8%
7	Swift, Currie, McGhee & Hiers, LLP	101,296	1.6%
8	Deluxe Corporation	98,922	1.6%
9	Ping Identity Corp.	89,856	1.4%
10	Permian Resources Operating, LLC	67,856	1.1%
11	Bread Financial Payments, Inc.	67,274	1.1%
12	PricewaterhouseCoopers LLP	66,304	1.1%
13	Hall and Evans LLC	65,878	1.1%
14	Cyxtera Management, Inc.	61,826	1.0%
15	Precision Drilling (US) Corporation	59,569	1.0%
16	Schwegman, Lundberg & Woessner, P.A.	58,263	0.9%
17	EMC Corporation	57,100	0.9%
18	ID Software, LLC	57,100	0.9%
19	Olin Corporation	54,080	0.9%
20	Unique Vacations	53,119	0.8%
	Total	1,935,569	31.0%

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 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 Income to FFO and AFFO:	Three Months Ended March 31,	
(In thousands, except per share amounts)	2023	2022
Net income (loss)	$ 2,406	$ (4,158)
Gain on consolidation of Sponsored REIT	(394)	—
Gain on sale of properties, net	(8,392)	—
Depreciation & amortization	14,709	15,661
NAREIT FFO	8,329	11,503
Lease Acquisition costs	78	79
Funds From Operations (FFO)	$ 8,407	$ 11,582
Funds From Operations (FFO)	$ 8,407	$ 11,582
Loss on extinguishment of debt	67	—
Amortization of deferred financing costs	589	526
Straight-line rent	(331)	(1,216)
Tenant improvements	(3,047)	(1,877)
Leasing commissions	(908)	(3,032)
Non-investment capex	(2,967)	(5,065)
Adjusted Funds From Operations (AFFO)	$ 1,810	$ 918
Per Share Data		
EPS	$ 0.02	$ (0.04)
FFO	$ 0.08	$ 0.11
AFFO	$ 0.02	$ 0.01
Weighted average shares (basic and diluted)	103,236	103,691

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")

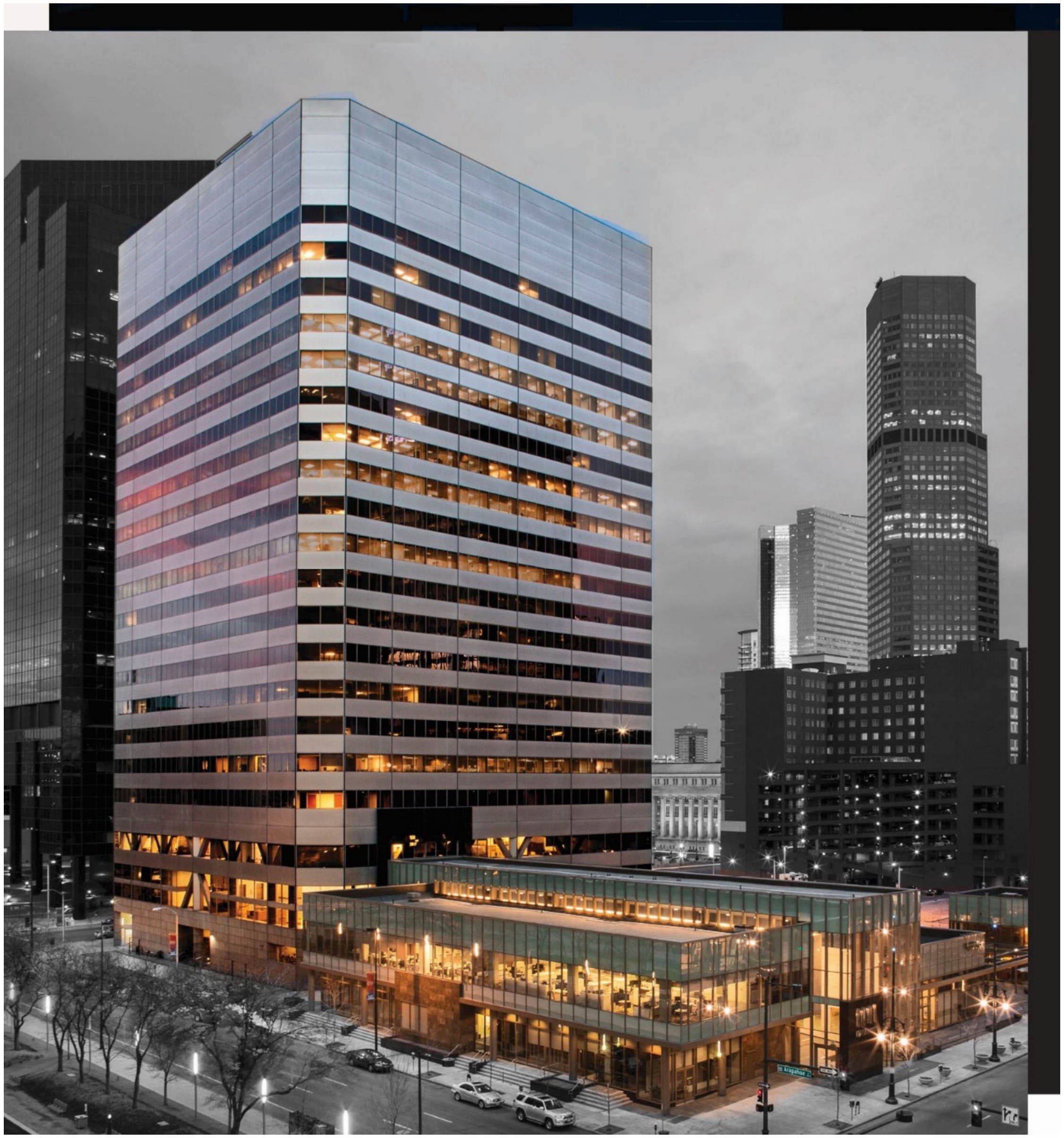
The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) 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 31-Mar-23	Three Months Ended 31-Dec-22	Inc (Dec)	% Change
Region					
East	362	$ 478	$ 526	$ (48)	(9.1)%
MidWest	758	2,239	2,406	(167)	(6.9)%
South	2,797	7,933	7,896	37	0.5 %
West	2,132	6,422	6,028	394	6.5 %
Property NOI* from Owned Properties	6,049	17,072	16,856	216	1.3 %
Disposition and Acquisition Properties (a)	214	668	1,359	(691)	(3.9)%
NOI*	6,263	$ 17,740	$ 18,215	$ (475)	(2.6)%
Sequential Same Store		$ 17,072	$ 16,856	$ 216	1.3 %
Less Nonrecurring Items in NOI* (b)		1,292	818	474	(2.9)%
Comparative Sequential Same Store		$ 15,780	$ 16,038	$ (258)	(1.6)%

Reconciliation to Net income (loss)	Three Months Ended 31-Mar-23	Three Months Ended 31-Dec-22
Net income (loss)	$ 2,406	$ (2,884)
Add (deduct):		
Loss on extinguishment of debt	67	—
Gain on consolidation of Sponsored REIT	(394)	—
Impairment and loan loss reserve	—	2,380
Gain on sale of properties, net	(8,392)	(3,862)
Management fee income	(374)	(295)
Depreciation and amortization	14,727	14,805
Amortization of above/below market leases	(18)	(30)
General and administrative	3,817	2,888
Interest expense	5,806	5,668
Interest income	—	(460)
Non-property specific items, net	95	5
NOI*	$ 17,740	$ 18,215

(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.

*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

First Quarter 2023
Table of Contents

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, increasing inflation, the COVID-19 pandemic and other potential infectious disease outbreaks and terrorist attacks or other acts of violence, which may negatively affect the markets in which we and our tenants operate, increasing 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, any inability to dispose of properties on acceptable terms and any delays in the timing of any such anticipated dispositions, 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.

1999 Broadway, Denver, CO

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 seeks value-oriented investments with an eye towards 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 March 31, 2023, the Company owned a portfolio of real estate consisting of 20 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

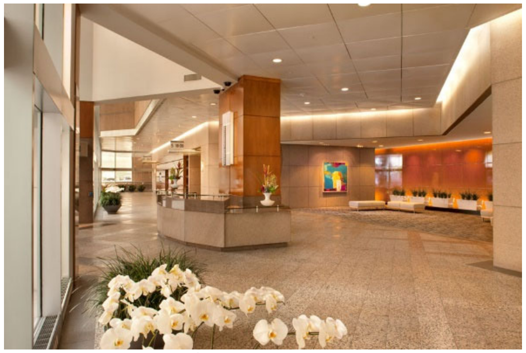
Inquiries

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

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

Snapshot (as of March 31, 2023)

Corporate Headquarters	Wakefield, MA
Fiscal Year-End	31-Dec
Owned & Consolidated Properties	21
Total Square Feet	6.3 Million
Trading Symbol	FSP
Exchange	NYSE American
Common Shares Outstanding	103,235,914
Total Market Capitalization	$0.6 Billion (1)
Insider Holdings	6.06%



600 17th Street, Denver, CO

Summary of Financial Highlights

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

	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
Income Items:					
Rental revenue	$ 37,767	$ 40,745	$ 40,366	$ 40,831	$ 41,797
Total revenue	37,767	41,211	40,836	41,304	42,264
Net income (loss)	2,406	(2,884)	17,246	(9,110)	(4,158)
Adjusted EBITDA*	14,269	16,112	15,250	15,891	16,918
FFO*	8,407	10,463	9,041	10,257	11,582
AFFO*	1,810	(8,681)	(9,735)	(4,072)	918
Per Share Data:					
EPS	$ 0.02	$ (0.03)	$ 0.17	$ (0.09)	$ (0.04)
FFO*	$ 0.08	$ 0.10	$ 0.09	$ 0.10	$ 0.11
AFFO*	$ 0.02	$ (0.08)	$ (0.09)	$ (0.04)	$ 0.01
Weighted Average Shares (diluted)	103,236	103,236	103,236	103,193	103,691
Closing share price	$ 1.57	$ 2.73	$ 2.63	$ 4.17	$ 5.90
Dividend declared	$ 0.01	$ 0.01	$ 0.01	$ 0.09	$ 0.09
Balance Sheet Items:					
Real estate, net	$ 1,095,915	$ 1,103,248	$ 1,118,983	$ 1,186,157	$ 1,187,348
Other assets, net	117,767	138,418	143,087	145,562	149,772
Total assets, net	1,213,682	1,241,666	1,262,070	1,331,719	1,337,120
Total liabilities, net	444,387	472,930	489,509	577,687	567,234
Shareholders' equity	769,295	768,736	772,561	754,032	769,886
Market Capitalization and Debt:					
Total Market Capitalization (a)	$ 562,080	$ 694,834	$ 701,510	$ 960,494	$ 1,123,596
Total debt outstanding (excluding unamortized financing costs)	$ 400,000	$ 413,000	$ 430,000	$ 530,000	$ 515,000
Debt to Total Market Capitalization	71.2%	59.4%	61.3%	55.2%	45.8%
Net Debt to Adjusted EBITDA ratio*	6.8	6.3	6.9	8.3	7.4
Owned Properties Leasing Statistics (b):					
Owned properties assets	20	21	22	24	24
Owned properties total SF	6,049,466	6,239,530	6,433,954	6,915,715	6,915,609
Owned properties % leased	73.9%	75.6%	75.9%	76.3%	77.3%

(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 25 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 27.

Condensed Consolidated Income Statements

($ in thousands, except per share amounts)

	For the Three Months Ended	For the Three Months Ended				For the Year Ended
	31-Mar-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Revenue:						
Rental	$ 37,767	$ 41,797	$ 40,831	$ 40,366	$ 40,745	$ 163,739
Related party revenue:						
Management fees and interest income from loans	—	460	467	466	462	1,855
Other	—	7	6	4	4	21
Total revenue	**37,767**	**42,264**	**41,304**	**40,836**	**41,211**	**165,615**
Expenses:						
Real estate operating expenses	12,690	12,834	12,344	13,369	14,273	52,820
Real estate taxes and insurance	6,973	8,719	9,043	8,951	7,907	34,620
Depreciation and amortization	14,727	15,670	18,186	15,148	14,804	63,808
General and administrative	3,817	3,784	3,981	3,232	2,888	13,885
Interest	5,806	5,366	5,664	6,110	5,668	22,808
Total expenses	**44,013**	**46,373**	**49,218**	**46,810**	**45,540**	**187,941**
Loss on extinguishment of debt	(67)	—	—	(78)	—	(78)
Gain on consolidation of Sponsored REIT	394	—	—	—	—	—
Impairment and loan loss reserve	—	—	(1,140)	(717)	(2,380)	(4,237)
Gain on sale of properties, net	8,392	—	—	24,077	3,862	27,939
Income (loss) before taxes on income	2,473	(4,109)	(9,054)	17,308	(2,847)	1,298
Tax expense on income	67	49	56	62	37	204
Net income (loss)	**$ 2,406**	**$ (4,158)**	**$ (9,110)**	**$ 17,246**	**$ (2,884)**	**$ 1,094**
Weighted average number of shares outstanding, basic and diluted	103,236	103,691	103,193	103,236	103,236	103,338
Net income (loss) per share, basic and diluted	**$ 0.02**	**$ (0.04)**	**$ (0.09)**	**$ 0.17**	**$ (0.03)**	**$ 0.01**

Condensed Consolidated Balance Sheets

(in thousands)

	March 31, 2023	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Assets:					
Real estate assets:					
Land	$ 130,147	$ 146,844	$ 146,844	$ 131,556	$ 126,645
Buildings and improvements	1,367,629	1,465,312	1,477,913	1,397,303	1,388,869
Fixtures and equipment	11,411	11,819	12,192	10,656	11,151
	1,509,187	1,623,975	1,636,949	1,539,515	1,526,665
Less accumulated depreciation	413,272	436,627	450,792	420,532	423,417
Real estate assets, net	1,095,915	1,187,348	1,186,157	1,118,983	1,103,248
Acquired real estate leases, net	9,620	13,453	12,373	11,177	10,186
Cash, cash equivalents and restricted cash	13,110	10,983	4,693	8,717	6,632
Tenant rent receivables, net	3,306	2,041	2,627	1,309	2,201
Straight-line rent receivable, net	51,703	51,309	54,354	50,885	52,739
Prepaid expenses and other assets	6,125	7,403	6,863	6,961	6,676
Related party mortgage loan receivable, less allowance for credit loss	—	24,000	22,860	22,143	19,763
Other assets: derivative asset	—	—	1,951	4,266	4,358
Office computers and furniture, net of accumulated depreciation	145	204	187	170	154
Deferred leasing commissions, net	33,758	40,379	39,654	37,459	35,709
Total assets	**$ 1,213,682**	**$ 1,337,120**	**$ 1,331,719**	**$ 1,262,070**	**$ 1,241,666**
Liabilities and Stockholders' Equity:					
Liabilities:					
Bank note payable	$ 75,000	$ 40,000	$ 55,000	$ 65,000	$ 48,000
Term loan payable, net of unamortized financing costs	124,365	274,402	274,518	164,692	164,750
Series A & Series B Senior Notes	199,547	199,383	199,424	199,465	199,506
Accounts payable and accrued expenses	37,720	44,700	39,315	50,371	50,366
Accrued compensation	1,189	1,206	2,252	3,159	3,644
Tenant security deposits	5,740	5,837	5,819	5,726	5,710
Lease liability	655	1,061	962	862	759
Other liabilities: derivative liabilities	—	195	—	—	—
Acquired unfavorable real estate leases, net	171	450	397	234	195
Total liabilities	**444,387**	**567,234**	**577,687**	**489,509**	**472,930**
Commitments and contingencies					
Stockholders' Equity:					
Preferred stock	—	—	—	—	—
Common stock	10	10	10	10	10
Additional paid-in capital	1,334,776	1,334,383	1,334,776	1,334,776	1,334,776
Accumulated other comprehensive (income) loss	3,544	(195)	1,951	4,266	4,358
Accumulated distributions in excess of accumulated earnings	(569,035)	(564,312)	(582,705)	(566,491)	(570,408)
Total stockholders' equity	**769,295**	**769,886**	**754,032**	**772,561**	**768,736**
Total liabilities and stockholders' equity	**$ 1,213,682**	**$ 1,337,120**	**$ 1,331,719**	**$ 1,262,070**	**$ 1,241,666**

Condensed Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash flows from operating activities:		
Net income (loss)	$ 2,406	$ (4,158)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	15,316	16,195
Amortization of above and below market leases	(18)	(9)
Amortization of other comprehensive income into interest expense	(662)	—
Loss on extinguishment of debt	67	—
Gain on consolidation of Sponsored REIT	(394)	—
Gain on sale of properties, net	(8,392)	—
Changes in operating assets and liabilities:		
Tenant rent receivables	(1,105)	(87)
Straight-line rents	(332)	(1,216)
Lease acquisition costs	(818)	(1,069)
Prepaid expenses and other assets	(513)	(1,274)
Accounts payable and accrued expenses	(3,317)	(10,568)
Accrued compensation	(2,455)	(3,498)
Tenant security deposits	30	(382)
Payment of deferred leasing commissions	(908)	(3,706)
Net cash used in operating activities	**(1,095)**	**(9,772)**
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(11,420)	(9,952)
Consolidation of Sponsored REIT	3,048	—
Proceeds received from sales of properties	28,098	—
Net cash provided by (used in) investing activities	**19,726**	**(9,952)**
Cash flows from financing activities:		
Distributions to stockholders	(1,033)	(42,640)
Stock repurchases	—	(4,843)
Proceeds received from termination of interest rate swap	4,206	—
Borrowings under bank note payable	57,000	45,000
Repayments of bank note payable	(30,000)	(5,000)
Repayment of term loan payable	(40,000)	—
Deferred financing costs	(2,326)	(2,561)
Net cash used in financing activities	**(12,153)**	**(10,044)**
Net increase (decrease) in cash, cash equivalents and restricted cash	6,478	(29,768)
Cash, cash equivalents and restricted cash, beginning of period	6,632	40,751
Cash, cash equivalents and restricted cash, end of period	**$ 13,110**	**$ 10,983**

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

(in thousands)	Rentable Square Feet or RSF	Three Months Ended 31-Mar-23	Three Months Ended 31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Year Ended 31-Dec-22	Inc (Dec)	% Change
Region									
East	362	$ 478	$ 497	$ 474	$ 392	$ 526	$ 1,889	$ (19)	(3.8)%
MidWest	758	2,239	2,478	3,038	2,486	2,406	10,408	(239)	(9.6)%
South	2,797	7,933	5,817	5,611	5,902	7,896	25,226	2,116	36.4 %
West	2,132	6,422	8,070	6,609	6,401	6,028	27,108	(1,648)	(20.4)%
Property NOI* from Owned Properties	6,049	17,072	16,862	15,732	15,181	16,856	64,631	210	1.2 %
Disposition and Acquisition Properties (a)	214	668	2,719	3,386	2,487	1,359	9,951	(2,051)	(10.6)%
Property NOI*	6,263	$ 17,740	$ 19,581	$ 19,118	$ 17,668	$ 18,215	$ 74,582	$ (1,841)	(9.4)%
Same Store		$ 17,072	$ 16,862	$ 15,732	$ 15,181	$ 16,856	$ 64,631	$ 210	1.2 %
Less Nonrecurring Items in NOI* (b)		1,292	273	1,258	494	818	2,843	1,019	(6.1)%
Comparative Same Store		$ 15,780	$ 16,589	$ 14,474	$ 14,687	$ 16,038	$ 61,788	$ (809)	(4.9)%

(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 27.

FFO* & AFFO* Reconciliation

(in thousands, except per share amounts)

	Three Months Ended 31-Mar-23	Three Months Ended 31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Year Ended 31-Dec-22
Net income (loss)	$ 2,406	$ (4,158)	$ (9,110)	$ 17,246	$ (2,884)	$ 1,094
Gain on consolidation of Sponsored REIT	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	1,140	717	2,380	4,237
Gain on sale of properties, net	(8,392)	—	—	(24,077)	(3,862)	(27,939)
Depreciation & amortization	14,709	15,661	18,141	15,114	14,773	63,689
NAREIT FFO*	8,329	11,503	10,171	9,000	10,407	41,081
Lease Acquisition costs	78	79	86	41	56	262
Funds From Operations (FFO)*	$ 8,407	$ 11,582	$ 10,257	$ 9,041	$ 10,463	$ 41,343
Adjusted Funds From Operations (AFFO)*						
Funds From Operations (FFO)*	$ 8,407	$ 11,582	$ 10,257	$ 9,041	$ 10,463	$ 41,343
Loss on extinguishment of debt	67	—	—	78	—	78
Amortization of deferred financing costs	589	526	481	461	421	1,889
Shares issued as compensation	—	—	394	—	—	394
Straight-line rent	(331)	(1,216)	(1,688)	(1,160)	(1,831)	(5,895)
Tenant improvements	(3,047)	(1,877)	(5,453)	(6,813)	(7,508)	(21,651)
Leasing commissions	(908)	(3,032)	(1,327)	(2,053)	(1,152)	(7,564)
Non-investment capex	(2,967)	(5,065)	(6,736)	(9,289)	(9,074)	(30,164)
Adjusted Funds From Operations (AFFO)*	$ 1,810	$ 918	$ (4,072)	$ (9,735)	$ (8,681)	$ (21,570)
Per Share Data:						
EPS	$ 0.02	$ (0.04)	$ (0.09)	$ 0.17	$ (0.03)	$ 0.01
FFO*	0.08	0.11	0.10	0.09	0.10	0.40
AFFO*	0.02	0.01	(0.04)	(0.09)	(0.08)	(0.21)
Weighted Average Shares (basic and diluted)	103,236	103,691	103,193	103,236	103,236	103,338

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 27.

EBITDA* & Adjusted EBITDA* Reconciliation

(in thousands, except ratio amounts)

	Three Months Ended	Three Months Ended				Year Ended
	31-Mar-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	$ 2,406	$ (4,158)	$ (9,110)	$ 17,246	$ (2,884)	$ 1,094
Interest expense	5,806	5,366	5,664	6,110	5,668	22,808
Depreciation and amortization	14,709	15,661	18,141	15,114	14,773	63,689
Income taxes	67	49	56	62	37	204
EBITDA*	$ 22,988	$ 16,918	$ 14,751	$ 38,532	$ 17,594	$ 87,795
Loss on extinguishment of debt	67	—	—	78	—	78
Gain on consolidation of Sponsored REIT	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	1,140	717	2,380	4,237
Gain on sale of properties, net	(8,392)	—	—	(24,077)	(3,862)	(27,939)
Adjusted EBITDA*	$ 14,269	$ 16,918	$ 15,891	$ 15,250	$ 16,112	$ 64,171
Interest expense	$ 5,806	$ 5,366	$ 5,664	$ 6,110	$ 5,668	$ 22,808
Scheduled principal payments	—	—	—	—	—	—
Interest and scheduled principal payments	$ 5,806	$ 5,366	$ 5,664	$ 6,110	$ 5,668	$ 22,808
Interest coverage ratio	2.46	3.15	2.81	2.50	2.84	2.81
Debt service coverage ratio	2.46	3.15	2.81	2.50	2.84	2.81
Debt excluding unamortized financing costs	$ 400,000	$ 515,000	$ 530,000	$ 430,000	$ 413,000	
Cash, cash equivalents and restricted cash	13,110	10,983	4,693	8,717	6,632	
Net Debt (Debt less Cash, cash equivalents and restricted cash)	$ 386,890	$ 504,017	$ 525,307	$ 421,283	$ 406,368	
Adjusted EBITDA*	$ 14,269	$ 16,918	$ 15,891	$ 15,250	$ 16,112	
Annualized	$ 57,076	$ 67,672	$ 63,564	$ 61,000	$ 64,448	
Net Debt-to-Adjusted EBITDA ratio*	6.8	7.4	8.3	6.9	6.3	

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 27.

Reconciliation of Net Income (Loss) to Property NOI*

(in thousands)

	Three Months Ended	Three Months Ended				Year Ended
	31-Mar-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	$ 2,406	$ (4,158)	$ (9,110)	$ 17,246	$ (2,884)	$ 1,094
Add (deduct):						
Loss on extinguishment of debt	67	—	—	78	—	78
Gain on consolidation of Sponsored REIT	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	1,140	717	2,380	4,237
Gain on sale of properties, net	(8,392)	—	—	(24,077)	(3,862)	(27,939)
Management fee income	(374)	(291)	(267)	(274)	(295)	(1,127)
Depreciation and amortization	14,727	15,670	18,185	15,148	14,805	63,808
Amortization of above/below market leases	(18)	(9)	(45)	(34)	(30)	(118)
General and administrative	3,817	3,784	3,981	3,233	2,888	13,886
Interest expense	5,806	5,366	5,664	6,110	5,668	22,808
Interest income	—	(451)	(455)	(461)	(460)	(1,827)
Non-property specific items, net	95	(330)	25	(18)	5	(318)
Property NOI*	$ 17,740	$ 19,581	$ 19,118	$ 17,668	$ 18,215	$ 74,582

* See Appendix for Non-GAAP Financial Measures Definitions beginning on page 27.

Debt Summary
(in thousands)

	Maturity Date	Maximum Amount of Loan	Amount Drawn at 31-Mar-23	Interest Rate (a) Components	Interest Rate at 31-Mar-23	Facility Fee
BofA Revolver	1-Oct-24	$ 150,000	$ 75,000	SOFR + 3.00%	7.92%	0.35%
BMO Term Loan Tranche B	1-Oct-24	125,000	125,000	SOFR + 3.00%	7.91%	
Series A Senior Notes	20-Dec-24	116,000	116,000		4.49%	
Series B Senior Notes	20-Dec-27	84,000	84,000		4.76%	
		$ 475,000	$ 400,000		6.26%	

- The table above is a summary of our debt as of March 31, 2023. Additional information on our debt can be found in our Annual Report on Form 10-K for the year ended December 31, 2022, as updated in our 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 10, 2023, we entered into an amendment to the credit agreement evidencing our $165 million BMO Term Loan. On February 10, 2023, as part of the amendment to the BMO Term Loan, we repaid a $40 million portion of the BMO Term Loan, so that $125 million remains outstanding under the BMO Term Loan. On or before April 1, 2024, we are required to repay an additional $25 million of the BMO Term Loan. The amendment, among other items, extended the maturity date from January 31, 2024 to October 1, 2024, changed the interest rate from a number of basis points over LIBOR depending on our credit rating to 300 basis points over SOFR, and made certain changes to conditions and covenants.
- On February 10, 2023, we entered into an amendment to the credit agreement evidencing our BofA Revolver. The amendment, among other items, extended the maturity date from January 12, 2024 to October 1, 2024, reduced availability from $237.5 million to $150 million, with further reductions to $125 million effective October 1, 2023 and to $100 million effective April 1, 2024, changed the interest rate from a number of basis points over SOFR depending on our credit rating to 300 basis points over SOFR, and made certain changes to conditions and covenants.
- As of March 31, 2023, the BofA Revolver was subject to a 35 basis point facility fee on the unused portion of the facility.
- We incurred financing costs, some of which are deferred and amortized into interest expense during the terms of the loans we execute.

(a) Interest rates exclude amortization of deferred financing costs and facility fees, which is discussed in the notes above.

Capital Analysis

(in thousands, except per share amounts)

	31-Mar-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22
Market Data:					
Shares Outstanding	103,236	103,152	103,236	103,236	103,236
Closing market price per share	$ 1.57	$ 5.90	$ 4.17	$ 2.63	$ 2.73
Market capitalization	$ 162,080	$ 608,596	$ 430,494	$ 271,510	$ 281,834
Total debt outstanding excluding unamortized financing costs	400,000	515,000	530,000	430,000	413,000
Total Market Capitalization	$ 562,080	$ 1,123,596	$ 960,494	$ 701,510	$ 694,834
Dividend Data:					
Total dividends declared for the quarter	$ 1,033	$ 9,360	$ 9,284	$ 1,032	$ 1,032
Common dividend declared per share	$ 0.01	$ 0.09	$ 0.09	$ 0.01	$ 0.01
Declared dividend as a % of Net income (loss) per share	43%	(224)%	(102)%	6%	(36)%
Declared dividend as a % of AFFO* per share	57%	1017%	(228)%	(11)%	(12)%
Liquidity:					
Cash, cash equivalents and restricted cash	$ 13,110	$ 10,983	$ 4,693	$ 8,717	$ 6,632
Revolver:					
Gross potential available under the BofA Revolver	150,000	237,500	237,500	237,500	237,500
Less:					
Outstanding balance	(75,000)	(40,000)	(55,000)	(65,000)	(48,000)
Total Liquidity	$ 88,110	$ 208,483	$ 187,193	$ 181,217	$ 196,132

* See page 9 for a reconciliation of Net Income (Loss) to AFFO and the Appendix for Non-GAAP Financial Measures Definitions beginning on page 27.

Owned & Consolidated Portfolio Overview

	As of the Quarter Ended				
	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
Total Owned Properties:					
Number of properties	20	21	22	24	24
Square feet	6,049,466	6,239,530	6,433,954	6,915,715	6,915,609
Leased percentage	73.9%	75.6%	75.9%	76.3%	77.3%
Consolidated Property - Single Asset REIT (SAR):					
Number of properties	1	—	—	—	—
Square feet	213,760	—	—	—	—
Leased percentage	4.1%				
Total Owned and Consolidated Properties:					
Number of properties	21	21	22	24	24
Square feet	6,263,226	6,239,530	6,433,954	6,915,715	6,915,609
Leased percentage	71.5%	75.6%	75.9%	76.3%	77.3%

Owned & Consolidated Portfolio Overview

Owned Properties:

MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
East Region						
Richmond, VA						
Innsbrook	Glen Allen	VA	298,183	47.8%	47.8%	$ 19.33
Charlotte, NC						
Forest Park	Charlotte	NC	64,198	78.4%	78.4%	23.43
East Region Total			362,381	53.2%	53.2%	$ 20.40

MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
Midwest Region						
Minneapolis						
121 South 8th Street	Minneapolis	MN	298,121	84.5%	84.5%	$ 25.06
801 Marquette Ave	Minneapolis	MN	129,691	91.8%	91.8%	24.35
Plaza Seven	Minneapolis	MN	330,096	65.0%	71.6%	29.74
Indianapolis, IN						
Monument Circle (c)	Indianapolis	IN	213,760	4.1%	4.1%	31.97
Midwest Region Total			971,668	61.1%	63.4%	$ 26.82

(a) Weighted Occupied Percentage for the three months ended March 31, 2023.
(b) Weighted Average GAAP Rent per Occupied Square Foot.
(c) Consolidated as of January 1, 2023, property held by Single Asset REIT (SAR).

Owned & Consolidated Portfolio Overview

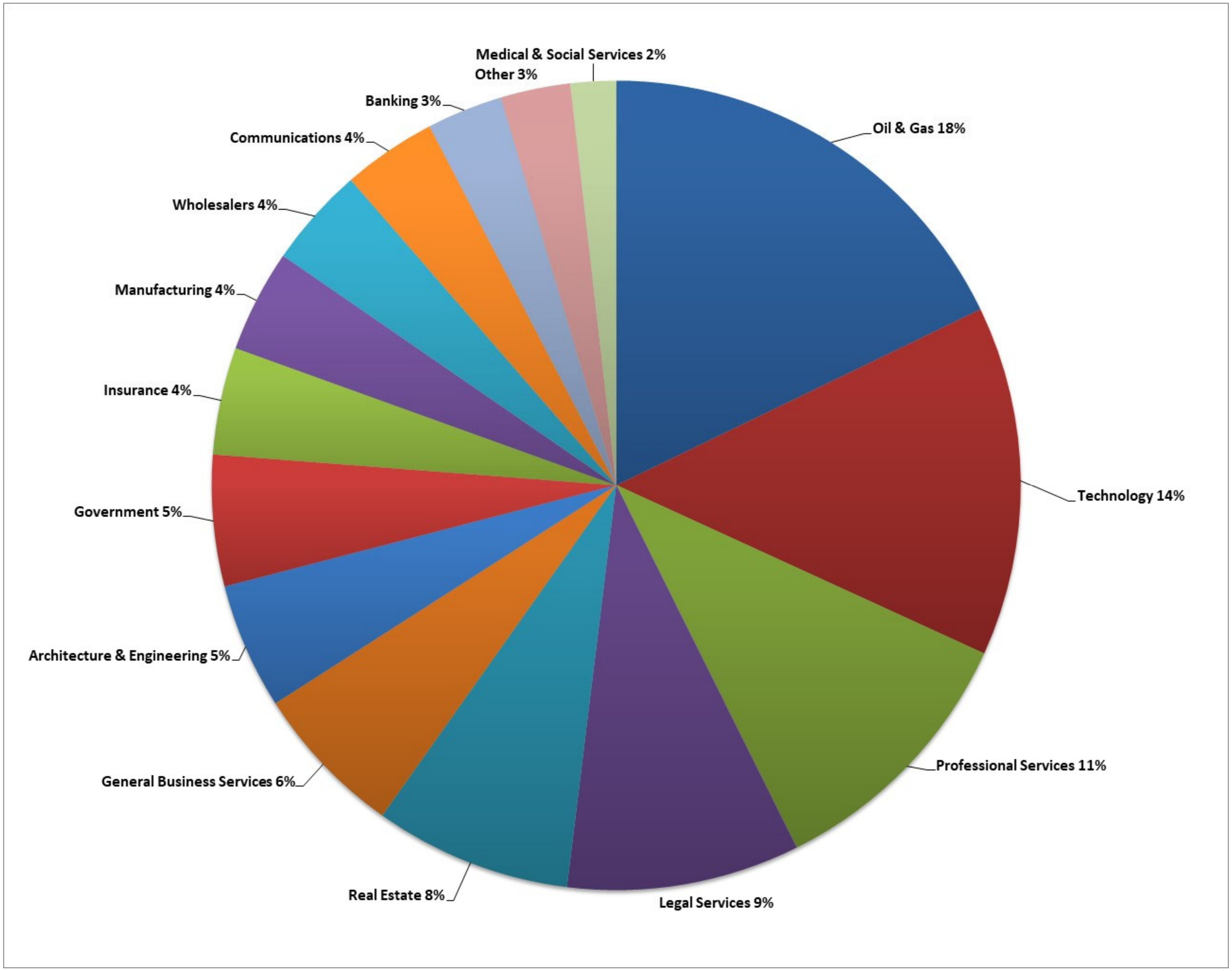
MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
South Region						
Dallas-Fort Worth						
Legacy Tennyson Center	Plano	TX	209,461	49.0%	49.0%	$ 29.05
One Legacy Circle	Plano	TX	214,110	69.3%	63.7%	38.64
Addison Circle	Addison	TX	289,333	83.0%	83.0%	34.63
Collins Crossing	Richardson	TX	300,887	97.1%	96.1%	26.38
Liberty Plaza	Addison	TX	217,841	72.9%	72.9%	24.08
Houston						
Park Ten	Houston	TX	157,609	90.8%	72.0%	28.79
Eldridge Green	Houston	TX	248,399	100.0%	100.0%	26.68
Park Ten Phase II	Houston	TX	156,746	95.0%	95.0%	29.13
Westchase I & II	Houston	TX	629,025	59.0%	58.6%	27.34
Miami-Ft. Lauderdale-West Palm Beach						
Blue Lagoon Drive	Miami	FL	213,182	98.5%	73.6%	41.87
Atlanta						
Pershing Plaza	Atlanta	GA	160,145	79.8%	79.8%	39.03
South Region Total			2,796,738	78.4%	74.8%	$ 30.55

MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
West Region						
Denver						
1999 Broadway	Denver	CO	680,255	61.9%	65.0%	$ 34.25
Greenwood Plaza	Englewood	CO	196,236	66.3%	66.3%	26.44
1001 17th Street	Denver	CO	644,785	70.8%	69.9%	37.92
600 17th Street	Denver	CO	611,163	80.5%	76.8%	34.96
West Region Total			2,132,439	70.3%	70.0%	$ 34.90
Total Owned & Consolidated Properties			6,263,226	71.5%	70.1%	$ 31.06

(a) Weighted Occupied Percentage for the three months ended ended March 31, 2023.
(b) Weighted Average GAAP Rent per Occupied Square Foot.

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	120	248,399	4.0%	$	7,064,468	5.1%
2	EOG Resources, Inc.	1	45	169,167	2.7%		6,237,187	4.5%
3	US Government (b)	2	34, 94	168,573	2.7%		6,339,490	4.5%
4	Lennar Homes, LLC	1	168	155,808	2.5%		6,450,451	4.6%
5	Kaiser Foundation Health Plan	1	14	120,979	1.9%		3,971,812	2.8%
6	Argo Data Resource Corporation (c)	1	5, 89	114,200	1.8%		3,444,272	2.5%
7	Swift, Currie, McGhee & Hiers, LLP	1	126	101,296	1.6%		4,111,908	3.0%
8	Deluxe Corporation	1	172	98,922	1.6%		2,955,910	2.1%
9	Ping Identity Corp.	1	39	89,856	1.4%		3,673,313	2.6%
10	Permian Resources Operating, LLC	1	103	67,856	1.1%		2,876,416	2.1%
11	Bread Financial Payments, Inc.	1	39	67,274	1.1%		2,828,872	2.0%
12	PricewaterhouseCoopers LLP	1	70	66,304	1.1%		2,323,323	1.7%
13	Hall and Evans LLC	1	77	65,878	1.1%		2,516,081	1.8%
14	Cyxtera Management, Inc.	1	82	61,826	1.0%		2,404,413	1.7%
15	Precision Drilling (US) Corporation	1	62	59,569	1.0%		2,059,896	1.5%
16	Schwegman, Lundberg & Woessner, P.A. (d)	1	2, 58	58,263	0.9%		1,748,141	1.3%
17	EMC Corporation	1	18	57,100	0.9%		1,727,275	1.2%
18	ID Software, LLC	1	74	57,100	0.9%		1,687,605	1.2%
19	Olin Corporation	1	84	54,080	0.9%		1,684,592	1.2%
20	Unique Vacations (e)	1	130	53,119	0.8%		—	0.0%
			Total	**1,935,569**	**31.0%**	**$**	**66,105,425**	**47.4%**

Footnotes on next page

Footnotes:

(a) Annualized rent represents the monthly rent charged, including tenant reimbursements, for each lease in effect at March 31, 2023 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 28,550 square feet expiring in 2023. The remaining 85,650 square feet expire in 2030.
(d) Includes 11,994 square feet expiring in 2023. The remaining 46,269 square feet expire in 2028.
(e) Lease commences on June 1, 2023 and rent commences on April 1, 2024.

Leasing Activity

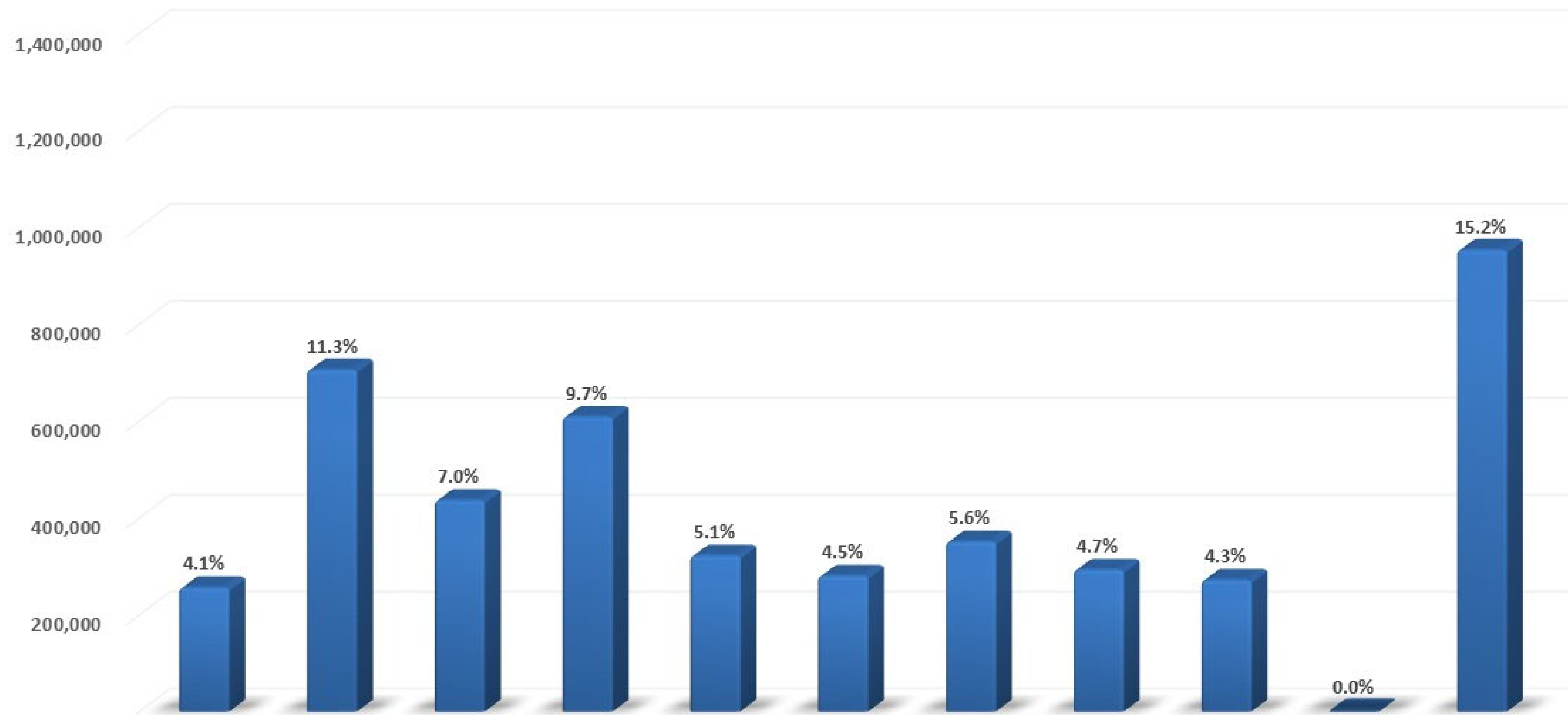
(Owned and Consolidated Properties)

Leasing Activity	Three Months Ended 31-Mar-23	Three Months Ended 31-Mar-22	Year Ended 31-Dec-22	Year Ended 31-Dec-21
(in Square Feet - SF)				
New leasing	48,000	103,000	275,000	370,000
Renewals and expansions	81,000	28,000	160,000	665,000
	129,000	131,000	435,000	1,035,000
Other information per SF				
(Activity on a year-to-date basis)				
GAAP Rents on leasing	$ 32.87	$ 33.35	$ 33.27	30.86
Weighted average lease term	6.1 Years	8.6 Years	6.4 Years	7.7 Years
Increase over average GAAP rents in prior year (a)	5.7%	2.4%	10.6%	2.5%
Average free rent	5 Months	8 Months	6 Months	7 Months
Tenant Improvements	$ 28.53	$ 52.16	$ 31.86	25.89
Leasing Costs	$ 9.71	$ 18.10	$ 11.80	11.45

(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)



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Thereafter
Total Square Feet	256,233	705,840	436,447	608,427	321,740	280,102	350,900	292,715	271,904	-	953,042

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
2023	31 (c)	256,233	$ 7,825,299	$ 30.54	5.6%	5.6%
2024	50	705,840	22,977,057	32.55	16.5%	22.1%
2025	55	436,447	14,482,960	33.18	10.4%	32.5%
2026	41	608,427	21,213,977	34.87	15.2%	47.7%
2027	22	321,740	9,726,005	30.23	7.0%	54.7%
2028	22	280,102	7,931,928	28.32	5.7%	60.4%
2029	16	350,900	10,408,862	29.66	7.5%	67.9%
2030	11	292,715	9,262,533	31.64	6.6%	74.5%
2031	8	271,904	10,028,022	36.88	7.2%	81.7%
2032	—	—	—	—	0.0%	81.7%
2033 and thereafter	51	953,042 (d)	25,587,065	26.85	18.3%	100.0%
Leased total	307	4,477,350	$ 139,443,708	$ 31.14	100.0%	
Owned property vacant SF		1,580,831				
Monument Circle vacant SF (e)		205,045				
Total Portfolio Square Footage		6,263,226				

(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 March 31, 2023 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 66,666 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 25 for more information.

Capital Expenditures

(Owned and Consolidated Properties)

(in thousands)

	For the Three Months Ended 31-Mar-23
Tenant improvements	$ 3,047
Deferred leasing costs	908
Non-investment capex	2,967
Total Capital Expenditures	$ 6,922

	For the Three Months Ended				Year Ended
	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Tenant improvements	$ 1,877	$ 5,453	$ 6,813	$ 7,508	$ 21,651
Deferred leasing costs	3,032	1,327	2,053	1,152	7,564
Non-investment capex	5,065	6,736	9,289	9,074	30,164
Total Capital Expenditures	$ 9,974	$ 13,516	$ 18,155	$ 17,734	$ 59,379

First generation leasing and investment capital was $0.3 million for the three months ended March 31, 2023 and $9.0 million for the year ended December 31, 2022.

Disposition Activity

(in thousands except for Square Feet)

Recent Dispositions:	**City**	**State**	**Square Feet**	**Date Sold**	**Gross Sale Proceeds**	**Gain (loss) on Sale**
2023						
Northwest Point	Elk Grove	IL	177,095	3/10/23	$ 29,125	$ 8,392
2022						
380 Interlocken	Broomfield	CO	240,359	8/31/22	$ 42,000	$ 5,665
390 Interlocken	Broomfield	CO	241,512	8/31/22	60,500	18,412
909 Davis	Evanston	IL	195,098	12/28/22	27,750	3,939
2021						
One Ravinia	Atlanta	GA	386,602	5/27/21	$ 74,879	$ 29,075
Two Ravinia	Atlanta	GA	411,047	5/27/21	71,771	29
One Overton Park	Atlanta	GA	387,267	5/27/21	72,850	(6,336)
Loudoun Tech Center	Dulles	VA	136,658	6/29/21	17,250	(2,148)
River Crossing	Indianapolis	IN	205,729	8/31/21	35,050	(1,734)
Timberlake	Chesterfield	MO	234,496	9/23/21	44,667	6,184
Timberlake East	Chesterfield	MO	117,036	9/23/21	22,333	4,111
999 Peachtree	Atlanta	GA	621,946	10/22/21	223,900	86,766
Meadow Point	Chantilly	VA	138,537	11/16/21	25,500	1,878
Stonecroft	Chantilly	VA	111,469	11/16/21	14,500	(4,768)
2020						
Emperor Boulevard	Durham	NC	259,531	12/23/20	$ 89,700	$ 41,928

Loan Portfolio of Secured Real Estate

(in thousands)

(dollars in thousands, except footnotes) Sponsored REIT	Location	Maturity Date	Maximum Amount of Loan	Amount Outstanding 31-Mar-23	Interest Rate at 31-Mar-23
Mortgage loan secured by property					
FSP Monument Circle LLC (1)	Indianapolis, IN	30-Jun-23	$ 24,000	$ 24,000	7.51%
			$ 24,000	$ 24,000	

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

This mortgage loan secured by the property 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 (subject to further extension to September 30, 2023), increased the aggregate principal amount of the loan from $21 million to $24 million, and included certain other modifications. 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 quarter ended March 31, 2023.

Net Asset Value Components

(in thousands except per share data)

	As of 31-Mar-23
Total Market Capitalization Values	
Shares outstanding	103,235.9
Closing price	$ 1.57
Market capitalization	$ 162,080
Debt	400,000
Total Market Capitalization	$ 562,080

NOI Components	3 Months Ended 31-Mar-23
Same Store NOI (1)	$ 17,072
Acquisitions (1) (2)	—
Property NOI (1)	17,072
Full quarter adjustment (3)	—
Stabilized portfolio	**$ 17,072**

Financial Statement Reconciliation:	
Rental Revenue	$ 37,767
Rental operating expenses	(12,690)
Real estate taxes and insurance	(6,973)
NOI from dispositions & acquisition properties	(668)
Taxes (4)	(67)
Management & other fees (5)	(297)
Property NOI (1)	$ 17,072

Assets:	
Loans outstanding on secured RE	$ —
Investments in non-consolidated SARs (book basis)	—
Straight-line rent receivable	51,703
Asset held for sale	—
Cash, cash equivalents and restricted cash	13,110
Tenant rent receivables	3,306
Prepaid expenses	2,894
Office computers and furniture	145
Other assets:	
Deferred financing costs, net	3,711
Other assets: Derivative Market Value	—
Other assets - Right-to-Use Asset	608
	$ 75,477

Liabilities:	
Debt (excluding contra for unamortized financing costs)	$ 400,000
Accounts payable & accrued expenses	38,909
Tenant security deposits	5,740
Other liabilities: lease liability	655
Other liabilities: derivative liability	—
	$ 445,304

Other information:	
Leased SF to be FFO producing during 2023 (in 000's)	136
Straight-line rental revenue current quarter	$ 331
Management fee income current quarter	$ —
Interest income from secured loans	—
Management fees and interest income from loans	$ —

Footnotes to the components

(1) See pages 11 & 30 for definitions and reconciliations.

(2) Includes NOI from acquisitions not in Same Store.

(3) Adjustment to reflect property NOI for a full quarter in the quarter acquired, if necessary.

(4) HB3 Tax in Texas is classified as an income tax, though we treat it as a real estate tax in Property NOI.

(5) Management & other fees are eliminated in consolidation but included in Property NOI.

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)

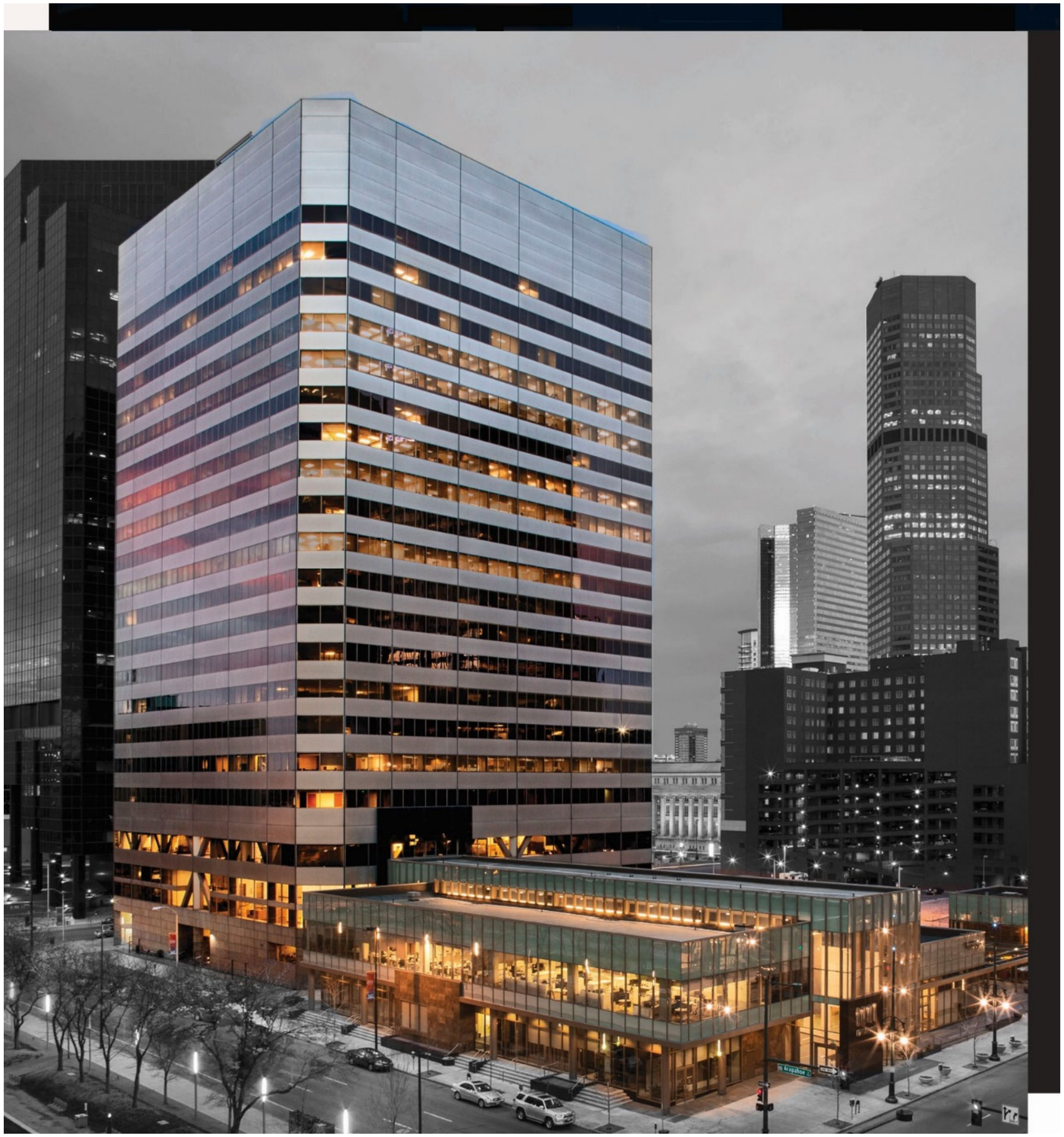
The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) 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.

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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