
**Franklin Street Properties Corp. Announces
Fourth Quarter and Full Year 2023 Results**

Wakefield, MA—February 26, 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 fourth quarter and year ended December 31, 2023.

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

“As the first 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 where we believe that short to intermediate term valuation potential has been reached and (2) strive to increase occupancy through the leasing of vacant space. We intend to use proceeds from property dispositions primarily for debt reduction.

During the fourth quarter of 2023, we sold two office properties for aggregate gross proceeds of approximately \$116 million. On October 26, 2023, we sold an office property located in Plano, Texas, known as One Legacy Circle, for gross proceeds of approximately \$48 million. On December 6, 2023, we sold an office property located in Miami, Florida, known as Blue Lagoon, for gross proceeds of approximately \$68 million. Subsequent to December 31, 2023, on January 26, 2024, we sold an office property located in Richardson, Texas, known as Collins Crossing, for gross proceeds of approximately \$35 million. Collectively, these three dispositions resulted in aggregate gross proceeds of approximately \$151 million. Since December 2020, our dispositions have resulted in aggregate gross proceeds of approximately \$1 billion and reflect an average sales price per square foot of approximately \$217.

As a result of our recent property dispositions and our ongoing operations, as of December 31, 2023, we had cash, or cash equivalents on our balance sheet of approximately \$127.9 million. On February 21, 2024, we repaid approximately \$102 million of our debt and entered into amendments of our outstanding debt facilities pursuant to which all of our debt now matures on April 1, 2026.

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

Financial Highlights

- GAAP net income was \$3.6 million and net loss of \$48.1 million, or \$0.03 and \$(0.47) per basic and diluted share for the three and twelve months ended December 31, 2023, respectively.
- Funds From Operations (FFO) was \$6.9 million and \$30.0 million, or \$0.07 and \$0.29 per basic and diluted share, for the three and twelve months ended December 31, 2023, respectively.
- Subsequent to December 31, 2023, on February 21, 2024, we repaid approximately \$102 million of debt. Immediately following the debt repayment and related transaction closing costs, including accrued interest, we had approximately \$39.2 million in cash and cash equivalents on hand.
- Subsequent to December 31, 2023, on February 21, 2024, we entered into amendments to each our bank term loan, revolving line of credit agreement and Series A and Series B notes. As a result of these amendments, we changed the maturity date and repaid the principal amounts of each as set forth in the table below. In addition, the amendment to the revolving line of credit converted the revolving loan to a term loan. Additional information on the amendments is available in our Annual Report on Form 10-K for the year ended December 31, 2023.

<u>(in 000's)</u>	Principal Amount Outstanding Prior to <u>Amendment</u>	Principal Amount <u>Repaid</u>	Principal Amount Outstanding After <u>Amendment</u>	Maturity Date Prior to <u>Amendment</u>	Maturity Date After <u>Amendment</u>
Debt					
Bank Term Loan	\$115,000	\$28,963	\$86,037	October 1, 2024	April 1, 2026
Revolving Line of Credit*	90,000	22,667	67,333	October 1, 2024	April 1, 2026
Series A Notes	116,000	29,215	86,785	December 20, 2024	April 1, 2026
Series B Notes	84,000	21,155	62,845	December 20, 2027	April 1, 2026
Total	\$405,000	\$102,000	\$303,000		

*Revolving line of credit converted to a term loan

Leasing Highlights

- During the year ended December 31, 2023, we leased approximately 706,000 square feet, including 228,000 square feet of new leases.
- Our directly owned real estate portfolio of 17 owned properties, totaling approximately 5.6 million square feet, was approximately 74.0% leased as of December 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 and property dispositions, which was partially offset by leasing completed during the year ended December 31, 2023.
- The weighted average GAAP base rent per square foot achieved on leasing activity during the year ended December 31, 2023, was \$29.71, or 7.4% higher than average rents in the respective properties for the year ended December 31, 2022. The average lease term on leases signed during the year ended December 31, 2023, was 6.8 years compared to 6.4 years during the year ended December 31, 2022. Overall, the portfolio weighted average rent per occupied square foot was \$30.72 as of December 31, 2023, compared to \$30.48 as of December 31, 2022.
- We are currently tracking more than 600,000 square feet of new prospective tenants, including approximately 300,000 square feet of prospective tenants that have identified our properties 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.

Investment Highlights

- We have primarily used asset sale disposition proceeds for debt reduction and remain committed to seeking to sell select properties during 2024 and continue using proceeds primarily for debt reduction.
- Since December 2020, our dispositions have resulted in aggregate gross proceeds of approximately \$1 billion and reflect an average sales price per square foot of approximately \$217.
- On October 26, 2023, we completed the sale of One Legacy in Plano, Texas for approximately \$48 million in gross proceeds.
- On December 6, 2023, we completed the sale of Blue Lagoon in Miami, Florida for approximately \$68 million in gross proceeds.
- Subsequent to December 31, 2023, on January 26, 2024, we completed the sale of Collins Crossing in Richardson, Texas for approximately \$35 million in gross proceeds.

Dividends

- On January 12, 2024, we announced that our Board of Directors declared a quarterly cash dividend for the three months ended December 31, 2023, of \$0.01 per share of common stock that was paid on February 15, 2024, to stockholders of record on January 26, 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 further extended to September 30, 2024. 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 3, “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.

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.

2024 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 December 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 February 27, 2024, at 11:00 a.m. (ET) to discuss the fourth quarter and full year 2023 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) 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 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, 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, 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
Table of Contents**

Franklin Street Properties Corp. Financial Results	A-C
Real Estate Portfolio Summary Information	D
Portfolio and Other Supplementary Information	E
Percentage of Leased Space	F
Largest 20 Tenants – FSP Owned Portfolio	G
Reconciliation and Definitions of Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO)	H
Reconciliation and Definition of Sequential Same Store results to Property Net Operating Income (NOI) and Net Loss	I

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 December 31,		For the Year Ended December 31,	
	2023	2022	2023	2022
Revenue:				
Rental	\$ 34,519	\$ 40,745	\$ 145,446	\$ 163,739
Related party revenue:				
Management fees and interest income from loans	—	462	—	1,855
Other	252	4	261	21
Total revenue	34,771	41,211	145,707	165,615
Expenses:				
Real estate operating expenses	13,105	14,273	50,732	52,820
Real estate taxes and insurance	5,943	7,907	27,200	34,620
Depreciation and amortization	11,958	14,804	54,738	63,808
General and administrative	3,172	2,888	14,021	13,885
Interest	6,219	5,668	24,318	22,808
Total expenses	40,397	45,540	171,009	187,941
Loss on extinguishment of debt	—	—	(106)	(78)
Gain on consolidation of Sponsored REIT	—	—	394	—
Impairment and loan loss reserve	—	(2,380)	—	(4,237)
Gain (loss) on sale of properties and impairment of assets held for sale, net	8,701	3,862	(23,384)	27,939
Interest income	567	—	567	—
Income (loss) before taxes	3,642	(2,847)	(47,831)	1,298
Tax expense	67	37	279	204
Net income (loss)	\$ 3,575	\$ (2,884)	\$ (48,110)	\$ 1,094
Weighted average number of shares outstanding, basic and diluted	103,430	103,236	103,357	103,338
Net income (loss) per share, basic and diluted	\$ 0.03	\$ (0.03)	\$ (0.47)	\$ 0.01

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

(in thousands, except share and par value amounts)	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Assets:		
Real estate assets:		
Land	\$ 110,298	\$ 126,645
Buildings and improvements	1,133,971	1,388,869
Fixtures and equipment	12,904	11,151
	1,257,173	1,526,665
Less accumulated depreciation	366,349	423,417
Real estate assets, net	890,824	1,103,248
Acquired real estate leases, less accumulated amortization of \$20,413 and \$20,243, respectively	6,694	10,186
Assets held for sale	73,318	—
Cash, cash equivalents and restricted cash	127,880	6,632
Tenant rent receivables	2,191	2,201
Straight-line rent receivable	40,397	52,739
Prepaid expenses and other assets	4,239	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 \$1,020 and \$1,115, respectively	123	154
Deferred leasing commissions, net of accumulated amortization of \$16,008 and \$19,043, respectively	23,664	35,709
Total assets	\$ 1,169,330	\$ 1,241,666
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	\$ 90,000	\$ 48,000
Term loans payable, less unamortized financing costs of \$293 and \$250, respectively	114,707	164,750
Series A & Series B Senior Notes, less unamortized financing costs of \$329 and \$494, respectively	199,670	199,506
Accounts payable and accrued expenses	41,879	50,366
Accrued compensation	3,644	3,644
Tenant security deposits	6,204	5,710
Lease liability	334	759
Acquired unfavorable real estate leases, less accumulated amortization of \$396 and \$574, respectively	87	195
Total liabilities	456,525	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, 103,430,353 and 103,235,914 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,335,091	1,334,776
Accumulated other comprehensive income	355	4,358
Accumulated distributions in excess of accumulated earnings	(622,651)	(570,408)
Total stockholders' equity	712,805	768,736
Total liabilities and stockholders' equity	\$ 1,169,330	\$ 1,241,666

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

(in thousands)	For the Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ (48,110)	\$ 1,094
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	57,240	65,697
Amortization of above and below market leases	(44)	(118)
Amortization of other comprehensive income into interest expense	(3,851)	—
Shares issued as compensation	315	394
Loss on extinguishment of debt	106	78
Gain on consolidation of Sponsored REIT	(394)	—
Impairment and loan loss reserve	—	4,237
(Gain) loss on sale of properties and impairment of assets held for sale, net	23,384	(27,939)
Changes in operating assets and liabilities:		
Tenant rent receivables	10	(247)
Straight-line rents	625	(5,895)
Lease acquisition costs	(2,007)	(4,494)
Prepaid expenses and other assets	382	(1,805)
Accounts payable and accrued expenses	(2,709)	(5,983)
Accrued compensation	—	(1,060)
Tenant security deposits	494	(509)
Payment of deferred leasing commissions	(7,575)	(8,216)
Net cash provided by operating activities	17,866	15,234
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(31,637)	(54,910)
Consolidation of Sponsored REIT	3,048	—
Proceeds received from sales of properties	142,225	128,949
Net cash provided by investing activities	113,636	74,039
Cash flows from financing activities:		
Distributions to stockholders	(4,133)	(53,988)
Proceeds received from termination of interest rate swap	4,206	—
Stock repurchases	—	(4,843)
Borrowings under bank note payable	77,000	90,000
Repayments of bank note payable	(35,000)	(42,000)
Repayments of term loans payable	(50,000)	(110,000)
Deferred financing costs	(2,327)	(2,561)
Net cash used in financing activities	(10,254)	(123,392)
Net increase (decrease) in cash, cash equivalents and restricted cash	121,248	(34,119)
Cash, cash equivalents and restricted cash, beginning of year	6,632	40,751
Cash, cash equivalents and restricted cash, end of period	\$ 127,880	\$ 6,632

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	518,878	9.0%
2025	437,374	7.6%
2026	567,886	9.8%
2027	330,757	5.7%
2028	233,589	4.0%
Thereafter (2)	3,691,058	63.9%
	<u>5,779,542</u>	<u>100.0%</u>

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

(2) Includes 1,649,948 square feet of vacancies at our owned and consolidated properties as of December 31, 2023.

(dollars & square feet in 000's)

<u>State</u>	<u>As of December 31, 2023</u>				
	<u>Properties</u>	<u>Investment</u>	<u>% of Portfolio</u>	<u>Square Feet</u>	<u>% of Portfolio</u>
Colorado	4	\$ 451,320	50.7%	2,140	37.0%
Texas (a)	8	265,449	29.8%	2,209	38.2%
Georgia (a)	1	-	0.0%	160	2.8%
Minnesota	3	117,095	13.1%	758	13.1%
Virginia	1	37,606	4.2%	298	5.2%
Indiana	1	19,354	2.2%	214	3.7%
Total	<u>18</u>	<u>\$ 890,824</u>	<u>100.0%</u>	<u>5,779</u>	<u>100.0%</u>

(a) Includes one property in each state that was classified as an asset held for sale as of December 31, 2023.

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				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>

(in thousands)	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
	<u>\$ 9,974</u>	<u>\$ 13,516</u>	<u>\$ 18,155</u>	<u>\$ 17,734</u>	<u>\$ 59,379</u>

Square foot & leased percentages

	December 31, 2023	December 31, 2022
Owned Properties:		
Number of properties (a)	17	21
Square feet	5,565,782	6,239,530
Leased percentage	74.0%	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	18	21
Square feet	5,779,542	6,239,530
Leased percentage	71.5%	75.6%

(a) Includes two properties that were classified as an asset 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-Sep-23</u>	<u>Third Quarter Average % Leased (2)</u>	<u>% Leased (1) as of 31-Dec-23</u>	<u>Fourth Quarter Average % Leased (2)</u>
1	PARK TEN	Houston, TX	157,609	83.8%	83.8%	83.8%	83.8%
2	PARK TEN PHASE II	Houston, TX	156,746	95.0%	95.0%	95.0%	95.0%
3	GREENWOOD PLAZA	Englewood, CO	196,236	66.3%	66.3%	66.3%	66.3%
4	ADDISON	Addison, TX	289,333	83.0%	83.0%	83.0%	83.0%
5	COLLINS CROSSING (3)	Richardson, TX	300,887	85.5%	91.8%	85.5%	85.5%
6	INNSBROOK	Glen Allen, VA	298,183	81.3%	81.3%	90.5%	87.4%
7	LIBERTY PLAZA	Addison, TX	217,841	78.3%	76.1%	80.2%	80.8%
	BLUE LAGOON (4)	Miami, FL		98.5%	98.5%	(4)	(4)
8	ELDRIDGE GREEN	Houston, TX	248,399	100.0%	100.0%	100.0%	100.0%
9	121 SOUTH EIGHTH ST	Minneapolis, MN	298,121	79.6%	79.6%	80.5%	79.9%
10	801 MARQUETTE AVE	Minneapolis, MN	129,691	91.8%	91.8%	91.8%	91.8%
11	LEGACY TENNYSON CTR	Plano, TX	209,461	67.3%	65.7%	56.6%	57.2%
	ONE LEGACY (5)	Plano, TX		71.3%	72.1%	(5)	(5)
12	WESTCHASE I & II	Houston, TX	629,025	60.7%	60.1%	62.7%	62.4%
13	1999 BROADWAY	Denver, CO	682,639	57.5%	59.8%	51.7%	52.9%
14	1001 17TH STREET	Denver, CO	649,235	71.1%	71.4%	71.1%	71.1%
15	PLAZA SEVEN	Minneapolis, MN	330,096	59.3%	61.0%	62.3%	61.3%
16	PERSHING PLAZA (6)	Atlanta, GA	160,145	79.8%	79.8%	79.8%	79.8%
17	600 17TH STREET	Denver, CO	612,135	80.8%	80.8%	81.7%	81.4%
	OWNED PORTFOLIO		5,565,782	74.8%	75.4%	74.0%	74.5%
18	MONUMENT CIRCLE (7)	Indianapolis, IN	213,760	4.1%	4.1%	4.1%	4.1%
	OWNED & CONSOLIDATED PORTFOLIO		5,779,542	72.4%	72.9%	71.5%	72.0%

- (1) % Leased as of month's end includes all leases that expire on the last day of the quarter.
- (2) Average quarterly percentage is the average of the end of the month leased percentage for each of the three months during the quarter.
- (3) Property was classified as an asset held for sale as of December 31, 2023 and was sold on January 26, 2024.
- (4) Property was sold on December 6, 2023.
- (5) Property was sold on October 26, 2023.
- (6) Property was classified as an asset held for sale as of December 31, 2023.
- (7) 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 December 31, 2023

	Tenant	Sq Ft	% of Portfolio
1	CITGO Petroleum Corporation	248,399	4.3%
2	EOG Resources, Inc.	169,167	2.9%
3	US Government	168,573	2.9%
4	Commonwealth of Virginia	127,500	2.2%
5	Kaiser Foundation Health Plan, Inc.	120,979	2.1%
6	Swift, Currie, McGhee & Hiers, LLP	101,296	1.8%
7	Deluxe Corporation	98,922	1.7%
8	Ping Identity Corp.	89,856	1.6%
9	Argo Data Resource Corporation	85,650	1.5%
10	Permian Resources Operating, LLC	67,856	1.2%
11	PwC US Group	66,304	1.1%
12	Hall and Evans LLC	65,878	1.1%
13	Cyxtera Management, Inc.	61,826	1.1%
14	Precision Drilling (US) Corporation	59,569	1.0%
15	EMC Corporation	57,100	1.0%
16	ID Software, LLC	57,100	1.0%
17	Olin Corporation	54,080	0.9%
18	ChemTreat Inc.	49,548	0.9%
19	Coresite, LLC	49,518	0.9%
20	GE Vernova International LLC	47,559	0.8%
	Total	1,846,680	32.0%

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 Loss to FFO and AFFO: (In thousands, except per share amounts)	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ 3,575	\$ (2,884)	\$ (48,110)	\$ 1,094
Gain on consolidation of Sponsored REIT	—	—	(394)	—
Impairment and loan loss reserve	—	2,380	—	4,237
(Gain) loss on sale of properties and impairment of assets held for sale, net	(8,701)	(3,862)	23,384	(27,939)
Depreciation & amortization	11,952	14,773	54,694	63,689
NAREIT FFO	6,826	10,407	29,574	41,081
Lease Acquisition costs	112	56	390	262
Funds From Operations (FFO)	<u>\$ 6,938</u>	<u>\$ 10,463</u>	<u>\$ 29,964</u>	<u>\$ 41,343</u>
Funds From Operations (FFO)	\$ 6,938	\$ 10,463	\$ 29,964	\$ 41,343
Loss on extinguishment of debt	—	—	106	78
Amortization of deferred financing costs	576	421	2,502	1,889
Shares issued as compensation	—	—	315	394
Straight-line rent	198	(1,831)	626	(5,895)
Tenant improvements	(5,295)	(7,508)	(16,376)	(21,651)
Leasing commissions	(1,649)	(1,152)	(6,901)	(7,564)
Non-investment capex	(5,230)	(9,074)	(12,014)	(30,164)
Adjusted Funds From Operations (AFFO)	<u>\$ (4,462)</u>	<u>\$ (8,681)</u>	<u>\$ (1,778)</u>	<u>\$ (21,570)</u>
Per Share Data				
EPS	\$ 0.03	\$ (0.03)	\$ (0.47)	\$ 0.01
FFO	\$ 0.07	\$ 0.10	\$ 0.29	\$ 0.40
AFFO	\$ (0.04)	\$ (0.08)	\$ (0.02)	\$ (0.21)
Weighted average shares (basic and diluted)	<u>103,430</u>	<u>103,236</u>	<u>103,357</u>	<u>103,338</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 31-Dec-23	Three Months Ended 30-Sep-23	Inc (Dec)	% Change
Region					
East	298	\$ 285	\$ 239	\$ 46	19.2 %
MidWest	758	1,656	1,396	260	18.6 %
South	2,369	6,393	6,499	(106)	(1.6)%
West	2,140	5,994	6,505	(511)	(7.9)%
Property NOI* from Owned Properties	5,565	14,328	14,639	(311)	(2.1)%
Disposition and Acquisition Properties (a)	214	751	1,965	(1,214)	(7.1)%
NOI*	5,779	\$ 15,079	\$ 16,604	\$ (1,525)	(9.2)%
Sequential Same Store		\$ 14,328	\$ 14,639	\$ (311)	(2.1)%
Less Nonrecurring Items in NOI* (b)		217	485	(268)	1.8 %
Comparative Sequential Same Store		\$ 14,111	\$ 14,154	\$ (43)	(0.3)%

Reconciliation to Net income (loss)	<u>Three Months Ended</u> 31-Dec-23	<u>Three Months Ended</u> 30-Sep-23
Net income (loss)	\$ 3,575	\$ (45,671)
Add (deduct):		
Loss on extinguishment of debt	—	39
Gain on sale of properties, net	(8,701)	39,671
Management fee income	(446)	(460)
Depreciation and amortization	11,957	13,409
Amortization of above/below market leases	(6)	(9)
General and administrative	3,171	3,265
Interest expense	6,219	6,209
Interest income	(567)	—
Non-property specific items, net	(123)	151
NOI*	<u>\$ 15,079</u>	<u>\$ 16,604</u>

- (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

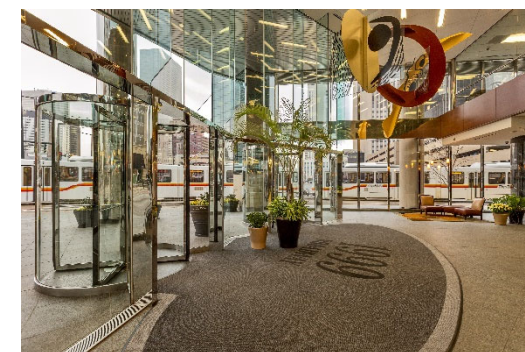
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Fourth Quarter 2023 Table of Contents

	<i>Page</i>		<i>Page</i>
Company Information	3	Tenant Analysis and Leasing Activity	
Key Financial Data		Tenants by Industry	17
Financial Highlights	4	20 Largest Tenants with Annualized Rent and Remaining Term	18-19
Income Statements	5	Leasing Activity	20
Balance Sheets	6	Lease Expirations by Square Feet	21
Cash Flow Statements	7	Lease Expirations with Annualized Rent per Square Foot	22
Property Net Operating Income (NOI)	8	Capital Expenditures	23
Reconciliation		Disposition Activity	24
FFO & AFFO	9	Loan Portfolio of Secured Real Estate	25
EBITDA	10	Net Asset Value Components	26
Property NOI	11	Appendix: Non-GAAP Financial Measures Definitions	
Debt Summary	12	FFO	27
Capital Analysis	13	EBITDA and NOI	28
Owned and Consolidated Portfolio Overview	14-16	AFFO	29

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, 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, 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 December 31, 2023, the Company owned a portfolio of real estate consisting of 17 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 December 31, 2023)

Corporate Headquarters	Wakefield, MA
Fiscal Year-End	31-Dec
Owned & Consolidated Properties	18
Total Square Feet	5.8 Million
Trading Symbol	FSP
Exchange	NYSE American
Common Shares Outstanding	103,430,353
Total Market Capitalization	\$0.7 Billion (1)
Insider Holdings	6.55%



600 17th Street, Denver, CO



Summary of Financial Highlights

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

	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22
Income Items:					
Rental revenue	\$ 34,519	36,903	\$ 36,257	\$ 37,767	\$ 40,745
Total revenue	34,771	36,903	36,266	37,767	41,211
Net income (loss)	3,575	(45,671)	(8,420)	2,406	(2,884)
Adjusted EBITDA*	13,112	13,718	13,178	14,269	16,112
FFO*	6,938	7,509	7,110	8,407	10,463
AFFO*	(4,462)	1,777	(903)	1,810	(8,681)
Per Share Data:					
Earnings (loss) per share	\$ 0.03	(0.44)	\$ (0.08)	\$ 0.02	\$ (0.03)
FFO*	\$ 0.07	0.07	\$ 0.07	\$ 0.08	\$ 0.10
AFFO*	\$ (0.04)	0.02	\$ (0.01)	\$ 0.02	\$ (0.08)
Weighted Average Shares (diluted)	103,430	103,430	103,330	103,236	103,236
Closing share price	\$ 2.56	1.85	\$ 1.45	\$ 1.57	\$ 2.73
Dividend declared	\$ 0.01	0.01	\$ 0.01	\$ 0.01	\$ 0.01
Balance Sheet Items:					
Real estate, net	\$ 890,824	921,581	\$ 1,081,959	\$ 1,095,915	\$ 1,103,248
Other assets, net	278,506	230,192	117,350	117,767	138,418
Total assets, net	1,169,330	1,151,773	1,199,309	1,213,682	1,241,666
Total liabilities, net	456,525	440,447	440,215	444,387	472,930
Shareholders equity	712,805	711,326	759,094	769,295	768,736
Market Capitalization and Debt:					
Total Market Capitalization (a)	\$ 669,782	586,346	\$ 549,974	\$ 562,080	\$ 694,834
Total debt outstanding (excluding unamortized financing costs)	\$ 405,000	395,000	\$ 400,000	\$ 400,000	\$ 413,000
Debt to Total Market Capitalization	60.5%	67.4%	72.7%	71.2%	59.4%
Net Debt to Adjusted EBITDA ratio*	5.3	7.0	7.5	6.8	6.3
Owned Properties Leasing Statistics (b):					
Owned properties assets	17	19	20	20	21
Owned properties total SF	5,565,782	5,992,700	6,056,898	6,049,466	6,239,530
Owned properties % leased	74.0%	74.8%	75.7%	73.9%	75.6%

- (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	For the Three Months Ended				For the
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Year Ended 31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Year Ended 31-Dec-22
Revenue:										
Rental	\$ 37,767	\$ 36,257	\$ 36,903	\$ 34,519	\$ 145,446	\$ 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	—	9	—	252	261	7	6	4	4	21
Total revenue	37,767	36,266	36,903	34,771	145,707	42,264	41,304	40,836	41,211	165,615
Expenses:										
Real estate operating expenses	12,690	12,140	12,797	13,105	50,732	12,834	12,344	13,369	14,273	52,820
Real estate taxes and insurance	6,973	7,169	7,115	5,943	27,200	8,719	9,043	8,951	7,907	34,620
Depreciation and amortization	14,727	14,645	13,408	11,958	54,738	15,670	18,186	15,148	14,804	63,808
General and administrative	3,817	3,767	3,265	3,172	14,021	3,784	3,981	3,232	2,888	13,885
Interest	5,806	6,084	6,209	6,219	24,318	5,366	5,664	6,110	5,668	22,808
Total expenses	44,013	43,805	42,794	40,397	171,009	46,373	49,218	46,810	45,540	187,941
Loss on extinguishment of debt	(67)	—	(39)	—	(106)	—	—	(78)	—	(78)
Gain on consolidation of Sponsored REIT	394	—	—	—	394	—	—	—	—	—
Impairment and loan loss reserve	—	—	—	—	—	—	(1,140)	(717)	(2,380)	(4,237)
Gain (loss) on sale of properties and impairment of assets held for sale, net	8,392	(806)	(39,671)	8,701	(23,384)	—	—	24,077	3,862	27,939
Interest income	—	—	—	567	567	—	—	—	—	—
Income (loss) before taxes on income	2,473	(8,345)	(45,601)	3,642	(47,831)	(4,109)	(9,054)	17,308	(2,847)	1,298
Tax expense on income	67	75	70	67	279	49	56	62	37	204
Net income (loss)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)	\$ (4,158)	\$ (9,110)	\$ 17,246	\$ (2,884)	\$ 1,094
Weighted average number of shares outstanding, basic and diluted	103,236	103,330	103,430	103,430	103,357	103,691	103,193	103,236	103,236	103,338
Net income (loss) per share, basic and diluted	\$ 0.02	\$ (0.08)	\$ (0.44)	\$ 0.03	\$ (0.47)	\$ (0.04)	\$ (0.09)	\$ 0.17	\$ (0.03)	\$ 0.01



Condensed Consolidated Balance Sheets

(in thousands)

	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Assets:								
Real estate assets:								
Land	\$ 130,147	\$ 128,588	\$ 114,298	\$ 110,298	\$ 146,844	\$ 146,844	\$ 131,556	\$ 126,645
Buildings and improvements	1,367,629	1,362,939	1,183,744	1,133,971	1,465,312	1,477,913	1,397,303	1,388,869
Fixtures and equipment	11,411	11,612	10,377	12,904	11,819	12,192	10,656	11,151
	1,509,187	1,503,139	1,308,419	1,257,173	1,623,975	1,636,949	1,539,515	1,526,665
Less accumulated depreciation	413,272	421,180	386,838	366,349	436,627	450,792	420,532	423,417
Real estate assets, net	1,095,915	1,081,959	921,581	890,824	1,187,348	1,186,157	1,118,983	1,103,248
Acquired real estate leases, net	9,620	8,828	7,447	6,694	13,453	12,373	11,177	10,186
Assets held for sale	—	8,860	132,659	73,318	—	—	—	—
Cash, cash equivalents and restricted cash	13,110	6,697	13,043	127,880	10,983	4,693	8,717	6,632
Tenant rent receivables, net	3,306	1,938	2,854	2,191	2,041	2,627	1,309	2,201
Straight-line rent receivable, net	51,703	50,267	43,253	40,397	51,309	54,354	50,885	52,739
Prepaid expenses and other assets	6,125	5,648	5,601	4,239	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	127	109	123	204	187	170	154
Deferred leasing commissions, net	33,758	34,985	25,226	23,664	40,379	39,654	37,459	35,709
Total assets	\$ 1,213,682	\$ 1,199,309	\$ 1,151,773	\$ 1,169,330	\$ 1,337,120	\$ 1,331,719	\$ 1,262,070	\$ 1,241,666
Liabilities and Stockholders' Equity:								
Liabilities:								
Bank note payable	\$ 75,000	\$ 75,000	\$ 80,000	\$ 90,000	\$ 40,000	\$ 55,000	\$ 65,000	\$ 48,000
Term loan payable, net of unamortized financing costs	124,365	124,471	114,610	114,707	274,402	274,518	164,692	164,750
Series A & Series B Senior Notes	199,547	199,588	199,629	199,670	199,383	199,424	199,465	199,506
Accounts payable and accrued expenses	37,720	32,501	36,857	41,879	44,700	39,315	50,371	50,366
Accrued compensation	1,189	2,286	3,179	3,644	1,206	2,252	3,159	3,644
Tenant security deposits	5,740	5,666	5,631	6,204	5,837	5,819	5,726	5,710
Lease liability	655	550	444	334	1,061	962	862	759
Other liabilities: derivative liabilities	—	—	—	—	195	—	—	—
Acquired unfavorable real estate leases, net	171	153	97	87	450	397	234	195
Total liabilities	444,387	440,215	440,447	456,525	567,234	577,687	489,509	472,930
Commitments and contingencies								
Stockholders' Equity:								
Preferred stock	—	—	—	—	—	—	—	—
Common stock	10	10	10	10	10	10	10	10
Additional paid-in capital	1,334,776	1,335,091	1,335,091	1,335,091	1,334,383	1,334,776	1,334,776	1,334,776
Accumulated other comprehensive (income) loss	3,544	2,480	1,417	355	(195)	1,951	4,266	4,358
Accumulated distributions in excess of accumulated earnings	(569,035)	(578,487)	(625,192)	(622,651)	(564,312)	(582,705)	(566,491)	(570,408)
Total stockholders' equity	769,295	759,094	711,326	712,805	769,886	754,032	772,561	768,736
Total liabilities and stockholders' equity	\$ 1,213,682	\$ 1,199,309	\$ 1,151,773	\$ 1,169,330	\$ 1,337,120	\$ 1,331,719	\$ 1,262,070	\$ 1,241,666



Condensed Consolidated Statements of Cash Flows

(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income (loss)	\$ (48,110)	\$ 1,094	\$ 92,717
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	57,240	65,697	81,041
Amortization of above and below market leases	(44)	(118)	(34)
Amortization of other comprehensive income into interest expense	(3,851)		
Shares issued as compensation	315	394	338
Loss on extinguishment of debt	106	78	901
Gain on consolidation of Sponsored REIT	(394)		
Impairment and loan loss reserve	—	4,237	
(Gain) loss on sale of properties and impairment of assets held for sale, net	23,384	(27,939)	(113,134)
Equity in income from non-consolidated REITs	—	—	(421)
Distributions from non-consolidated REITs	—	—	421
Changes in operating assets and liabilities:			
Tenant rent receivables	10	(247)	5,702
Straight-line rents	625	(5,895)	(3,930)
Lease acquisition costs	(2,007)	(4,494)	(2,353)
Prepaid expenses and other assets	382	(1,805)	82
Accounts payable and accrued expenses	(2,709)	(5,983)	(11,096)
Accrued compensation	—	(1,060)	786
Tenant security deposits	494	(509)	(2,458)
Payment of deferred leasing commissions	(7,575)	(8,216)	(12,200)
Net cash provided by operating activities	17,866	15,234	36,362
Cash flows from investing activities:			
Property improvements, fixtures and equipment	(31,637)	(54,910)	(64,833)
Consolidation of Sponsored REIT	3,048	—	(3,000)
Proceeds received from sales of properties	142,225	128,949	573,307
Net cash provided by investing activities	113,636	74,039	505,474
Cash flows from financing activities:			
Distributions to stockholders	(4,133)	(53,988)	(38,491)
Stock repurchases	—	(4,843)	(18,244)
Proceeds received from termination of interest rate swap	4,206	—	—
Borrowings under bank note payable	77,000	90,000	91,500
Repayments of bank note payable	(35,000)	(42,000)	(95,000)
Repayment of term loan payable	(50,000)	(110,000)	(445,000)
Deferred financing costs	(2,327)	(2,561)	—
Net cash used in financing activities	(10,254)	(123,392)	(505,235)
Net increase (decrease) in cash, cash equivalents and restricted cash	121,248	(34,119)	36,601
Cash, cash equivalents and restricted cash, beginning of period	6,632	40,751	4,150
Cash, cash equivalents and restricted cash, end of period	\$ 127,880	\$ 6,632	\$ 40,751



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

(in thousands)	Rentable Square Feet or RSF	Three Months Ended				Year Ended	Three Months Ended				Year Ended	Inc	%
		31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22	(Dec)	Change
Region													
East	298	\$ 276	\$ 343	\$ 239	285	\$ 1,143	\$ 274	\$ 278	\$ 221	\$ 315	\$ 1,088	\$ 55	5.1 %
MidWest	758	2,239	1,718	1,396	1,656	7,009	2,478	3,038	2,486	2,406	10,408	(3,399)	(32.7) %
South	2,369	6,317	6,422	6,499	6,393	25,631	4,510	4,633	4,790	6,247	20,180	5,451	27.0 %
West	2,140	6,423	6,412	6,505	5,994	25,334	8,070	6,609	6,401	6,028	27,108	(1,774)	(6.5) %
Property NOI* from Owned Properties	5,565	15,255	14,895	14,639	14,328	59,117	15,332	14,558	13,898	14,996	58,784	333	0.6 %
Disposition and Acquisition Properties (a)	214	2,485	1,676	1,965	751	6,877	4,249	4,560	3,770	3,219	15,798	(8,921)	(12.1) %
Property NOI*	5,779	\$ 17,740	\$ 16,571	\$ 16,604	\$ 15,079	\$ 65,994	\$ 19,581	\$ 19,118	\$ 17,668	\$ 18,215	\$ 74,582	\$ (8,588)	(11.5) %
Same Store		\$ 15,255	\$ 14,895	\$ 14,639	\$ 14,328	\$ 59,117	\$ 15,332	\$ 14,558	\$ 13,898	\$ 14,996	\$ 58,784	\$ 333	0.6 %
Less Nonrecurring Items in NOI* (b)		1,292	301	485	217	2,295	273	1,258	494	818	2,843	(548)	1.0 %
Comparative Same Store		\$ 13,963	\$ 14,594	\$ 14,154	\$ 14,111	\$ 56,822	\$ 15,059	\$ 13,300	\$ 13,404	\$ 14,178	\$ 55,941	\$ 881	1.6 %

- (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				Year Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)	\$ (4,158)	\$ (9,110)	\$ 17,246	\$ (2,884)	\$ 1,094
Gain on consolidation of Sponsored REIT	(394)	—	—	—	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	—	—	—	—	1,140	717	2,380	4,237
(Gain) on sale of properties and impairment of assets held for sale, net	(8,392)	806	39,671	(8,701)	23,384	—	—	(24,077)	(3,862)	(27,939)
Depreciation & amortization	14,709	14,633	13,400	11,952	54,694	15,661	18,141	15,114	14,773	63,689
NAREIT FFO*	8,329	7,019	7,400	6,826	29,574	11,503	10,171	9,000	10,407	41,081
Lease Acquisition costs	78	91	109	112	390	79	86	41	56	262
Funds From Operations (FFO)*	\$ 8,407	\$ 7,110	\$ 7,509	\$ 6,938	\$ 29,964	\$ 11,582	\$ 10,257	\$ 9,041	\$ 10,463	\$ 41,343
Adjusted Funds From Operations (AFFO)*										
Funds From Operations (FFO)*	\$ 8,407	\$ 7,110	\$ 7,509	\$ 6,938	\$ 29,964	\$ 11,582	\$ 10,257	\$ 9,041	\$ 10,463	\$ 41,343
Loss on extinguishment of debt	67	—	39	—	106	—	—	78	—	78
Amortization of deferred financing costs	589	672	665	576	2,502	526	481	461	421	1,889
Shares issued as compensation	—	315	—	—	315	—	394	—	—	394
Straight-line rent	(331)	653	106	198	626	(1,216)	(1,688)	(1,160)	(1,831)	(5,895)
Tenant improvements	(3,047)	(4,381)	(3,653)	(5,295)	(16,376)	(1,877)	(5,453)	(6,813)	(7,508)	(21,651)
Leasing commissions	(908)	(3,230)	(1,114)	(1,649)	(6,901)	(3,032)	(1,327)	(2,053)	(1,152)	(7,564)
Non-investment capex	(2,967)	(2,042)	(1,775)	(5,230)	(12,014)	(5,065)	(6,736)	(9,289)	(9,074)	(30,164)
Adjusted Funds From Operations (AFFO)*	\$ 1,810	\$ (903)	\$ 1,777	\$ (4,462)	\$ (1,778)	\$ 918	\$ (4,072)	\$ (9,735)	\$ (8,681)	\$ (21,570)
Per Share Data:										
Earnings (loss) per share	\$ 0.02	\$ (0.08)	\$ (0.44)	\$ 0.03	\$ (0.47)	\$ (0.04)	\$ (0.09)	\$ 0.17	\$ (0.03)	\$ 0.01
FFO*	0.08	0.07	0.07	0.07	0.29	0.11	0.10	0.09	0.10	0.40
AFFO*	0.02	(0.01)	0.02	(0.04)	(0.02)	0.01	(0.04)	(0.09)	(0.08)	(0.21)
Weighted Average Shares (basic and diluted)	103,236	103,330	103,430	103,430	103,357	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				Year Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)	\$ (4,158)	\$ (9,110)	\$ 17,246	\$ (2,884)	\$ 1,094
Interest expense	5,806	6,084	6,209	6,219	24,318	5,366	5,664	6,110	5,668	22,808
Depreciation and amortization	14,709	14,633	13,400	11,952	54,694	15,661	18,141	15,114	14,773	63,689
Income taxes	67	75	70	67	279	49	56	62	37	204
EBITDA*	\$ 22,988	\$ 12,372	\$ (25,992)	\$ 21,813	\$ 31,181	\$ 16,918	\$ 14,751	\$ 38,532	\$ 17,594	\$ 87,795
Loss on extinguishment of debt	67	—	39	—	106	—	—	78	—	78
Gain on consolidation of Sponsored REIT	(394)	—	—	—	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	—	—	—	—	1,140	717	2,380	4,237
(Gain) loss on sale of properties and impairment of assets held for sale, net	(8,392)	806	39,671	(8,701)	23,384	—	—	(24,077)	(3,862)	(27,939)
Adjusted EBITDA*	\$ 14,269	\$ 13,178	\$ 13,718	\$ 13,112	\$ 54,277	\$ 16,918	\$ 15,891	\$ 15,250	\$ 16,112	\$ 64,171
Interest expense	\$ 5,806	\$ 6,084	\$ 6,209	\$ 6,219	\$ 24,318	\$ 5,366	\$ 5,664	\$ 6,110	\$ 5,668	\$ 22,808
Scheduled principal payments	—	—	—	—	—	—	—	—	—	—
Interest and scheduled principal payments	\$ 5,806	\$ 6,084	\$ 6,209	\$ 6,219	\$ 24,318	\$ 5,366	\$ 5,664	\$ 6,110	\$ 5,668	\$ 22,808
Interest coverage ratio	2.46	2.17	2.21	2.11	2.23	3.15	2.81	2.50	2.84	2.81
Debt service coverage ratio	2.46	2.17	2.21	2.11	2.23	3.15	2.81	2.50	2.84	2.81
Debt excluding unamortized financing costs	\$ 400,000	\$ 400,000	\$ 395,000	\$ 405,000		\$ 515,000	\$ 530,000	\$ 430,000	\$ 413,000	
Cash, cash equivalents and restricted cash	13,110	6,697	13,043	127,880		10,983	4,693	8,717	6,632	
Net Debt (Debt less Cash, cash equivalents and restricted cash)	\$ 386,890	\$ 393,303	\$ 381,957	\$ 277,120		\$ 504,017	\$ 525,307	\$ 421,283	\$ 406,368	
Adjusted EBITDA*	\$ 14,269	\$ 13,178	\$ 13,718	\$ 13,112		\$ 16,918	\$ 15,891	\$ 15,250	\$ 16,112	
Annualized	\$ 57,076	\$ 52,712	\$ 54,872	\$ 52,448		\$ 67,672	\$ 63,564	\$ 61,000	\$ 64,448	
Net Debt-to-Adjusted EBITDA ratio*	6.8	7.5	7.0	5.3		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				Year Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	\$ 2,406	\$ (8,420)	\$ (45,671)	\$ 3,575	\$ (48,110)	\$ (4,158)	\$ (9,110)	\$ 17,246	\$ (2,884)	\$ 1,094
Add (deduct):										
Loss on extinguishment of debt	67	—	39	—	106	—	—	78	—	78
Gain on consolidation of Sponsored REIT	(394)	—	—	—	(394)	—	—	—	—	—
Impairment and loan loss reserve	—	—	—	—	—	—	1,140	717	2,380	4,237
(Gain) loss on sale of properties and impairment of assets held for sale, net	(8,392)	806	39,671	(8,701)	23,384	—	—	(24,077)	(3,862)	(27,939)
Management fee income	(374)	(427)	(460)	(446)	(1,707)	(291)	(267)	(274)	(295)	(1,127)
Depreciation and amortization	14,727	14,645	13,409	11,957	54,738	15,670	18,185	15,148	14,805	63,808
Amortization of above/below market leases	(18)	(12)	(9)	(6)	(45)	(9)	(45)	(34)	(30)	(118)
General and administrative	3,817	3,768	3,265	3,171	14,021	3,784	3,981	3,233	2,888	13,886
Interest expense	5,806	6,084	6,209	6,219	24,318	5,366	5,664	6,110	5,668	22,808
Interest income	—	—	—	(567)	(567)	(451)	(455)	(461)	(460)	(1,827)
Non-property specific items, net	95	127	151	(123)	250	(330)	25	(18)	5	(318)
Property NOI*	<u>\$ 17,740</u>	<u>\$ 16,571</u>	<u>\$ 16,604</u>	<u>\$ 15,079</u>	<u>\$ 65,994</u>	<u>\$ 19,581</u>	<u>\$ 19,118</u>	<u>\$ 17,668</u>	<u>\$ 18,215</u>	<u>\$ 74,582</u>

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



Debt Summary

(in thousands)

	<u>Maturity Date</u>	<u>Maximum Amount of Loan</u>	<u>Amount Drawn at 31-Dec-23</u>	<u>Interest Rate (a) Components</u>	<u>Interest Rate at 31-Dec-23</u>	<u>Facility Fee</u>
BofA Revolver	1-Oct-24	\$ 150,000	\$ 90,000	SOFR + 3.00%	8.47%	0.35%
BMO Term Loan Tranche B	1-Oct-24	125,000	115,000	SOFR + 3.00%	8.47%	
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%	
		<u>\$ 475,000</u>	<u>\$ 405,000</u>		<u>6.56%</u>	

- The table above is a summary of our debt as of December 31, 2023. Additional information on our debt can be found in our Annual Report on Form 10-K for the year ended December 31, 2023, which may be 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.
- Subsequent to December 31, 2023, on February 21, 2024, we repaid approximately \$102 million of debt, the allocation of which is noted below by debt instrument. Additional information on the amendments is available in our Annual Report on Form 10-K for the year ended December 31, 2023.
- As of December 31, 2023, the BofA Revolver was subject to a 35 basis point facility fee on the unused portion of the facility.
- 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 remains 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 remains 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 remains 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.
- 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.



Capital Analysis

(in thousands, except per share amounts)

	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22
Market Data:								
Shares Outstanding	103,236	103,430	103,430	103,430	103,152	103,236	103,236	103,236
Closing market price per share	\$ 1.57	\$ 1.45	\$ 1.85	\$ 2.56	\$ 5.90	\$ 4.17	\$ 2.63	\$ 2.73
Market capitalization	\$ 162,080	\$ 149,974	\$ 191,346	\$ 264,782	\$ 608,596	\$ 430,494	\$ 271,510	\$ 281,834
Total debt outstanding excluding unamortized financing costs	400,000	400,000	395,000	405,000	515,000	530,000	430,000	413,000
Total Market Capitalization	\$ 562,080	\$ 549,974	\$ 586,346	\$ 669,782	\$ 1,123,596	\$ 960,494	\$ 701,510	\$ 694,834
Dividend Data:								
Total dividends declared for the quarter	\$ 1,033	\$ 1,032	\$ 1,034	\$ 1,034	\$ 9,360	\$ 9,284	\$ 1,032	\$ 1,032
Common dividend declared per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.09	\$ 0.09	\$ 0.01	\$ 0.01
Declared dividend as a % of Net income (loss) per share	43%	(12)%	(2)%	29%	(224)%	(102)%	6%	(36)%
Declared dividend as a % of AFFO* per share	57%	(114)%	58%	(23)%	1017%	(228)%	(11)%	(12)%
Liquidity:								
Cash, cash equivalents and restricted cash	\$ 13,110	\$ 6,697	\$ 13,043	\$ 127,880	\$ 10,983	\$ 4,693	\$ 8,717	\$ 6,632
Revolver:								
Gross potential available under the BofA Revolver	150,000	150,000	150,000	125,000	237,500	237,500	237,500	237,500
Less:								
Outstanding balance	(75,000)	(75,000)	(80,000)	(90,000)	(40,000)	(55,000)	(65,000)	(48,000)
Total Liquidity	\$ 88,110	\$ 81,697	\$ 83,043	\$ 162,880	\$ 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-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22
Total Owned Properties:					
Number of properties (a)	17	19	20	20	21
Square feet	5,565,782	5,992,700	6,056,898	6,049,466	6,239,530
Leased percentage	74.0%	74.8%	75.7%	73.9%	75.6%
Consolidated Property - Single Asset REIT (SAR):					
Number of properties	1	1	1	1	—
Square feet	213,760	213,760	213,760	213,760	—
Leased percentage	4.1%	4.1%	4.1%	4.1%	—
Total Owned and Consolidated Properties:					
Number of properties	18	20	21	21	21
Square feet	5,779,542	6,206,460	6,270,658	6,263,226	6,239,530
Leased percentage	71.5%	72.4%	73.3%	71.5%	75.6%

(a) Includes two properties that remain classified as assets held for sale as of December 31, 2023.



Owned & Consolidated Portfolio Overview

<u>MSA / Property Name</u>	<u>City</u>	<u>State</u>	<u>Square Feet</u>	<u>Percent Leased</u>	<u>Wtd Occupied Percentage (a)</u>	<u>GAAP Rent (b)</u>	<u>MSA / Property Name</u>	<u>City</u>	<u>State</u>	<u>Square Feet</u>	<u>Percent Leased</u>	<u>Wtd Occupied Percentage (a)</u>	<u>GAAP Rent (b)</u>
East Region							Midwest Region						
Richmond, VA							Minneapolis						
Innsbrook	Glen Allen	VA	298,183	90.5%	47.8%	\$ 18.69	121 South 8th Street	Minneapolis	MN	298,121	80.5%	81.5%	\$ 25.28
							801 Marquette Ave	Minneapolis	MN	129,691	91.8%	91.8%	24.38
							Plaza Seven	Minneapolis	MN	330,096	62.3%	64.0%	30.03
							Indianapolis, IN						
							Monument Circle (c)	Indianapolis	IN	213,760	4.1%	4.1%	31.77
East Region Total			298,183	90.5%	47.8%	\$ 18.69	Midwest Region Total			971,668	59.0%	59.9%	\$ 26.91

- (a) Weighted Occupied Percentage for the year ended December 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

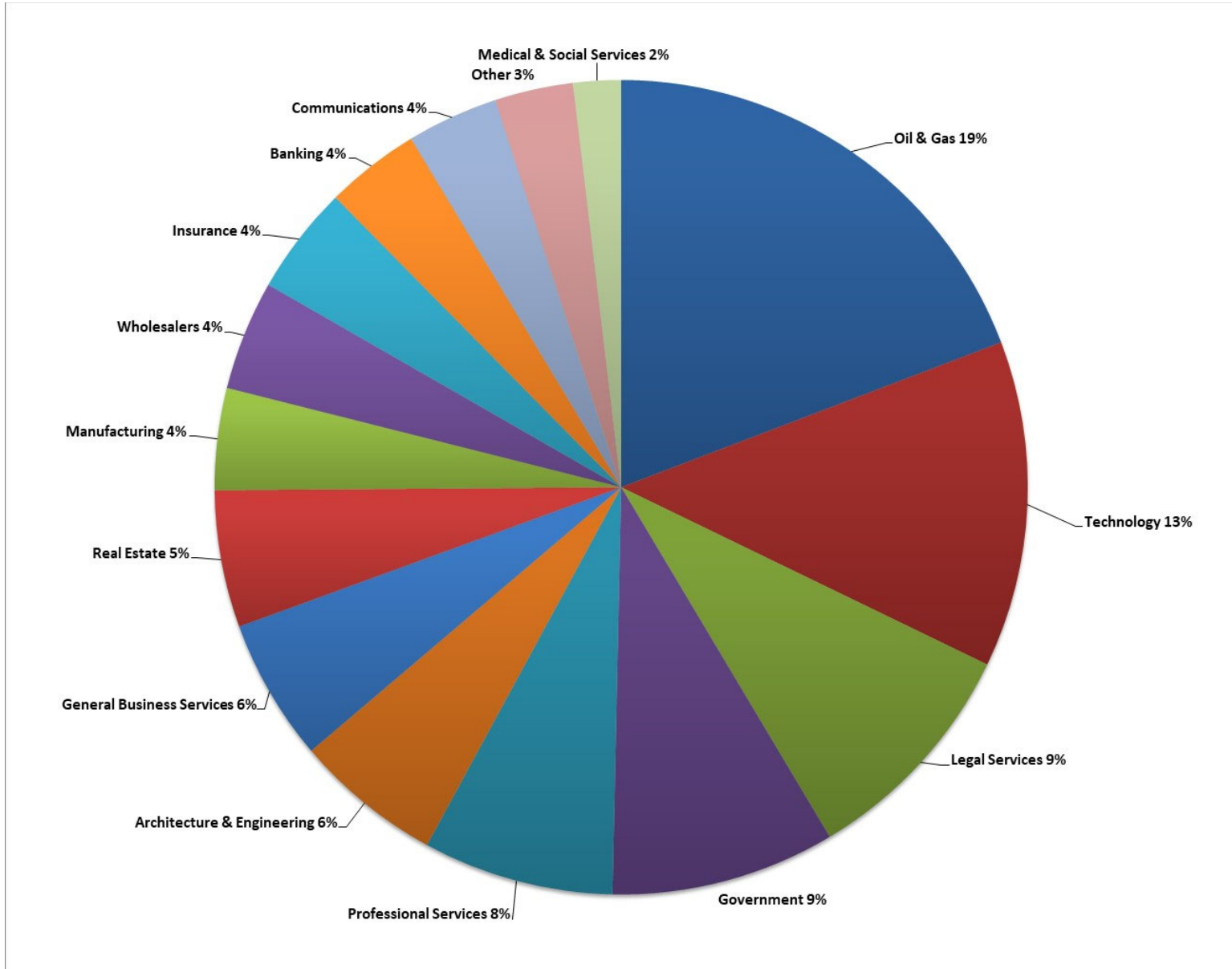
MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)	MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
South Region							West Region						
Dallas-Fort Worth							Denver						
Legacy Tennyson Center	Plano	TX	209,461	56.6%	47.0%	\$ 30.96	1999 Broadway	Denver	CO	682,639	51.7%	59.7%	\$ 33.97
Addison Circle	Addison	TX	289,333	83.0%	83.0%	35.58	Greenwood Plaza	Englewood	CO	196,236	66.3%	66.3%	29.16
Collins Crossing (c) (d)	Richardson	TX	300,887	85.5%	92.5%	27.10	1001 17th Street	Denver	CO	649,235	71.1%	70.3%	39.04
Liberty Plaza	Addison	TX	217,841	80.2%	72.1%	24.65	600 17th Street	Denver	CO	612,135	81.7%	79.2%	34.29
Houston							West Region Total						
Park Ten	Houston	TX	157,609	83.8%	79.4%	28.86				2,140,245	67.5%	69.1%	\$ 35.22
Eldridge Green	Houston	TX	248,399	100.0%	100.0%	26.82	Total Owned & Consolidated Properties						
Park Ten Phase II	Houston	TX	156,746	95.0%	95.0%	29.42				5,779,542	71.5%	69.2%	\$ 30.72
Westchase I & II	Houston	TX	629,025	62.7%	58.8%	26.49							
Atlanta													
Pershing Plaza (c)	Atlanta	GA	160,145	79.8%	79.8%	38.51							
South Region Total			2,369,446	77.7%	75.7%	\$ 29.20							

- (a) Weighted Occupied Percentage for the year ended December 31, 2023.
- (b) Weighted Average GAAP Rent per Occupied Square Foot.
- (c) Properties were classified as assets held for sale as of December 31, 2023.
- (d) Property was sold on January 26, 2024.



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	111	248,399	4.3%	\$ 7,064,468	5.6%
2	EOG Resources, Inc.	1	36	169,167	2.9%	6,237,187	4.9%
3	US Government (b)	2	25, 85	168,573	2.9%	6,416,990	5.1%
4	Commonwealth of Virginia (c)	1	127	127,500	2.2%	—	0.0%
5	Kaiser Foundation Health Plan, Inc.	1	65	120,979	2.1%	4,029,672	3.2%
6	Swift, Currie, McGhee & Hiers, LLP	1	117	101,296	1.8%	4,239,654	3.3%
7	Deluxe Corporation	1	163	98,922	1.7%	2,990,533	2.4%
8	Ping Identity Corp.	1	30	89,856	1.6%	3,718,241	2.9%
9	Argo Data Resource Corporation	1	80	85,650	1.5%	2,823,024	2.2%
10	Permian Resources Operating, LLC	1	94	67,856	1.2%	2,929,343	2.3%
11	PwC US Group (d)	1	7, 61	66,304	1.1%	2,323,323	1.8%
12	Hall and Evans LLC	1	68	65,878	1.1%	2,523,583	2.0%
13	Cyxtera Management, Inc.	1	73	61,826	1.1%	2,404,413	1.9%
14	Precision Drilling (US) Corporation	1	53	59,569	1.0%	2,089,681	1.6%
15	EMC Corporation	1	9	57,100	1.0%	1,755,825	1.4%
16	ID Software, LLC	1	65	57,100	1.0%	1,715,855	1.4%
17	Olin Corporation	1	75	54,080	0.9%	1,711,632	1.4%
18	ChemTreat Inc.	1	47	49,548	0.9%	864,613	0.7%
19	Coresite, LLC	1	143	49,518	0.9%	2,000,527	1.6%
20	GE Vernova International LLC	1	4	47,559	0.8%	1,023,945	0.8%
			Total	1,846,680	32.0%	\$ 58,862,509	46.5%

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 December 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) Lease (i) commenced for 100,010 square feet in January 2024 with rent commencing on August 1, 2024 and (ii) commences for 27,490 square feet on May 1, 2024 with rent commencing on July 1, 2025.
- (d) Includes 11,970 square feet expiring in 2024. The remaining 54,334 square feet expire in 2029.



Leasing Activity

(Owned and Consolidated Properties)

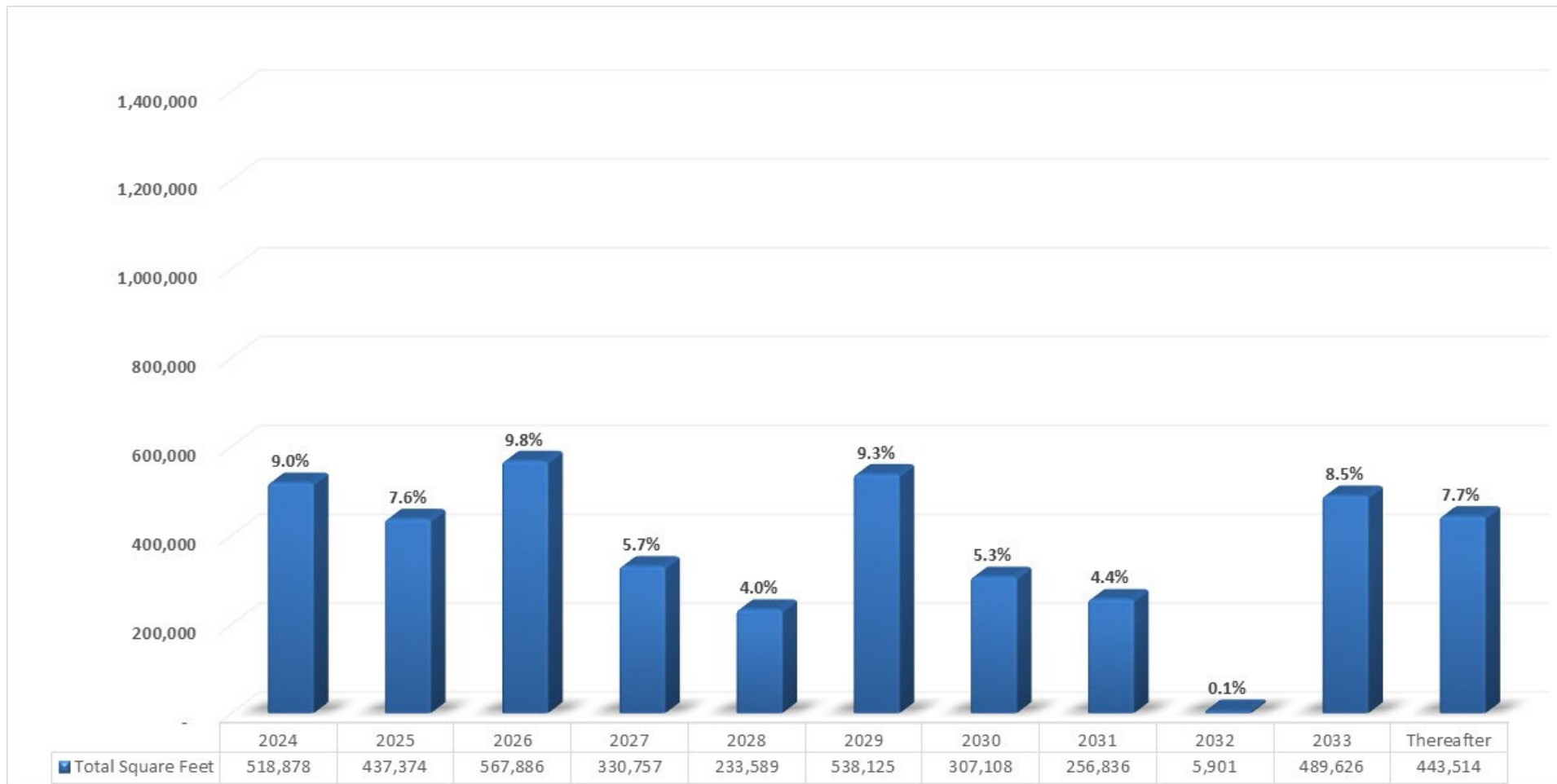
	Year Ended <u>31-Dec-23</u>	Year Ended <u>31-Dec-22</u>	Year Ended <u>31-Dec-21</u>
Leasing Activity			
(in Square Feet - SF)			
New leasing	228,000	275,000	370,000
Renewals and expansions	478,000	160,000	665,000
	<u>706,000</u>	<u>435,000</u>	<u>1,035,000</u>
Other information per SF			
(Activity on a year-to-date basis)			
GAAP Rents on leasing	\$ 29.71	\$ 33.27	\$ 30.86
Weighted average lease term	6.8 Years	6.4 Years	7.7 Years
Increase over average GAAP rents in prior year (a)	7.4%	10.6%	2.5%
Average free rent	6 Months	6 Months	7 Months
Tenant Improvements	\$ 22.42	\$ 31.86	\$ 25.89
Leasing Costs	\$ 10.56	\$ 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)





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	47 (c)	518,878	\$ 15,816,296	\$ 30.48	12.5%	12.5%
2025	55	437,374	14,785,284	33.80	11.7%	24.2%
2026	43	567,886	20,136,729	35.46	15.9%	40.1%
2027	26	330,757	10,530,650	31.84	8.3%	48.4%
2028	19	233,589	7,484,290	32.04	5.9%	54.3%
2029	30	538,125	15,738,822	29.25	12.4%	66.7%
2030	11	307,108	9,327,691	30.37	7.4%	74.1%
2031	8	256,836	9,358,506	36.44	7.4%	81.5%
2032	1	5,901	—	—	0.0%	81.5%
2033	8	489,626	16,080,101	32.84	12.7%	94.2%
2034 and thereafter	39	443,514 (d)	7,275,536	16.40	5.8%	100.0%
Leased total	287	4,129,594	\$ 126,533,905	\$ 30.64	100.0%	
Owned property vacant SF		1,444,903				
Monument Circle vacant SF (e)		205,045				
Total Portfolio Square Footage		<u>5,779,542</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 December 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 4 leases that are month-to-month.
- (d) Includes 61,623 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				Year
	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Ended 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>

	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	<u>\$ 9,974</u>	<u>\$ 13,516</u>	<u>\$ 18,155</u>	<u>\$ 17,734</u>	<u>\$ 59,379</u>

First generation leasing and investment capital was \$1.5 million for the year ended December 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	\$ 8,391
Forest Park	Charlotte	NC	64,198	8/9/23	9,200	(844)
Liberty Plaza (a)	Addison	TX	n/a	8/23/23	157	53
One Legacy Circle	Plano	TX	214,110	10/26/23	48,000	10,558
Blue Lagoon Drive	Miami	FL	213,182	12/6/23	68,000	(18,872)
2022						
380 Interlocken	Broomfield	CO	240,359	8/31/22	\$ 42,000	\$ 5,665
390 Interlocken	Broomfield	CO	241,512	8/31/22	60,500	18,412
909 Davis	Evanston	IL	195,098	12/28/22	27,750	3,939
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

(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 31-Dec-23	Interest Rate at 31-Dec-23
Mortgage loan secured by property					
FSP Monument Circle LLC (1)	Indianapolis, IN	30-Sep-24	\$ 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 26, 2023, the maturity date of this mortgage loan was extended to September 30, 2024. 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 was extended to September 30, 2024. 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 31-Dec-23	Assets:		Other information:
Total Market Capitalization Values		Straight-line rent receivable	\$ 40,397	Leased SF to be FFO producing
Shares outstanding	103,430.4	Assets held for sale	73,318	during 2024 (in 000's) 198
Closing price	\$ 2.56	Cash, cash equivalents and restricted cash	127,880	
Market capitalization	\$ 264,782	Tenant rent receivables	2,191	Straight-line rental revenue current quarter \$ (198)
Debt	405,000	Prepaid expenses	2,793	
Total Market Capitalization	\$ 669,782	Office computers and furniture	123	
		Other assets:		
		Deferred financing costs, net	1,760	
	3 Months	Other assets - Right-to-Use Asset	309	
	Ended		\$ 248,771	
NOI Components	31-Dec-23			
Same Store NOI (1)	\$ 14,328			
Acquisitions (1) (2)	—	Liabilities:		
Property NOI (1)	14,328	Debt (excluding contra for unamortized financing costs)	\$ 405,000	Footnotes to the components
Full quarter adjustment (3)	—	Accounts payable & accrued expenses	45,523	(1) See pages 11 & 30 for definitions and reconciliations.
Stabilized portfolio	\$ 14,328	Tenant security deposits	6,204	(2) Includes NOI from acquisitions not in Same Store.
		Other liabilities: lease liability	334	(3) Adjustment to reflect property NOI for a full quarter in the quarter acquired, if necessary.
			\$ 457,061	(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	\$ 34,519			
Rental operating expenses	(13,105)			
Real estate taxes and insurance	(5,943)			
NOI from dispositions & acquisition properties	(751)			
Taxes (4)	(67)			
Management & other fees (5)	(325)			
Property NOI (1)	\$ 14,328			



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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