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

Franklin Street Properties Corp. Announces Second Quarter 2023 Results

Wakefield, MA—August 1, 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 second quarter ended June 30, 2023.

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

"As the third 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 loss was $8.4 million and $6.0 million, or $0.08 and $0.06 per basic and diluted share for the three and six months ended June 30, 2023, respectively.
- Funds From Operations (FFO) was $7.1 million and $15.5 million, or $0.07 and $0.15 per basic and diluted share, for the three and six months ended June 30, 2023, respectively.

Leasing Highlights

- During the six months ended June 30, 2023, we leased approximately 445,000 square feet, including 176,000 square feet of new leases.
- Our directly owned real estate portfolio of 20 owned properties, totaling approximately 6.1 million square feet, was approximately 75.7% leased as of June 30, 2023, compared to approximately 75.6% leased as of December 31, 2022. The increase in the leased percentage is primarily a result of leasing completed during the six months ended June 30, 2023, which was partially offset by lease expirations and a property disposition.
- The weighted average GAAP base rent per square foot achieved on leasing activity during the six months ended June 30, 2023, was $29.14, or 7.2% higher than average rents in the respective properties for the year ended December 31, 2022. The average lease term on leases signed during the six months ended June 30, 2023, was 6.6 years compared to 6.4 years during the year ended December 31, 2022. Overall, the portfolio weighted average rent per occupied square foot was $31.21 as of June 30, 2023, compared to $30.48 as of December 31, 2022.
- During the second quarter, we entered into a lease amendment with an existing tenant, Kaiser Foundation Health Plan, Inc., at our Greenwood Plaza property in Englewood, Colorado. The lease amendment extends the term applicable to all of Kaiser's approximately 121,000 square foot premises by 5 years, from May 31, 2024, to May 31, 2029.
- During the second quarter, we entered into a new lease with the Commonwealth of Virginia, Department of General Services, at our Innsbrook property in Glen Allen, Virginia. The lease is for

approximately 100,000 square feet, has a term of 10.5 years and is anticipated to commence during December 2023.

- We are currently tracking approximately 500,000 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 remain committed to seeking to sell select properties during 2023 and using proceeds primarily for debt reduction.
- Since December 2020, we have completed the sale of properties resulting in gross proceeds of approximately $852 million and reflecting an average price per square foot of approximately $220.
- During the third quarter of 2023, we expect to close on the sale of Forest Park in Charlotte, North Carolina for approximately $9.2 million in gross proceeds. We recorded an impairment of $0.8 million on this property for the expected loss on sale and classified the property as an asset held-for-sale during the three months ended June 30, 2023. Proceeds will be used primarily for debt reduction.
- We have entered into purchase and sale agreements with three different (and unrelated) purchasers for the potential sale of three properties that would result in aggregate gross proceeds of approximately $156 million. These transactions remain subject to customary closing conditions, including without limitation, successful completion by the purchasers of due diligence inspection periods. If successful, these transactions are expected to close during the fourth quarter of 2023 and the proceeds are intended to be used primarily for the repayment of debt.
- Assuming that the three properties currently under purchase and sale agreement, together with our Forest Park property, close at their currently negotiated purchase prices, those four dispositions would reflect an average price per square foot of approximately $250.

Dividends

- On July 7, 2023, we announced that our Board of Directors declared a quarterly cash dividend for the three months ended June 30, 2023 of $0.01 per share of common stock that will be paid on August 10, 2023 to stockholders of record on July 21, 2023.

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 (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. On June 26, 2023, the maturity date was extended to September 30, 2023. 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 June 30, 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 June 30, 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 August 2, 2023 at 11:00 a.m. (ET) to discuss the second quarter 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 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 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
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Franklin Street Properties Corp. Financial Results
Supplementary Schedule A
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands, except per share amounts)	**2023**	**2022**	**2023**	**2022**
Revenue:				
Rental	$ 36,257	$ 40,831	$ 74,024	$ 82,628
Related party revenue:				
Management fees and interest income from loans	—	467	—	927
Other	9	6	9	13
Total revenue	36,266	41,304	74,033	83,568
Expenses:				
Real estate operating expenses	12,140	12,344	24,830	25,178
Real estate taxes and insurance	7,169	9,043	14,142	17,762
Depreciation and amortization	14,645	18,186	29,372	33,856
General and administrative	3,767	3,981	7,584	7,765
Interest	6,084	5,664	11,890	11,030
Total expenses	43,805	49,218	87,818	95,591
Loss on extinguishment of debt	—	—	(67)	—
Gain on consolidation of Sponsored REIT	—	—	394	—
Impairment and loan loss reserve	—	(1,140)	—	(1,140)
Gain on sale of properties and impairment of asset held for sale, net	(806)	—	7,586	—
Loss before taxes	(8,345)	(9,054)	(5,872)	(13,163)
Tax expense	75	56	142	105
Net loss	$ (8,420)	$ (9,110)	$ (6,014)	$ (13,268)
Weighted average number of shares outstanding, basic and diluted	103,330	103,193	103,283	103,441
Net loss per share, basic and diluted	$ (0.08)	$ (0.09)	$ (0.06)	$ (0.13)

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

(in thousands, except share and par value amounts)	June 30, 2023	December 31, 2022
Assets:		
Real estate assets:		
Land	$ 128,588	$ 126,645
Buildings and improvements	1,362,939	1,388,869
Fixtures and equipment	11,612	11,151
	1,503,139	1,526,665
Less accumulated depreciation	421,180	423,417
Real estate assets, net	1,081,959	1,103,248
Acquired real estate leases, less accumulated amortization of $20,962 and $20,243, respectively	8,828	10,186
Asset held for sale	8,860	—
Cash, cash equivalents and restricted cash	6,697	6,632
Tenant rent receivables	1,938	2,201
Straight-line rent receivable	50,267	52,739
Prepaid expenses and other assets	5,648	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 $1,149 and $1,115, respectively	127	154
Deferred leasing commissions, net of accumulated amortization of $20,327 and $19,043, respectively	34,985	35,709
Total assets	$ 1,199,309	$ 1,241,666
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	$ 75,000	$ 48,000
Term loans payable, less unamortized financing costs of $529 and $250, respectively	124,471	164,750
Series A & Series B Senior Notes, less unamortized financing costs of $412 and $494, respectively	199,588	199,506
Accounts payable and accrued expenses	32,501	50,366
Accrued compensation	2,286	3,644
Tenant security deposits	5,666	5,710
Lease liability	550	759
Acquired unfavorable real estate leases, less accumulated amortization of $537 and $574, respectively	153	195
Total liabilities	440,215	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	2,480	4,358
Accumulated distributions in excess of accumulated earnings	(578,487)	(570,408)
Total stockholders' equity	759,094	768,736
Total liabilities and stockholders' equity	$ 1,199,309	$ 1,241,666

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

(in thousands)	For the Six Months Ended June 30, 2023	2022
Cash flows from operating activities:		
Net loss	$ (6,014)	$ (13,268)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	30,634	34,863
Amortization of above and below market leases	(30)	(54)
Amortization of other comprehensive income into interest expense	(1,726)	—
Shares issued as compensation	315	394
Loss on extinguishment of debt	67	—
Gain on consolidation of Sponsored REIT	(394)	—
Impairment and loan loss reserve	—	1,140
Gain on sale of properties and impairment of asset held for sale, net	(7,586)	—
Changes in operating assets and liabilities:		
Tenant rent receivables	263	(673)
Straight-line rents	322	(2,904)
Lease acquisition costs	(824)	(2,426)
Prepaid expenses and other assets	(267)	(1,153)
Accounts payable and accrued expenses	(8,747)	(18,268)
Accrued compensation	(1,358)	(2,452)
Tenant security deposits	(44)	(400)
Payment of deferred leasing commissions	(4,137)	(5,033)
Net cash provided by (used in) operating activities	474	(10,234)
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(18,369)	(21,496)
Consolidation of Sponsored REIT	3,048	—
Proceeds received from sales of properties	28,098	—
Net cash provided by (used in) investing activities	12,777	(21,496)
Cash flows from financing activities:		
Distributions to stockholders	(2,065)	(51,924)
Proceeds received from termination of interest rate swap	4,206	—
Stock repurchases	—	(4,843)
Borrowings under bank note payable	62,000	60,000
Repayments of bank note payable	(35,000)	(5,000)
Repayments of term loans payable	(40,000)	—
Deferred financing costs	(2,327)	(2,561)
Net cash used in financing activities	(13,186)	(4,328)
Net increase (decrease) in cash, cash equivalents and restricted cash	65	(36,058)
Cash, cash equivalents and restricted cash, beginning of year	6,632	40,751
Cash, cash equivalents and restricted cash, end of period	$ 6,697	$ 4,693

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	177,038	2.8%
2024	622,040	9.9%
2025	438,551	7.0%
2026	617,649	9.9%
2027	334,289	5.3%
Thereafter (2)	4,081,091	65.1%
	6,270,658	100.0%

(1) Percentages are determined based upon total square footage.
(2) Includes 1,674,276 square feet of vacancies at our owned and consolidated properties as of June 30, 2023.

(dollars & square feet in 000's)	As of June 30, 2023				
State	Properties	Investment	% of Portfolio	Square Feet	% of Portfolio
Colorado	4	$ 457,647	42.3%	2,140	34.1%
Texas	9	330,946	30.6%	2,424	38.6%
Georgia	1	52,444	4.9%	160	2.6%
Minnesota	3	119,425	11.0%	758	12.1%
Virginia	1	31,821	2.9%	298	4.8%
Florida	1	70,152	6.5%	213	3.4%
Indiana	1	19,524	1.8%	214	3.4%
North Carolina (a)	1	-	0.0%	64	1.0%
Total	21	$ 1,081,959	100.0%	6,271	100.0%

(a) Property was classified as an asset held for sale as of June 30, 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 to Date
	31-Mar-23	30-Jun-23	30-Jun-23
Tenant improvements	$ 3,047	$ 4,381	$ 7,428
Deferred leasing costs	908	3,230	4,138
Non-investment capex	2,967	2,042	5,009
	$ 6,922	$ 9,653	$ 16,575

(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
	$ 9,974	$ 13,516	$ 18,155	$ 17,734	$ 59,379

Square foot & leased percentages	June 30, 2023	December 31, 2022
Owned Properties:		
Number of properties (a)	20	21
Square feet	6,056,898	6,239,530
Leased percentage	75.7%	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	6,270,658	6,239,530
Leased percentage	73.3%	75.6%

(a) Includes property that was classified as an asset held for sale as of June 30, 2023.

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-Mar-23	First Quarter Average % Leased (2)	% Leased (1) as of 30-Jun-23	Second Quarter Average % Leased (2)
1	FOREST PARK (3)	Charlotte, NC	64,198	78.4%	78.4%	78.4%	78.4%
2	PARK TEN	Houston, TX	157,609	90.8%	86.6%	90.8%	90.8%
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	97.1%	96.8%	97.1%	97.1%
7	INNSBROOK	Glen Allen, VA	298,183	47.8%	47.8%	81.3%	81.3%
8	LIBERTY PLAZA	Addison, TX	217,841	72.9%	72.9%	71.6%	71.8%
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	84.5%	84.5%	79.6%	82.2%
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%	49.0%	62.5%	53.5%
14	ONE LEGACY	Plano, TX	214,110	69.3%	69.3%	73.8%	73.8%
15	WESTCHASE I & II	Houston, TX	629,025	59.0%	60.3%	58.7%	58.7%
16	1999 BROADWAY	Denver, CO	682,639	61.9%	65.2%	61.0%	61.6%
17	1001 17TH STREET	Denver, CO	648,861	70.8%	70.3%	71.0%	71.0%
18	PLAZA SEVEN	Minneapolis, MN	330,096	65.0%	71.6%	64.4%	64.3%
19	PERSHING PLAZA	Atlanta, GA	160,145	79.8%	79.8%	79.8%	79.8%
20	600 17TH STREET	Denver, CO	612,135	80.5%	79.3%	80.8%	80.6%
	OWNED PORTFOLIO		**6,056,898**	**73.9%**	**74.9%**	**75.7%**	**75.6%**
21	MONUMENT CIRCLE (4)	Charlotte, NC	213,760	4.1%	4.1%	4.1%	4.1%
	OWNED & CONSOLIDATED PORTFOLIO		**6,270,658**	**71.5%**	**72.5%**	**73.3%**	**73.2%**

(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 June 30, 2023.

(4) Consolidated property as of January 1, 2023, which was 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 June 30, 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, Inc.	120,979	1.9%
6	Argo Data Resource Corporation	114,200	1.8%
7	Swift, Currie, McGhee & Hiers, LLP	101,296	1.6%
8	Commonwealth of Virginia	100,010	1.6%
9	Deluxe Corporation	98,922	1.6%
10	Ping Identity Corp.	89,856	1.4%
11	Permian Resources Operating, LLC	67,856	1.1%
12	Bread Financial Payments, Inc.	67,274	1.1%
13	PricewaterhouseCoopers LLP	66,304	1.1%
14	Hall and Evans LLC	65,878	1.0%
15	Cyxtera Management, Inc.	61,826	1.0%
16	Precision Drilling (US) Corporation	59,569	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, Inc.	53,119	0.8%
	Total	1,977,316	31.5%

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:	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share amounts)	2023	2022	2023	2022
Net loss	$ (8,420)	$ (9,110)	$ (6,014)	$ (13,268)
Gain on consolidation of Sponsored REIT	—	—	(394)	—
Impairment and loan loss reserve	—	1,140	—	1,140
Gain on sale of properties and impairment of asset held for sale, net	806	—	(7,586)	—
Depreciation & amortization	14,633	18,141	29,342	33,802
NAREIT FFO	7,019	10,171	15,348	21,674
Lease Acquisition costs	91	86	169	165
Funds From Operations (FFO)	$ 7,110	$ 10,257	$ 15,517	$ 21,839
Funds From Operations (FFO)	$ 7,110	$ 10,257	$ 15,517	$ 21,839
Loss on extinguishment of debt	—	—	67	—
Amortization of deferred financing costs	672	481	1,261	1,007
Shares issued as compensation	315	394	315	394
Straight-line rent	653	(1,688)	322	(2,904)
Tenant improvements	(4,381)	(5,453)	(7,428)	(7,330)
Leasing commissions	(3,230)	(1,327)	(4,138)	(4,359)
Non-investment capex	(2,042)	(6,736)	(5,009)	(11,801)
Adjusted Funds From Operations (AFFO)	$ (903)	$ (4,072)	$ 907	$ (3,154)
Per Share Data				
EPS	$ (0.08)	$ (0.09)	$ (0.06)	$ (0.13)
FFO	$ 0.07	$ 0.10	$ 0.15	$ 0.21
AFFO	$ (0.01)	$ (0.04)	$ 0.01	$ (0.03)
Weighted average shares (basic and diluted)	103,330	103,193	103,283	103,441

Funds From Operations (“FFO”)

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

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

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

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

Adjusted Funds From Operations (“AFFO”)

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

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

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

Franklin Street Properties Corp. Earnings Release
Supplementary Schedule I
Reconciliation and Definition of Sequential Same Store results to property Net Operating Income (NOI) and Net Income

Net Operating Income ("NOI")

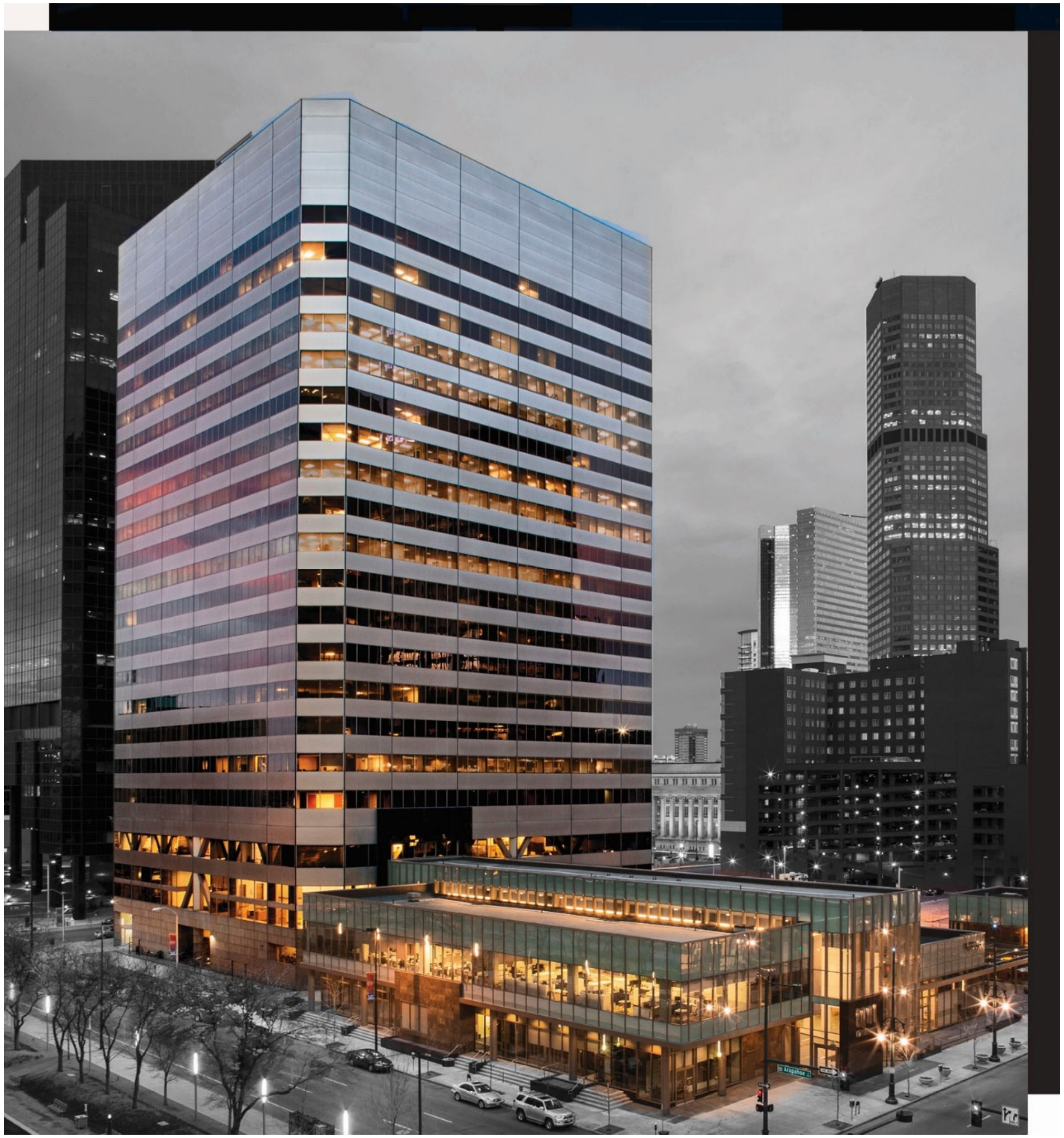
The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure)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

(in thousands)	Rentable Square Feet or RSF	Three Months Ended 30-Jun-23	Three Months Ended 31-Mar-23	Inc (Dec)	% Change
Region					
East	362	$ 553	$ 478	$ 75	15.7 %
MidWest	758	1,718	2,239	(521)	(23.3)%
South	2,797	8,128	7,933	195	2.5 %
West	2,140	6,412	6,422	(10)	(0.2)%
Property NOI* from Owned Properties	6,057	16,811	17,072	(261)	(1.5)%
Disposition and Acquisition Properties (a)	214	(240)	668	(908)	(5.1)%
NOI*	6,271	$ 16,571	$ 17,740	$ (1,169)	(6.6)%
Sequential Same Store		$ 16,811	$ 17,072	$ (261)	(1.5)%
Less Nonrecurring Items in NOI* (b)		301	1,292	(991)	6.1 %
Comparative Sequential Same Store		$ 16,510	$ 15,780	$ 730	4.6 %

Reconciliation to Net income (loss)	**Three Months Ended 30-Jun-23**	**Three Months Ended 31-Mar-23**
Net income (loss)	$ (8,420)	$ 2,406
Add (deduct):		
Loss on extinguishment of debt	—	67
Gain on consolidation of Sponsored REIT	—	(394)
Impairment and loan loss reserve	—	—
Gain on sale of properties, net	806	(8,392)
Management fee income	(427)	(374)
Depreciation and amortization	14,645	14,727
Amortization of above/below market leases	(12)	(18)
General and administrative	3,768	3,817
Interest expense	6,084	5,806
Interest income	—	—
Non-property specific items, net	127	95
NOI*	$ 16,571	$ 17,740

(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

Second Quarter 2023
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All financial information contained in this supplemental information package is unaudited. In addition, certain statements contained in this supplemental information package may be deemed to be forward-looking statements within the meaning of the federal securities laws. Although FSP believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from FSP's current expectations include adverse changes in general economic or local market conditions, including as a result of geopolitical events, 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 June 30, 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

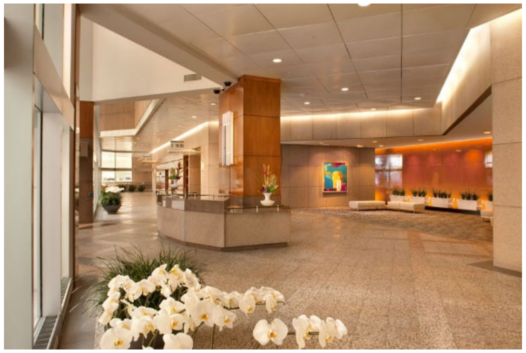
Inquiries

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 June 30, 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	103,430,353
Total Market Capitalization	$0.6 Billion (1)
Insider Holdings	6.43%



600 17th Street, Denver, CO

Summary of Financial Highlights

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

	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22
Income Items:					
Rental revenue	$ 36,257	$ 37,767	$ 40,745	$ 40,366	$ 40,831
Total revenue	36,266	37,767	41,211	40,836	41,304
Net income (loss)	(8,420)	2,406	(2,884)	17,246	(9,110)
Adjusted EBITDA*	13,178	14,269	16,112	15,250	15,891
FFO*	7,110	8,407	10,463	9,041	10,257
AFFO*	(903)	1,810	(8,681)	(9,735)	(4,072)
Per Share Data:					
EPS	$ (0.08)	$ 0.02	$ (0.03)	$ 0.17	$ (0.09)
FFO*	$ 0.07	$ 0.08	$ 0.10	$ 0.09	$ 0.10
AFFO*	$ (0.01)	$ 0.02	$ (0.08)	$ (0.09)	$ (0.04)
Weighted Average Shares (diluted)	103,330	103,236	103,236	103,236	103,193
Closing share price	$ 1.45	$ 1.57	$ 2.73	$ 2.63	$ 4.17
Dividend declared	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.09
Balance Sheet Items:					
Real estate, net	$ 1,081,959	$ 1,095,915	$ 1,103,248	$ 1,118,983	$ 1,186,157
Other assets, net	117,350	117,767	138,418	143,087	145,562
Total assets, net	1,199,309	1,213,682	1,241,666	1,262,070	1,331,719
Total liabilities, net	440,215	444,387	472,930	489,509	577,687
Shareholders' equity	759,094	769,295	768,736	772,561	754,032
Market Capitalization and Debt:					
Total Market Capitalization (a)	$ 549,974	$ 562,080	$ 694,834	$ 701,510	$ 960,494
Total debt outstanding (excluding unamortized financing costs)	$ 400,000	$ 400,000	$ 413,000	$ 430,000	$ 530,000
Debt to Total Market Capitalization	72.7%	71.2%	59.4%	61.3%	55.2%
Net Debt to Adjusted EBITDA ratio*	7.5	6.8	6.3	6.9	8.3
Owned Properties Leasing Statistics (b):					
Owned properties assets	20	20	21	22	24
Owned properties total SF	6,056,898	6,049,466	6,239,530	6,433,954	6,915,715
Owned properties % leased	75.7%	73.9%	75.6%	75.9%	76.3%

(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 Six Months Ended	For the Three Months Ended				For the Year Ended
	31-Mar-23	30-Jun-23	30-Jun-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Revenue:								
Rental	$ 37,767	$ 36,257	$ 74,024	$ 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	9	7	6	4	4	21
Total revenue	**37,767**	**36,266**	**74,033**	**42,264**	**41,304**	**40,836**	**41,211**	**165,615**
Expenses:								
Real estate operating expenses	12,690	12,140	24,830	12,834	12,344	13,369	14,273	52,820
Real estate taxes and insurance	6,973	7,169	14,142	8,719	9,043	8,951	7,907	34,620
Depreciation and amortization	14,727	14,645	29,372	15,670	18,186	15,148	14,804	63,808
General and administrative	3,817	3,767	7,584	3,784	3,981	3,232	2,888	13,885
Interest	5,806	6,084	11,890	5,366	5,664	6,110	5,668	22,808
Total expenses	**44,013**	**43,805**	**87,818**	**46,373**	**49,218**	**46,810**	**45,540**	**187,941**
Loss on extinguishment of debt	(67)	—	(67)	—	—	(78)	—	(78)
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 asset held for sale, net	8,392	(806)	7,586	—	—	24,077	3,862	27,939
Income (loss) before taxes on income	2,473	(8,345)	(5,872)	(4,109)	(9,054)	17,308	(2,847)	1,298
Tax expense on income	67	75	142	49	56	62	37	204
Net income (loss)	**$ 2,406**	**$ (8,420)**	**$ (6,014)**	**$ (4,158)**	**$ (9,110)**	**$ 17,246**	**$ (2,884)**	**$ 1,094**
Weighted average number of shares outstanding, basic and diluted	103,236	103,330	103,283	103,691	103,193	103,236	103,236	103,338
Net income (loss) per share, basic and diluted	**$ 0.02**	**$ (0.08)**	**$ (0.06)**	**$ (0.04)**	**$ (0.09)**	**$ 0.17**	**$ (0.03)**	**$ 0.01**

Condensed Consolidated Balance Sheets
(in thousands)

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

Condensed Consolidated Statements of Cash Flows

(in thousands)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flows from operating activities:		
Net loss	$ (6,014)	$ (13,268)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	30,634	34,863
Amortization of above and below market leases	(30)	(54)
Amortization of other comprehensive income into interest expense	(1,726)	—
Shares issued as compensation	315	394
Loss on extinguishment of debt	67	—
Gain on consolidation of Sponsored REIT	(394)	—
Impairment and loan loss reserve	—	1,140
Gain on sale of properties and impairment of asset held for sale, net	(7,586)	—
Changes in operating assets and liabilities:		
Tenant rent receivables	263	(673)
Straight-line rents	322	(2,904)
Lease acquisition costs	(824)	(2,426)
Prepaid expenses and other assets	(267)	(1,153)
Accounts payable and accrued expenses	(8,747)	(18,268)
Accrued compensation	(1,358)	(2,452)
Tenant security deposits	(44)	(400)
Payment of deferred leasing commissions	(4,137)	(5,033)
Net cash provided by (used in) operating activities	**474**	**(10,234)**
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(18,369)	(21,496)
Consolidation of Sponsored REIT	3,048	—
Proceeds received from sales of properties	28,098	—
Net cash provided by (used in) investing activities	**12,777**	**(21,496)**
Cash flows from financing activities:		
Distributions to stockholders	(2,065)	(51,924)
Stock repurchases	—	(4,843)
Proceeds received from termination of interest rate swap	4,206	—
Borrowings under bank note payable	62,000	60,000
Repayments of bank note payable	(35,000)	(5,000)
Repayment of term loan payable	(40,000)	—
Deferred financing costs	(2,327)	(2,561)
Net cash used in financing activities	**(13,186)**	**(4,328)**
Net increase (decrease) in cash, cash equivalents and restricted cash	65	(36,058)
Cash, cash equivalents and restricted cash, beginning of period	6,632	40,751
Cash, cash equivalents and restricted cash, end of period	**$ 6,697**	**$ 4,693**

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 30-Jun-23	Six Months Ended 30-Jun-23	Three Months Ended 31-Mar-22	Three Months Ended 30-Jun-22	Six Months Ended 30-Jun-22	Inc (Dec)	% Change
Region									
East	362	$ 478	$ 553	$ 1,031	$ 497	$ 474	$ 971	$ 60	6.2 %
MidWest	758	2,239	1,718	3,957	2,478	3,038	5,516	(1,559)	(28.3)%
South	2,797	7,933	8,128	16,061	5,817	5,611	11,428	4,633	40.5 %
West	2,140	6,422	6,412	12,834	8,070	6,609	14,679	(1,845)	(12.6)%
Property NOI* from Owned Properties	6,057	17,072	16,811	33,883	16,862	15,732	32,594	1,289	4.0 %
Disposition and Acquisition Properties (a)	214	668	(240)	428	2,719	3,386	6,105	(5,677)	(15.3)%
Property NOI*	6,271	$ 17,740	$ 16,571	$ 34,311	$ 19,581	$ 19,118	$ 38,699	$ (4,388)	(11.3)%
Same Store		$ 17,072	$ 16,811	$ 33,883	$ 16,862	$ 15,732	$ 32,594	$ 1,289	4.0 %
Less Nonrecurring Items in NOI* (b)		1,292	301	1,593	273	1,258	1,531	62	(0.0)%
Comparative Same Store		$ 15,780	$ 16,510	$ 32,290	$ 16,589	$ 14,474	$ 31,063	$ 1,227	4.0 %

(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		Six Months Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	**30-Jun-23**	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	**31-Dec-22**
Net income (loss)	$ 2,406	$ (8,420)	**$** (6,014)	$ (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 asset held for sale, net	(8,392)	806	(7,586)	—	—	(24,077)	(3,862)	(27,939)
Depreciation & amortization	14,709	14,633	29,342	15,661	18,141	15,114	14,773	63,689
NAREIT FFO*	8,329	7,019	15,348	11,503	10,171	9,000	10,407	41,081
Lease Acquisition costs	78	91	169	79	86	41	56	262
Funds From Operations (FFO)*	$ 8,407	$ 7,110	**$** 15,517	$ 11,582	$ 10,257	$ 9,041	$ 10,463	$ 41,343
Adjusted Funds From Operations (AFFO)*								
Funds From Operations (FFO)*	$ 8,407	$ 7,110	**$** 15,517	$ 11,582	$ 10,257	$ 9,041	$ 10,463	$ 41,343
Loss on extinguishment of debt	67	—	67	—	—	78	—	78
Amortization of deferred financing costs	589	672	1,261	526	481	461	421	1,889
Shares issued as compensation	—	315	315	—	394	—	—	394
Straight-line rent	(331)	653	322	(1,216)	(1,688)	(1,160)	(1,831)	(5,895)
Tenant improvements	(3,047)	(4,381)	(7,428)	(1,877)	(5,453)	(6,813)	(7,508)	(21,651)
Leasing commissions	(908)	(3,230)	(4,138)	(3,032)	(1,327)	(2,053)	(1,152)	(7,564)
Non-investment capex	(2,967)	(2,042)	(5,009)	(5,065)	(6,736)	(9,289)	(9,074)	(30,164)
Adjusted Funds From Operations (AFFO)*	$ 1,810	$ (903)	**$** 907	$ 918	$ (4,072)	$ (9,735)	$ (8,681)	$ (21,570)
Per Share Data:								
EPS	$ 0.02	$ (0.08)	**$** (0.06)	$ (0.04)	$ (0.09)	$ 0.17	$ (0.03)	$ 0.01
FFO*	0.08	0.07	0.15	0.11	0.10	0.09	0.10	0.40
AFFO*	0.02	(0.01)	0.01	0.01	(0.04)	(0.09)	(0.08)	(0.21)
Weighted Average Shares (basic and diluted)	103,236	103,330	103,283	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		Six Months Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Jun-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	$ 2,406	$ (8,420)	$ (6,014)	$ (4,158)	$ (9,110)	$ 17,246	$ (2,884)	$ 1,094
Interest expense	5,806	6,084	11,890	5,366	5,664	6,110	5,668	22,808
Depreciation and amortization	14,709	14,633	29,342	15,661	18,141	15,114	14,773	63,689
Income taxes	67	75	142	49	56	62	37	204
EBITDA*	$ 22,988	$ 12,372	$ 35,360	$ 16,918	$ 14,751	$ 38,532	$ 17,594	$ 87,795
Loss on extinguishment of debt	67	—	67	—	—	78	—	78
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 asset held for sale, net	(8,392)	806	(7,586)	—	—	(24,077)	(3,862)	(27,939)
Adjusted EBITDA*	$ 14,269	$ 13,178	$ 27,447	$ 16,918	$ 15,891	$ 15,250	$ 16,112	$ 64,171
Interest expense	$ 5,806	$ 6,084	$ 11,890	$ 5,366	$ 5,664	$ 6,110	$ 5,668	$ 22,808
Scheduled principal payments	—	—	—	—	—	—	—	—
Interest and scheduled principal payments	$ 5,806	$ 6,084	$ 11,890	$ 5,366	$ 5,664	$ 6,110	$ 5,668	$ 22,808
Interest coverage ratio	2.46	2.17	2.31	3.15	2.81	2.50	2.84	2.81
Debt service coverage ratio	2.46	2.17	2.31	3.15	2.81	2.50	2.84	2.81
Debt excluding unamortized financing costs	$ 400,000	$ 400,000		$ 515,000	$ 530,000	$ 430,000	$ 413,000	
Cash, cash equivalents and restricted cash	13,110	6,697		10,983	4,693	8,717	6,632	
Net Debt (Debt less Cash, cash equivalents and restricted cash)	$ 386,890	$ 393,303		$ 504,017	$ 525,307	$ 421,283	$ 406,368	
Adjusted EBITDA*	$ 14,269	$ 13,178		$ 16,918	$ 15,891	$ 15,250	$ 16,112	
Annualized	$ 57,076	$ 52,712		$ 67,672	$ 63,564	$ 61,000	$ 64,448	
Net Debt-to-Adjusted EBITDA ratio*	6.8	7.5		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		Six Months Ended	Three Months Ended				Year Ended
	31-Mar-23	30-Jun-23	30-Jun-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Dec-22
Net income (loss)	$ 2,406	$ (8,420)	$ (6,014)	$ (4,158)	$ (9,110)	$ 17,246	$ (2,884)	$ 1,094
Add (deduct):								
Loss on extinguishment of debt	67	—	67	—	—	78	—	78
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 asset held for sale, net	(8,392)	806	(7,586)	—	—	(24,077)	(3,862)	(27,939)
Management fee income	(374)	(427)	(801)	(291)	(267)	(274)	(295)	(1,127)
Depreciation and amortization	14,727	14,645	29,372	15,670	18,185	15,148	14,805	63,808
Amortization of above/below market leases	(18)	(12)	(30)	(9)	(45)	(34)	(30)	(118)
General and administrative	3,817	3,768	7,585	3,784	3,981	3,233	2,888	13,886
Interest expense	5,806	6,084	11,890	5,366	5,664	6,110	5,668	22,808
Interest income	—	—	—	(451)	(455)	(461)	(460)	(1,827)
Non-property specific items, net	95	127	222	(330)	25	(18)	5	(318)
Property NOI*	$ 17,740	$ 16,571	$ 34,311	$ 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 30-Jun-23	Interest Rate (a) Components	Interest Rate at 30-Jun-23	Facility Fee
BofA Revolver	1-Oct-24	$ 150,000	$ 75,000	SOFR + 3.00%	8.23%	0.35%
BMO Term Loan Tranche B	1-Oct-24	125,000	125,000	SOFR + 3.00%	8.20%	
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		6.41%	

- The table above is a summary of our debt as of June 30, 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 June 30, 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.

Capital Analysis

(in thousands, except per share amounts)

	31-Mar-23	30-Jun-23	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22
Market Data:						
Shares Outstanding	103,236	103,430	103,152	103,236	103,236	103,236
Closing market price per share	$ 1.57	$ 1.45	$ 5.90	$ 4.17	$ 2.63	$ 2.73
Market capitalization	$ 162,080	$ 149,974	$ 608,596	$ 430,494	$ 271,510	$ 281,834
Total debt outstanding excluding unamortized financing costs	400,000	400,000	515,000	530,000	430,000	413,000
Total Market Capitalization	$ 562,080	$ 549,974	$ 1,123,596	$ 960,494	$ 701,510	$ 694,834
Dividend Data:						
Total dividends declared for the quarter	$ 1,033	$ 1,032	$ 9,360	$ 9,284	$ 1,032	$ 1,032
Common dividend declared per share	$ 0.01	$ 0.01	$ 0.09	$ 0.09	$ 0.01	$ 0.01
Declared dividend as a % of Net income (loss) per share	43%	(12)%	(224)%	(102)%	6%	(36)%
Declared dividend as a % of AFFO* per share	57%	(114)%	1017%	(228)%	(11)%	(12)%
Liquidity:						
Cash, cash equivalents and restricted cash	$ 13,110	$ 6,697	$ 10,983	$ 4,693	$ 8,717	$ 6,632
Revolver:						
Gross potential available under the BofA Revolver	150,000	150,000	237,500	237,500	237,500	237,500
Less:						
Outstanding balance	(75,000)	(75,000)	(40,000)	(55,000)	(65,000)	(48,000)
Total Liquidity	$ 88,110	$ 81,697	$ 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				
	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22
Total Owned Properties:					
Number of properties (a)	20	20	21	22	24
Square feet	6,056,898	6,049,466	6,239,530	6,433,954	6,915,715
Leased percentage	75.7%	73.9%	75.6%	75.9%	76.3%
Consolidated Property - Single Asset REIT (SAR):					
Number of properties	1	1	—	—	—
Square feet	213,760	213,760	—	—	—
Leased percentage	4.1%	4.1%	—	—	—
Total Owned and Consolidated Properties:					
Number of properties	21	21	21	22	24
Square feet	6,270,658	6,263,226	6,239,530	6,433,954	6,915,715
Leased percentage	73.3%	71.5%	75.6%	75.9%	76.3%

(a) Includes a property that was classified as an asset held for sale as of June 30, 2023.

Owned & Consolidated Portfolio Overview

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	81.3%	47.8%	$ 18.84
Charlotte, NC						
Forest Park (d)	Charlotte	NC	64,198	78.4%	78.4%	23.48
East Region Total			362,381	80.8%	53.2%	$ 20.05

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	79.6%	83.4%	$ 24.99
801 Marquette Ave	Minneapolis	MN	129,691	91.8%	91.8%	24.14
Plaza Seven	Minneapolis	MN	330,096	64.4%	67.8%	30.50
Indianapolis, IN						
Monument Circle (c)	Indianapolis	IN	213,760	4.1%	4.1%	31.56
Midwest Region Total			971,668	59.5%	61.8%	$ 26.97

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

Owned & Consolidated Portfolio Overview

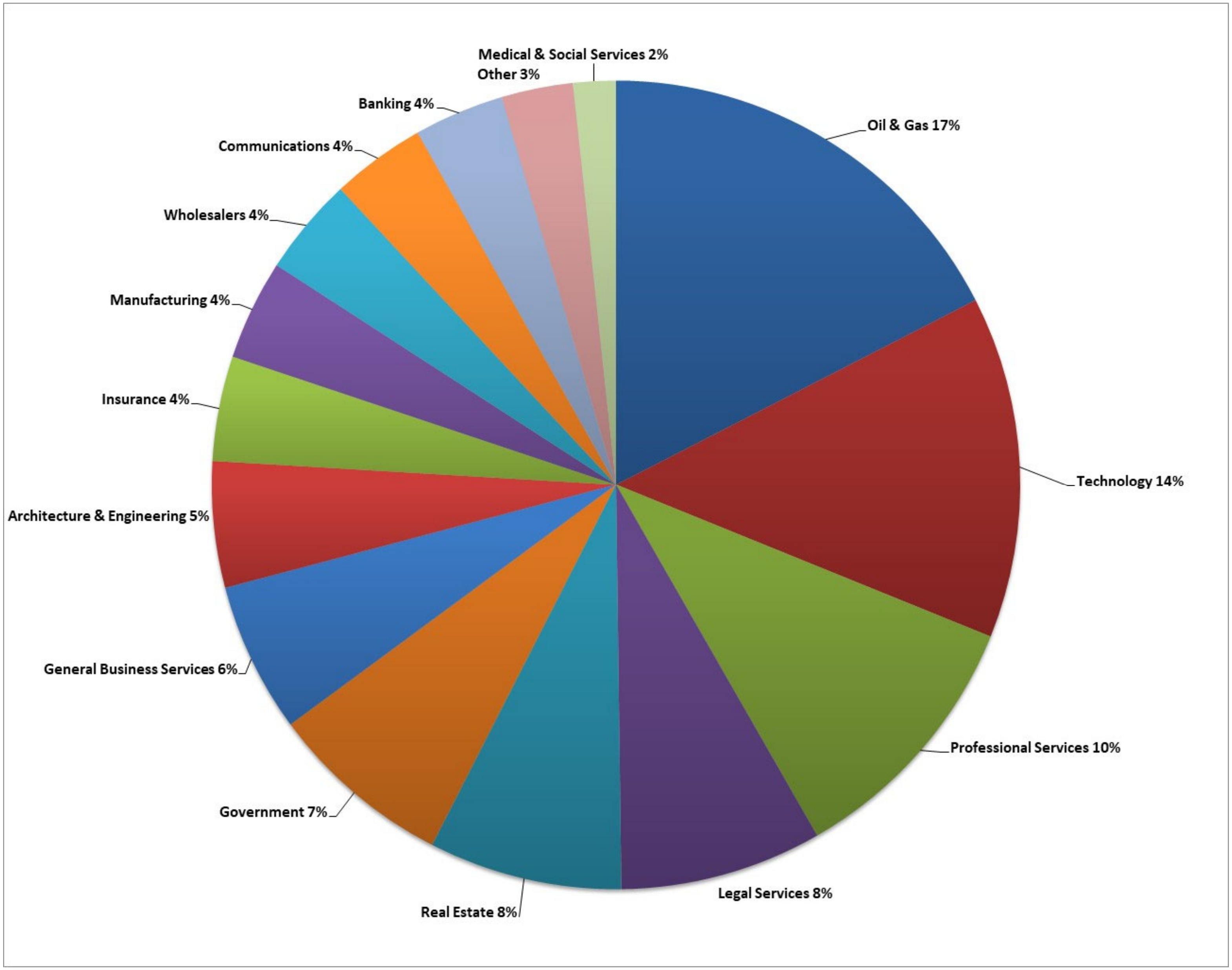
MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
South Region						
Dallas-Fort Worth						
Legacy Tennyson Center	Plano	TX	209,461	62.5%	49.0%	$ 30.09
One Legacy Circle	Plano	TX	214,110	73.8%	64.8%	38.34
Addison Circle	Addison	TX	289,333	83.0%	83.0%	35.25
Collins Crossing	Richardson	TX	300,887	97.1%	96.4%	26.54
Liberty Plaza	Addison	TX	217,841	71.6%	72.4%	24.34
Houston						
Park Ten	Houston	TX	157,609	90.8%	75.1%	28.81
Eldridge Green	Houston	TX	248,399	100.0%	100.0%	26.76
Park Ten Phase II	Houston	TX	156,746	95.0%	95.0%	29.15
Westchase I & II	Houston	TX	629,025	58.7%	58.5%	26.92
Miami-Ft. Lauderdale-West Palm Beach						
Blue Lagoon Drive	Miami	FL	213,182	98.5%	73.6%	43.41
Atlanta						
Pershing Plaza	Atlanta	GA	160,145	79.8%	79.8%	38.65
South Region Total			2,796,738	79.6%	75.0%	$ 30.73

MSA / Property Name	City	State	Square Feet	Percent Leased	Wtd Occupied Percentage (a)	GAAP Rent (b)
West Region						
Denver						
1999 Broadway	Denver	CO	682,639	61.0%	63.2%	$ 34.35
Greenwood Plaza	Englewood	CO	196,236	66.3%	66.3%	27.80
1001 17th Street	Denver	CO	648,861	71.0%	69.9%	38.12
600 17th Street	Denver	CO	612,135	80.8%	77.7%	34.74
West Region Total			2,139,871	70.1%	69.6%	$ 35.05
Total Owned & Consolidated Properties			6,270,658	73.3%	69.9%	$ 31.21

(a) Weighted Occupied Percentage for the six months ended ended June 30, 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	117	248,399	4.0%	$ 7,064,468	5.0%
2	EOG Resources, Inc.	1	42	169,167	2.7%	6,237,187	4.4%
3	US Government (b)	2	31, 91	168,573	2.7%	6,416,990	4.5%
4	Lennar Homes, LLC	1	165	155,808	2.5%	6,450,451	4.6%
5	Kaiser Foundation Health Plan, Inc.	1	71	120,979	1.9%	4,029,672	2.9%
6	Argo Data Resource Corporation (c)	1	2, 86	114,200	1.8%	3,444,272	2.4%
7	Swift, Currie, McGhee & Hiers, LLP	1	123	101,296	1.6%	4,111,908	2.9%
8	Commonwealth of Virginia (d)	1	126	100,010	1.6%	—	0.0%
9	Deluxe Corporation	1	169	98,922	1.6%	2,955,910	2.1%
10	Ping Identity Corp.	1	36	89,856	1.4%	3,673,313	2.6%
11	Permian Resources Operating, LLC	1	100	67,856	1.1%	2,876,416	2.0%
12	Bread Financial Payments, Inc.	1	36	67,274	1.1%	2,828,872	2.0%
13	PricewaterhouseCoopers LLP (e)	1	67	66,304	1.1%	2,323,323	1.7%
14	Hall and Evans LLC	1	74	65,878	1.0%	2,516,081	1.8%
15	Cyxtera Management, Inc.	1	79	61,826	1.0%	2,404,413	1.7%
16	Precision Drilling (US) Corporation	1	59	59,569	0.9%	2,059,896	1.5%
17	EMC Corporation	1	15	57,100	0.9%	1,727,275	1.2%
18	ID Software, LLC	1	71	57,100	0.9%	1,715,855	1.2%
19	Olin Corporation	1	81	54,080	0.9%	1,711,632	1.2%
20	Unique Vacations, Inc. (f)	1	131	53,119	0.8%	—	0.0%
			Total	**1,977,316**	**31.5%**	**$ 64,547,934**	**45.7%**

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 June 30, 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) Lease with the Department of General Services commences December 1, 2023 and rent commnces on June 1, 2024.
(e) Lease assigned to PwC US Group on July 1, 2023.
(f) Lease commences on July 1, 2023 and rent commences on June 1, 2024.

Leasing Activity

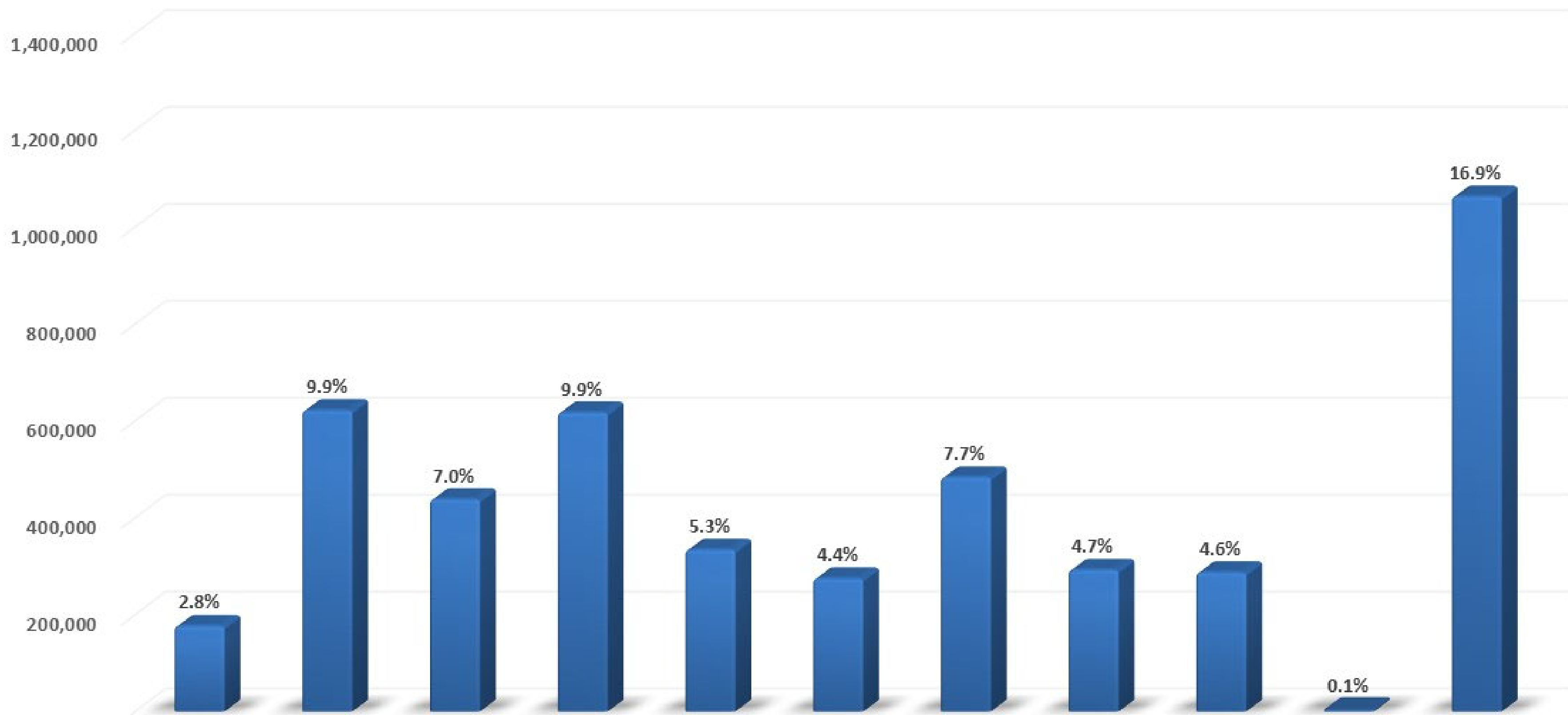
(Owned and Consolidated Properties)

Leasing Activity	Six Months Ended 30-Jun-23	Six Months Ended 30-Jun-22	Year Ended 31-Dec-22	Year Ended 31-Dec-21
(in Square Feet - SF)				
New leasing	176,000	171,000	275,000	370,000
Renewals and expansions	269,000	105,000	160,000	665,000
	445,000	276,000	435,000	1,035,000
Other information per SF				
(Activity on a year-to-date basis)				
GAAP Rents on leasing	$ 29.14	$ 33.58	$ 33.27	30.86
Weighted average lease term	6.6 Years	6.9 Years	6.4 Years	7.7 Years
Increase over average GAAP rents in prior year (a)	7.2%	4.7%	10.6%	2.5%
Average free rent	5 Months	6 Months	6 Months	7 Months
Tenant Improvements	$ 20.90	$ 40.48	$ 31.86	25.89
Leasing Costs	$ 10.27	$ 13.72	$ 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	177,038	622,040	438,551	617,649	334,289	274,932	483,956	292,715	287,634	4,240	1,063,338

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	18 (c)	177,038	$ 5,192,899	$ 29.33	3.7%	3.7%
2024	47	622,040	19,715,809	31.70	14.0%	17.7%
2025	55	438,551	14,650,775	33.41	10.4%	28.1%
2026	44	617,649	21,660,048	35.07	15.3%	43.4%
2027	25	334,289	10,354,426	30.97	7.3%	50.7%
2028	21	274,932	8,129,320	29.57	5.8%	56.5%
2029	20	483,956	14,667,064	30.31	10.4%	66.9%
2030	11	292,715	10,033,361	34.28	7.1%	74.0%
2031	9	287,634	10,354,968	36.00	7.3%	81.3%
2032	1	4,240	28,683	6.76	0.0%	81.3%
2033 and thereafter	52	1,063,338 (d)	26,419,303	24.85	18.7%	100.0%
Leased total	303	4,596,382	$ 141,206,656	$ 30.72	100.0%	
Owned property vacant SF		1,469,231				
Monument Circle vacant SF (e)		205,045				
Total Portfolio Square Footage		6,270,658				

(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 June 30, 2023 multiplied by 12. Tenant reimbursements generally include payment of real estate taxes, operating expenses and common area maintenance and utility charges.

(c) Includes 3 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		Six Months Ended
	31-Mar-23	30-Jun-23	30-Jun-23
Tenant improvements	$ 3,047	$ 4,381	$ 7,428
Deferred leasing costs	908	3,230	4,138
Non-investment capex	2,967	2,042	5,009
Total Capital Expenditures	$ 6,922	$ 9,653	$ 16,575

	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 $0.6 million for the six months ended June 30, 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 30-Jun-23	Interest Rate at 30-Jun-23
Mortgage loan secured by property					
FSP Monument Circle LLC (1)	Indianapolis, IN	30-Sep-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.

On June 26, 2023, the maturity date of this mortgage loan was extended to September 30, 2023. 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 (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. On June 26, 2023, the maturity date was extended to September 30, 2023. 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 June 30, 2023.

Net Asset Value Components

(in thousands except per share data)

	As of 30-Jun-23
Total Market Capitalization Values	
Shares outstanding	103,430.4
Closing price	$ 1.45
Market capitalization	$ 149,974
Debt	400,000
Total Market Capitalization	$ 549,974

NOI Components	**3 Months Ended 30-Jun-23**
Same Store NOI (1)	$ 16,811
Acquisitions (1) (2)	—
Property NOI (1)	16,811
Full quarter adjustment (3)	—
Stabilized portfolio	**$ 16,811**

Financial Statement Reconciliation:	
Rental Revenue	$ 36,257
Rental operating expenses	(12,140)
Real estate taxes and insurance	(7,169)
NOI from dispositions & acquisition properties	240
Taxes (4)	(75)
Management & other fees (5)	(302)
Property NOI (1)	$ 16,811

Assets:	
Straight-line rent receivable	$ 50,267
Asset held for sale	8,860
Cash, cash equivalents and restricted cash	6,697
Tenant rent receivables	1,938
Prepaid expenses	3,040
Office computers and furniture	127
Other assets:	
Deferred financing costs, net	3,040
Other assets - Right-to-Use Asset	509
	$ 74,478

Liabilities:	
Debt (excluding contra for unamortized financing costs)	$ 400,000
Accounts payable & accrued expenses	34,787
Tenant security deposits	5,666
Other liabilities: lease liability	550
	$ 441,003

Other information:	
Leased SF to be FFO producing during 2023 (in 000's)	203
Straight-line rental revenue current quarter	$ (653)

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)

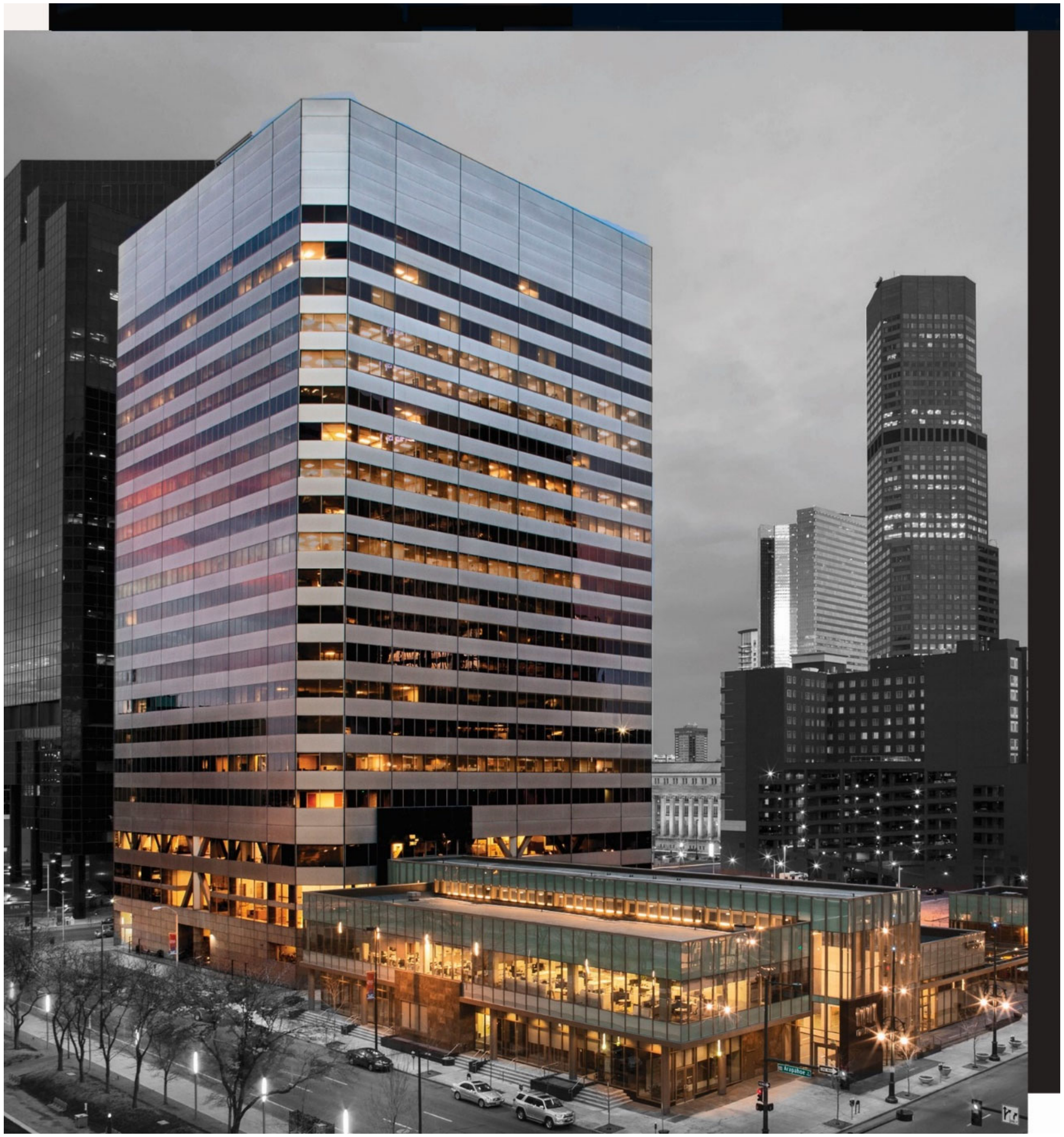
The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure)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