

OFFICE PROPERTIES
INCOME TRUST

**Office Properties Income Trust
Second Quarter 2023
Financial Results and
Supplemental Information**

July 26, 2023



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OPI
Nasdaq Listed

Trading Symbols:

Common Shares: OPI
Senior Unsecured Notes due 2050: OPINL

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All amounts in this presentation are unaudited.

Unless otherwise noted, all data presented in this presentation excludes three properties, which are encumbered by \$82.0 million of mortgage notes, owned by two unconsolidated joint ventures in which OPI owns a 51% and 50% interest. See page 16 for information regarding these joint ventures and related mortgage notes.

Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this presentation.

Quarterly Results

OFFICE PROPERTIES INCOME TRUST ANNOUNCES SECOND QUARTER 2023 FINANCIAL RESULTS

“Our second quarter results reflect execution of key initiatives for our business, resulting in Normalized FFO per share exceeding the prior quarter and the high end of our guidance range. Portfolio occupancy increased 120 basis points year over year to 90.6%, partially driven by 713,000 square feet of leasing, which is our strongest quarter by volume since the onset of the pandemic. Strong leasing activity was complemented by a 3.7% rental rate rollup and a more than 10 year weighted average lease term, which were in line with our pipeline forecast. We are encouraged to see utilization at our properties outpace national trends, which is a testament to our geographically diverse portfolio.

Additional highlights include substantial completion of our 427,000 square foot mixed-use redevelopment at 20 Mass Ave. in Washington, D.C. and our closing of more than \$108 million in mortgage loans since May in support of our merger with Diversified Healthcare Trust, both marking exciting milestones for OPI.”

Christopher Bilotto, President and Chief Operating Officer

Newton, MA (July 26, 2023). Office Properties Income Trust (Nasdaq: OPI) today announced its financial results for the quarter ended June 30, 2023.

Dividend

OPI has declared a quarterly dividend on its common shares of \$0.25 per share to shareholders of record as of the close of business on July 24, 2023. This dividend will be paid on or about August 17, 2023.

Conference Call

A conference call to discuss OPI's second quarter results will be held on Thursday, July 27, 2023 at 10:00 a.m. Eastern Time. The conference call may be accessed by dialing (877) 328-1172 or (412) 317-5418 (if calling from outside the United States and Canada); a pass code is not required. A replay will be available for one week by dialing (412) 317-0088; the replay pass code is 4046494. A live audio webcast of the conference call will also be available in a listen-only-mode on OPI's website, at www.opireit.com. The archived webcast will be available for replay on OPI's website after the call. The transcription, recording and retransmission in any way are strictly prohibited without the prior written consent of OPI.

About Office Properties Income Trust

OPI is a national REIT focused on owning and leasing high quality office and mixed-use properties in select growth-oriented U.S. markets. As of June 30, 2023, approximately 63% of OPI's revenues were from investment grade rated tenants. OPI owned and leased 155 properties as of June 30, 2023, with approximately 20.8 million square feet located in 30 states and Washington, D.C. In 2023, OPI was named as an Energy Star® Partner of the Year for the sixth consecutive year. OPI is managed by The RMR Group (Nasdaq: RMR), a leading U.S. alternative asset management company with approximately \$36 billion in assets under management as of June 30, 2023, and more than 35 years of institutional experience in buying, selling, financing and operating commercial real estate. OPI is headquartered in Newton, MA. For more information, visit opireit.com.

Financial Results

- Net loss of \$12.2 million, or \$0.25 per share.
- Normalized FFO of \$53.7 million, or \$1.11 per share.

Portfolio Update

- Leased 713,000 sq. ft. with a 10.3 year weighted average lease term.
- Increased consolidated occupancy to 90.6%, a 120 basis point increase year over year and a 10 basis point increase sequentially.

Investment Activity

- During the second quarter, OPI sold two properties containing approximately 207,000 rentable square feet for an aggregate sales price of \$7.7 million, excluding closing costs.
- Achieved substantial completion of the redevelopment of 20 Mass Ave., a mixed-use Class A office/hotel property with approximately 427,000 rentable square feet in Washington, D.C.
- As of July 25, 2023, OPI has entered into an agreement to sell one property containing approximately 80,000 rentable square feet for a sales price of \$10.5 million, excluding closing costs.

Liquidity and Financing Activities

- In June 2023, OPI repaid a mortgage note secured by one property with an outstanding principal balance of \$50.0 million that had an annual interest rate of 3.7% using cash on hand and borrowings under OPI's revolving credit facility.
- In June 2023, OPI exercised its option to extend the maturity date of its revolving credit facility by six months to January 31, 2024.
- As of June 30, 2023, OPI had \$25.2 million of cash and cash equivalents and \$510.0 million available to borrow under its revolving credit facility.
- In July 2023, the maturity date of the mortgage loan secured by one of OPI's unconsolidated joint venture properties, in which OPI owns a 50% interest, was extended by three years at the same interest rate in effect prior to the extension.

Merger with Diversified Healthcare Trust (DHC)

- As previously announced, on April 11, 2023, OPI and DHC entered into an agreement and plan of merger, pursuant to which, DHC will be merged with and into OPI, with OPI continuing as the surviving entity in the merger, or the Merger. The Merger is subject to the approval of OPI and DHC shareholders and other customary closing conditions.
- During the second quarter, OPI commenced the implementation of its financing strategy for its merger with Diversified Healthcare Trust, or DHC, by closing four mortgage loans with an aggregate principal balance of \$108.1 million. The net proceeds from these mortgage loans were used to repay amounts outstanding under OPI's revolving credit facility. OPI's \$368 million bridge commitment was reduced by a like amount.

Second Quarter 2023 Results

(dollars in thousands, except per share and per sq. ft. data)

Financial Results	Three Months Ended June 30,	
	2023	2022
Net loss	\$ (12,242)	\$ (16,056)
Net loss per share	\$ (0.25)	\$ (0.33)
Normalized FFO	\$ 53,713	\$ 58,923
Normalized FFO per share	\$ 1.11	\$ 1.22
Same Property Cash Basis NOI	\$ 80,259	\$ 83,347

Leasing Activity	Three Months Ended June 30, 2023
Leasing activity for new and renewal leases (rentable square feet)	713,000
Weighted average rental rate change (by rentable square feet)	3.7%
Weighted average lease term (by rentable square feet)	10.3 years
Leasing concessions and capital commitments (per square foot per lease year)	\$ 5.53

Percent Leased	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
All properties	90.6%	90.5%	89.4%
Same properties	94.4%	94.3%	95.4%



Financials

Key Financial Data

(dollars in thousands, except per share data)

	As of and for the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Selected Balance Sheet Data:					
Total gross assets	\$ 4,633,357	\$ 4,591,512	\$ 4,541,435	\$ 4,507,422	\$ 4,578,277
Total assets	\$ 4,027,568	\$ 4,007,000	\$ 3,979,977	\$ 3,968,986	\$ 4,062,658
Total liabilities	\$ 2,691,613	\$ 2,647,359	\$ 2,593,642	\$ 2,562,821	\$ 2,647,208
Total shareholders' equity	\$ 1,335,955	\$ 1,359,641	\$ 1,386,335	\$ 1,406,165	\$ 1,415,450
Selected Income Statement Data:					
Rental income	\$ 133,997	\$ 132,422	\$ 127,922	\$ 137,683	\$ 141,316
Net income (loss)	\$ (12,242)	\$ (446)	\$ 6,390	\$ 16,964	\$ (16,056)
NOI	\$ 85,720	\$ 83,772	\$ 84,617	\$ 85,546	\$ 92,416
Adjusted EBITDAre	\$ 81,013	\$ 78,487	\$ 79,479	\$ 79,957	\$ 86,422
FFO	\$ 42,532	\$ 49,528	\$ 55,186	\$ 53,802	\$ 58,622
Normalized FFO	\$ 53,713	\$ 52,746	\$ 54,495	\$ 53,802	\$ 58,923
CAD	\$ 15,782	\$ 31,178	\$ 9,800	\$ 28,072	\$ 37,823
Rolling four quarter CAD	\$ 84,832	\$ 106,873	\$ 126,701	\$ 159,550	\$ 162,355
Per Common Share Data (basic and diluted):					
Net income (loss)	\$ (0.25)	\$ (0.01)	\$ 0.13	\$ 0.35	\$ (0.33)
FFO	\$ 0.88	\$ 1.02	\$ 1.14	\$ 1.11	\$ 1.21
Normalized FFO	\$ 1.11	\$ 1.09	\$ 1.13	\$ 1.11	\$ 1.22
CAD	\$ 0.33	\$ 0.65	\$ 0.20	\$ 0.58	\$ 0.78
Rolling four quarter CAD	\$ 1.76	\$ 2.21	\$ 2.62	\$ 3.30	\$ 3.36
Dividends:					
Annualized dividends paid per share during the period	\$ 1.00	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20
Annualized dividend yield (at end of period)	13.0%	17.9%	16.5%	15.7%	11.0%
Annualized normalized FFO payout ratio	22.5%	50.5%	48.7%	49.5%	45.1%
Rolling four quarter CAD payout ratio ⁽¹⁾	56.8%	99.5%	84.0%	66.7%	65.5%

	As of 6/30/2023
Capitalization:	
Total common shares (at end of period)	48,587,650
Closing price (at end of period)	\$ 7.70
Equity market capitalization (at end of period)	\$ 374,125
Debt (principal balance)	2,560,120
Total market capitalization	\$ 2,934,245
Liquidity:	
Cash and cash equivalents	\$ 25,212
Availability under \$750,000 unsecured revolving credit facility	510,000
Total liquidity	\$ 535,212

(1) Reflects the annualized dividends paid per share during the period as a percentage of rolling four quarter CAD per common share.

Condensed Consolidated Balance Sheets

(dollars in thousands, except per share data)

	June 30, 2023	December 31, 2022
ASSETS		
Real estate properties:		
Land	\$ 809,590	\$ 821,238
Buildings and improvements	3,225,963	3,114,836
Total real estate properties, gross	4,035,553	3,936,074
Accumulated depreciation	(605,789)	(561,458)
Total real estate properties, net	3,429,764	3,374,616
Assets of properties held for sale	11,731	2,516
Investments in unconsolidated joint ventures	37,367	35,129
Acquired real estate leases, net	318,975	369,333
Cash and cash equivalents	25,212	12,249
Restricted cash	610	—
Rents receivable	110,599	105,639
Deferred leasing costs, net	82,691	73,098
Other assets, net	10,619	7,397
Total assets	<u>\$ 4,027,568</u>	<u>\$ 3,979,977</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 240,000	\$ 195,000
Senior unsecured notes, net	2,191,676	2,187,875
Mortgage notes payable, net	106,365	49,917
Liabilities of properties held for sale	28	73
Accounts payable and other liabilities	134,425	140,151
Due to related persons	6,232	6,469
Assumed real estate lease obligations, net	12,887	14,157
Total liabilities	<u>2,691,613</u>	<u>2,593,642</u>
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value: 200,000,000 shares authorized, 48,587,650 and 48,565,644 shares issued and outstanding, respectively	486	486
Additional paid in capital	2,620,691	2,619,532
Cumulative net income	156,918	169,606
Cumulative common distributions	(1,442,140)	(1,403,289)
Total shareholders' equity	<u>1,335,955</u>	<u>1,386,335</u>
Total liabilities and shareholders' equity	<u>\$ 4,027,568</u>	<u>\$ 3,979,977</u>

Sacramento, CA



Condensed Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Rental income	\$ 133,997	\$ 141,316	\$ 266,419	\$ 288,670
Expenses:				
Real estate taxes	15,901	16,583	31,234	33,228
Utility expenses	5,742	5,820	13,002	12,685
Other operating expenses	26,634	26,497	52,691	53,860
Depreciation and amortization	51,601	57,536	103,293	118,005
Loss on impairment of real estate	—	4,773	—	21,820
Acquisition and transaction related costs ⁽¹⁾	11,181	224	14,399	224
General and administrative	5,785	7,083	11,710	12,789
Total expenses	116,844	118,516	226,329	252,611
Gain (loss) on sale of real estate	(2,305)	(11,637)	243	(9,488)
Interest and other income	337	16	501	17
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,327, \$2,366, \$4,532 and \$4,770, respectively)	(26,525)	(26,515)	(51,756)	(53,954)
Loss on early extinguishment of debt	—	(77)	—	(77)
Loss before income tax (expense) benefit and equity in net losses of investees	(11,340)	(15,413)	(10,922)	(27,443)
Income tax (expense) benefit	(211)	190	(241)	(341)
Equity in net losses of investees	(691)	(833)	(1,525)	(1,679)
Net loss	\$ (12,242)	\$ (16,056)	\$ (12,688)	\$ (29,463)
Weighted average common shares outstanding (basic and diluted)	48,354	48,249	48,345	48,246
Per common share amounts (basic and diluted):				
Net loss	\$ (0.25)	\$ (0.33)	\$ (0.27)	\$ (0.61)
Additional Data:				
General and administrative expenses / total assets (at end of period)	0.14%	0.17%	0.29%	0.31%
Non-cash straight line rent adjustments included in rental income	\$ 4,256	\$ 2,775	\$ 8,429	\$ 5,461
Lease value amortization included in rental income	\$ 61	\$ (233)	\$ 140	\$ (576)
Lease termination fees included in rental income	\$ 1,485	\$ 2,175	\$ 1,584	\$ 7,117
Non-cash amortization included in other operating expenses ⁽²⁾	\$ 121	\$ 121	\$ 242	\$ 242
Non-cash amortization included in general and administrative expenses ⁽²⁾	\$ 151	\$ 151	\$ 302	\$ 302

(1) Acquisition and transaction related costs consist of costs related to OPI's evaluation of potential acquisitions, dispositions and other strategic transactions, including costs incurred in connection with OPI's pending merger with DHC and related transactions.

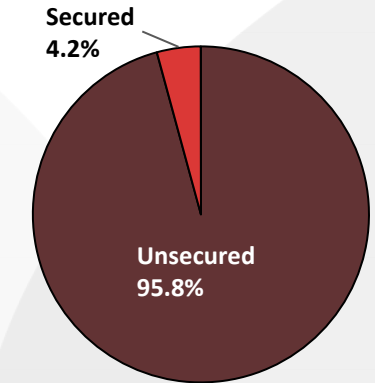
(2) OPI recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price OPI paid for its former investment in The RMR Group Inc., or RMR Inc., common stock in June 2015. This liability is being amortized on a straight line basis through December 31, 2035 as an allocated reduction to business management fee expense and property management fee expense, which are included in general and administrative and other operating expenses, respectively.

Debt Summary

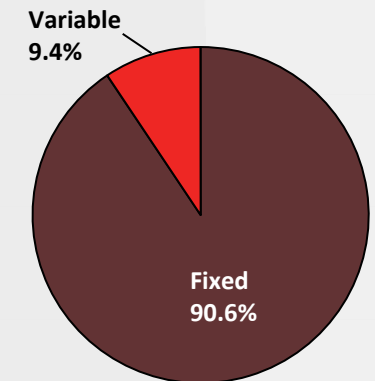
As of June 30, 2023
(dollars in thousands)

	Coupon Rate ⁽¹⁾	Interest Rate ⁽²⁾	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Floating Rate Debt:						
\$750,000 unsecured revolving credit facility ^{(3) (4)}	6.600%	6.600%	\$ 240,000	1/31/2024	\$ 240,000	0.6
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2024	4.250%	4.404%	350,000	5/15/2024	350,000	0.9
Senior unsecured notes due 2025	4.500%	4.521%	650,000	2/1/2025	650,000	1.6
Senior unsecured notes due 2026	2.650%	2.815%	300,000	6/15/2026	300,000	3.0
Senior unsecured notes due 2027	2.400%	2.541%	350,000	2/1/2027	350,000	3.6
Senior unsecured notes due 2031	3.450%	3.550%	400,000	10/15/2031	400,000	8.3
Senior unsecured notes due 2050	6.375%	6.375%	162,000	6/23/2050	162,000	27.0
Subtotal / weighted average	3.825%	3.918%	<u>2,212,000</u>		<u>2,212,000</u>	5.1
Secured Fixed Rate Debt:						
Mortgage debt - One property in Ewing, NJ	8.272%	8.272%	42,700	7/1/2028	42,700	5.0
Mortgage debt - One property in Sterling, VA	8.139%	8.139%	26,340	7/1/2028	26,340	5.0
Mortgage debt - One property in Landover, MD	7.210%	7.210%	30,680	7/1/2033	28,909	10.0
Mortgage debt - One property in San Jose, CA	7.305%	7.305%	8,400	7/1/2033	8,400	10.0
Subtotal / weighted average	7.863%	7.863%	<u>108,120</u>		<u>106,349</u>	6.8
Total / weighted average	4.255%	4.336%	<u>\$ 2,560,120</u>		<u>\$ 2,558,349</u>	4.7

Secured vs. Unsecured Debt



Fixed vs. Variable Rate Debt



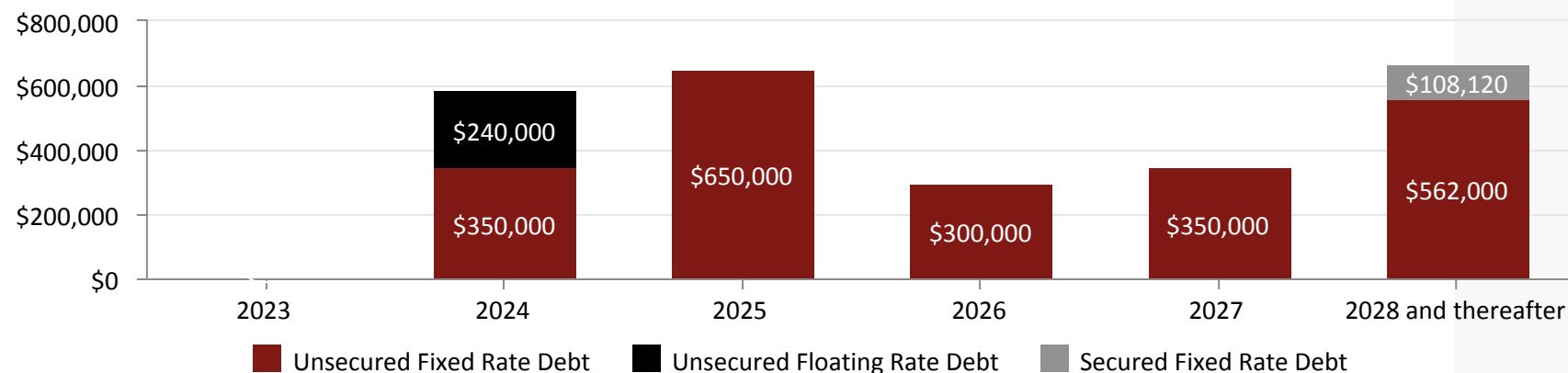
See accompanying notes on the following page.

Debt Maturity Schedule

As of June 30, 2023

(dollars in thousands)

Year	Unsecured Floating Rate Debt	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total Debt	% of Total Debt
2023	\$ —	\$ —	\$ —	\$ —	—%
2024	240,000 ⁽⁵⁾	350,000	—	590,000	23.0%
2025	—	650,000	—	650,000	25.4%
2026	—	300,000	—	300,000	11.7%
2027	—	350,000	—	350,000	13.7%
2028 and thereafter	—	562,000	108,120	670,120	26.2%
Total principal balance	\$ 240,000	\$ 2,212,000	\$ 108,120	\$ 2,560,120	100.0%
Percent of total principal balance	9.4%	86.4%	4.2%	100.0%	



- (1) Reflects the interest rate stated in, or determined pursuant to, the contract terms.
- (2) Includes the effect of mark to market accounting for certain mortgages and discounts and premiums on senior unsecured notes. Excludes the effect of debt issuance costs amortization.
- (3) OPI is required to pay interest at a rate of the secured overnight financing rate, or SOFR, plus a premium, which was 145 basis points per annum as of June 30, 2023. OPI also pays a facility fee, which was 30 basis points per annum on the total amount of lending commitments under its revolving credit facility as of June 30, 2023. Both the interest rate premium and facility fee are subject to adjustment based upon changes to OPI's credit ratings. The interest rate listed is as of June 30, 2023 and excludes the 30 basis point facility fee. In June 2023, OPI exercised its option to extend the maturity date of its revolving credit facility by six months to January 31, 2024.
- (4) The maximum aggregate borrowing availability under the credit agreement governing OPI's revolving credit facility may be increased to up to \$1,950,000 in certain circumstances.
- (5) Represents the amount, if any, outstanding under OPI's revolving credit facility at June 30, 2023.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

	As of and for the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Leverage Ratios:					
Net debt / total gross assets	54.7%	54.1%	53.8%	53.4%	54.4%
Net debt / gross book value of real estate assets	48.9%	48.2%	48.0%	47.7%	49.4%
Secured debt / total assets	2.7%	1.2%	1.3%	1.8%	1.8%
Variable rate debt / net debt	9.5%	9.9%	8.0%	5.6%	9.2%
Coverage Ratios:					
Adjusted EBITDA _{re} / interest expense	3.1x	3.1x	3.2x	3.2x	3.3x
Net debt / rolling four quarter Adjusted EBITDA _{re} ⁽¹⁾	7.9x	7.7x	7.3x	7.0x	7.1x
Public Debt Covenants:					
Total debt / adjusted total assets (maximum 60.0%)	48.4%	47.9%	47.6%	47.4%	48.4%
Secured debt / adjusted total assets (maximum 40.0%)	2.0%	1.0%	1.0%	1.4%	1.4%
Consolidated income available for debt service / debt service (minimum 1.50x)	3.0x	3.1x	3.2x	3.2x	3.4x
Total unencumbered assets / unsecured debt (minimum 150.0%)	206.2%	208.6%	210.2%	209.5%	204.9%



(1) The ratio of net debt / annualized Adjusted EBITDA_{re} for the three months ended June 30, 2023 was 7.9x.

Capital Expenditures Summary and Significant Redevelopment Information

(dollars and sq. ft. in thousands, except per sq. ft. data)

Capital Expenditures Summary

	For the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Lease related costs	\$ 28,252	\$ 13,041	\$ 24,776	\$ 17,297	\$ 16,131
Building improvements	5,355	4,582	17,323	8,585	4,702
Recurring capital expenditures	33,607	17,623	42,099	25,882	20,833
Development, redevelopment and other activities	40,435	49,471	44,552	36,811	40,302
Total capital expenditures	\$ 74,042	\$ 67,094	\$ 86,651	\$ 62,693	\$ 61,135
Average rentable sq. ft. during period	20,840	20,932	21,090	21,851	22,716
Building improvements per average sq. ft. during period	\$ 0.26	\$ 0.22	\$ 0.82	\$ 0.39	\$ 0.21

Significant Redevelopment Information as of June 30, 2023

Address	Location	Sq. Ft.	% Pre-leased	Estimated Project Costs ⁽¹⁾	Total Costs Incurred	Estimated Completion ⁽²⁾
20 Massachusetts Avenue ⁽³⁾	Washington, D.C.	427	54%	\$ 227,000	\$ 177,165	Substantially Complete
351, 401, 501 Elliott Ave West	Seattle, WA	300	28%	162,000	97,727	Q4 2023
Total significant redevelopment projects		727		\$ 389,000	\$ 274,892	

(1) Estimated project costs include future, estimated lease related costs associated with achieving stabilized occupancy that will be incurred subsequent to the estimated completion date.

(2) Estimated completion date can depend on various factors, including when lease agreements are signed with tenants. Therefore, the actual completion dates may vary.

(3) Physical improvements made at this project were substantially complete as of June 30, 2023. OPI expects to incur additional, lease related costs subsequent to substantial completion.



Property Acquisitions and Dispositions Information Since January 1, 2023

(dollars and sq. ft. in thousands)

Acquisitions:

OPI has not acquired any properties since January 1, 2023.

Dispositions:

Date Sold	Location	Number of Properties	Sq. Ft.	Gross Sales Price	Gross Sales Price Per Sq. Ft.
1/6/2023	Richmond, VA	3	89	\$ 5,350	\$ 60.11
4/28/2023	Phoenix, AZ	1	107	4,900	45.79
6/30/2023	Vernon Hills, IL	1	100	2,825	28.25
	Total	5	296	\$ 13,075	\$ 44.17



Investments in Unconsolidated Joint Ventures

As of June 30, 2023

(dollars and sq. ft. in thousands)

Unconsolidated Joint Ventures:

Joint Venture	OPI Ownership	OPI Investment	Number of Properties	Location	Sq. Ft.	Occupancy	Weighted Average Remaining Lease Term ⁽¹⁾
Prosperity Metro Plaza	51%	\$ 18,810	2	Fairfax, VA	329	76.6%	3.0 years
1750 H Street, NW	50%	18,557	1	Washington, D.C.	115	45.4%	9.9 years
Total / Weighted Average		<u>\$ 37,367</u>	<u>3</u>		<u>444</u>	68.5%	4.5 years

Outstanding Unconsolidated Debt:

Joint Venture	OPI Ownership	Interest Rate ⁽²⁾	Maturity Date	Principal Balance	Annualized Debt Service	Principal Balance at Maturity	OPI Share of Principal Balance ⁽³⁾
Prosperity Metro Plaza ⁽⁴⁾	51%	4.090%	12/1/2029	\$ 50,000	\$ 2,045	\$ 45,246	\$ 25,500
1750 H Street, NW ⁽⁵⁾	50%	3.690%	8/1/2027	32,000	1,181	32,000	16,000
Total / Weighted Average		3.934%		<u>\$ 82,000</u>	<u>\$ 3,226</u>	<u>\$ 77,246</u>	<u>\$ 41,500</u>

Results of Operations - Unconsolidated Joint Ventures: ⁽⁶⁾

	For the Three Months Ended June 30, 2023			For the Six Months Ended June 30, 2023		
	Prosperity Metro Plaza	1750 H Street, NW	Total	Prosperity Metro Plaza	1750 H Street, NW	Total
Equity in losses	\$ (191)	\$ (500)	\$ (691)	\$ (427)	\$ (1,098)	\$ (1,525)
Depreciation and amortization	662	206	868	1,340	358	1,698
Other expenses, net ⁽⁷⁾	165	149	314	407	297	704
NOI	636	(145)	491	1,320	(443)	877
Lease value amortization included in rental income ⁽⁸⁾	(1)	—	(1)	(2)	—	(2)
Non-cash straight line rent adjustments included in rental income ⁽⁸⁾	(66)	(125)	(191)	(134)	(163)	(297)
Cash Basis NOI	<u>\$ 569</u>	<u>\$ (270)</u>	<u>\$ 299</u>	<u>\$ 1,184</u>	<u>\$ (606)</u>	<u>\$ 578</u>
Contributions paid by OPI	<u>\$ —</u>	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ —</u>	<u>\$ (3,763)</u>	<u>\$ (3,763)</u>

- (1) Lease term is weighted based on annualized rental income.
- (2) Includes the effect of interest rate protection and mark to market accounting.
- (3) Reflects OPI's proportionate share of the principal debt balances based on its ownership percentage of the applicable joint venture; none of the debt is recourse to us.
- (4) The mortgage loan requires interest-only payments through December 2024, at which time the loan requires principal and interest payments through its maturity date.
- (5) In July 2023, the maturity date of this mortgage loan was extended by three years at the same interest rate.
- (6) Reflects OPI's proportionate share of operating results based on its ownership percentage of the respective joint ventures.
- (7) Includes interest expense, net of other income.
- (8) OPI's unconsolidated joint ventures report rental income on a straight line basis over the terms of the respective leases; accordingly, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to the unconsolidated joint ventures by their tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

Portfolio Information

Summary Same Property Results

(dollars and sq. ft. in thousands)

	For the Three Months Ended		For the Six Months Ended	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Properties (end of period)	148	148	148	148
Rentable sq. ft.	19,591	19,541	19,591	19,541
Percent leased	94.4%	95.4%	94.4%	95.4%
Rental income	\$ 133,467	\$ 132,958	\$ 265,335	\$ 264,307
Same Property NOI	\$ 86,194	\$ 88,285	\$ 170,553	\$ 175,041
Same Property Cash Basis NOI	\$ 80,259	\$ 83,347	\$ 160,134	\$ 166,232
Same Property NOI % margin	64.6%	66.4%	64.3%	66.2%
Same Property Cash Basis NOI % margin	62.9%	65.1%	62.8%	65.0%
Same Property NOI % change	(2.4%)		(2.6%)	
Same Property Cash Basis NOI % change	(3.7%)		(3.7%)	



Occupancy and Leasing Summary

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and for the Three Months Ended					As of and for the Six Months Ended
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	6/30/2023
Properties (end of period) ⁽¹⁾	155	157	160	162	172	155
Rentable sq. ft. ⁽¹⁾	20,784	20,895	20,969	21,211	22,491	20,784
Percentage leased	90.6%	90.5%	90.6%	90.7%	89.4%	90.6%

Leasing Activity (sq. ft.):

New leases	196	91	3	223	126	287
Renewals	517	112	702	383	553	629
Total	<u>713</u>	<u>203</u>	<u>705</u>	<u>606</u>	<u>679</u>	<u>916</u>

% Change in GAAP Rent: ⁽²⁾

New leases	6.1%	(16.8%)	0.0%	59.1%	8.7%	(2.8%)
Renewals	2.8%	(19.7%)	(7.1%)	0.2%	4.0%	(3.7%)
Total	3.7%	(18.5%)	(6.7%)	21.6%	4.9%	(3.4%)

Weighted Average Lease Term by Sq. Ft. (years):

New leases	8.9	7.2	5.0	9.9	8.3	8.4
Renewals	10.8	6.4	10.1	5.5	9.4	10.1
Total	10.3	6.8	10.1	7.2	9.2	9.5

Leasing Cost and Concession Commitments:

New leases	\$ 15,894	\$ 4,995	\$ 213	\$ 33,957	\$ 11,199	\$ 20,889
Renewals	24,744	3,752	60,076	9,056	26,170	28,496
Total	<u>\$ 40,638</u>	<u>\$ 8,747</u>	<u>\$ 60,289</u>	<u>\$ 43,013</u>	<u>\$ 37,369</u>	<u>\$ 49,385</u>

Leasing Cost and Concession Commitments per Sq. Ft.:

New leases	\$ 81.10	\$ 55.17	\$ 92.00	\$ 152.13	\$ 89.01	\$ 72.91
Renewals	\$ 47.87	\$ 33.52	\$ 85.55	\$ 23.66	\$ 47.36	\$ 45.32
Total	\$ 57.01	\$ 43.20	\$ 85.57	\$ 70.98	\$ 55.08	\$ 53.95

Leasing Cost and Concession Commitments per Sq. Ft. per Year:

New leases	\$ 9.08	\$ 7.67	\$ 18.40	\$ 15.33	\$ 10.79	\$ 8.70
Renewals	\$ 4.42	\$ 5.20	\$ 8.44	\$ 4.27	\$ 5.05	\$ 4.51
Total	\$ 5.53	\$ 6.37	\$ 8.46	\$ 9.92	\$ 6.00	\$ 5.66

- (1) Includes one leasable land parcel for periods prior to December 31, 2022.
- (2) Percent difference in prior rents charged for same space or, in the case of space acquired vacant, market rental rates for similar space in the building at the date of acquisition. Rents include estimated recurring expense reimbursements paid to us, exclude lease value amortization and are net of lease concessions.

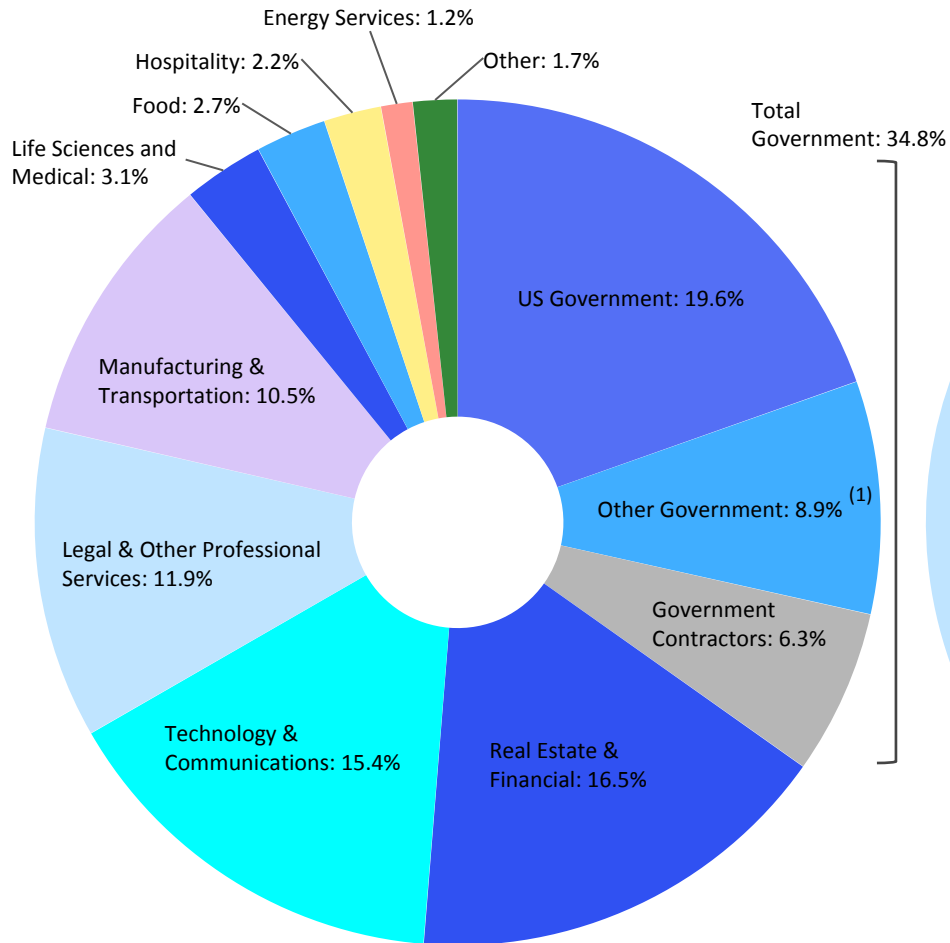
This leasing summary is based on leases entered during the periods indicated.

Tenant Diversity and Credit Characteristics

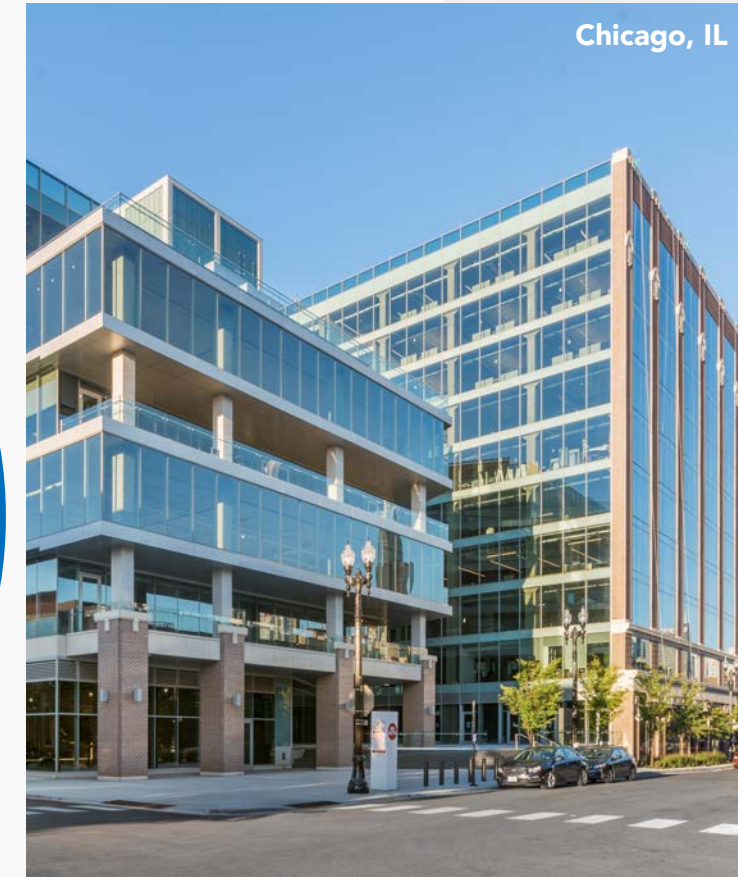
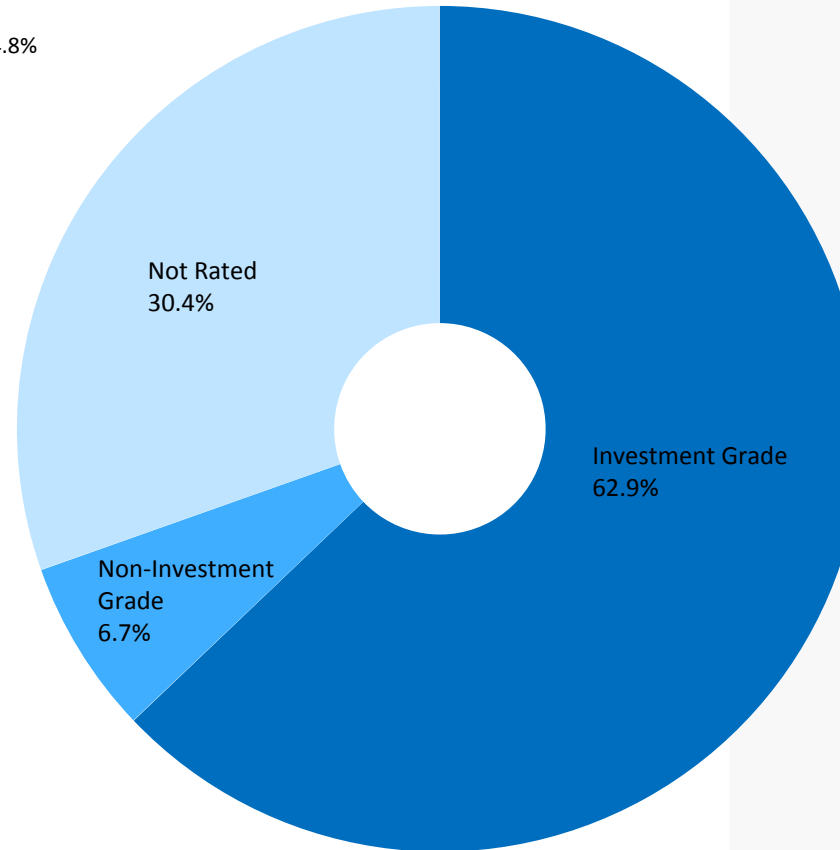
As of June 30, 2023

Percentage of Total Annualized Rental Income

Tenant Industry



Tenant Credit Characteristics



(1) Includes state governments and municipalities.

Tenants Representing 1% or More of Total Annualized Rental Income

As of June 30, 2023

(dollars and sq. ft. in thousands)

Tenant	Credit Rating	Sq. Ft.	% of Leased Sq. Ft.	Annualized Rental Income	% of Total Annualized Rental Income
1 U.S. Government	Investment Grade	3,815	20.3%	\$ 105,836	19.6%
2 Alphabet Inc. (Google)	Investment Grade	386	2.0%	22,119	4.1%
3 Shook, Hardy & Bacon L.L.P.	Not Rated	596	3.2%	19,216	3.5%
4 IG Investments Holdings LLC	Not Rated	338	1.8%	17,293	3.2%
5 State of California	Investment Grade	519	2.8%	16,205	3.0%
6 Bank of America Corporation	Investment Grade	577	3.1%	15,911	2.9%
7 Commonwealth of Massachusetts	Investment Grade	311	1.6%	12,260	2.3%
8 Tyson Foods, Inc. ⁽¹⁾	Investment Grade	248	1.3%	11,954	2.2%
9 CareFirst Inc.	Not Rated	207	1.1%	11,622	2.1%
10 Northrop Grumman Corporation	Investment Grade	337	1.8%	10,795	2.0%
11 Sonesta International Hotels Corporation ⁽²⁾	Not Rated	230	1.2%	10,745	2.0%
12 CommScope Holding Company Inc.	Non Investment Grade	228	1.2%	9,582	1.8%
13 Sonoma Biotherapeutics, Inc. ⁽³⁾	Not Rated	107	0.6%	8,032	1.5%
14 State of Georgia	Investment Grade	308	1.6%	7,345	1.4%
15 PNC Bank	Investment Grade	441	2.3%	6,927	1.3%
16 Micro Focus International plc	Non Investment Grade	215	1.1%	6,836	1.3%
17 Compass Group plc	Investment Grade	267	1.4%	6,697	1.2%
18 ServiceNow, Inc.	Investment Grade	149	0.8%	6,675	1.2%
19 Allstate Insurance Co.	Investment Grade	468	2.5%	6,484	1.2%
20 Automatic Data Processing, Inc.	Investment Grade	289	1.5%	6,196	1.1%
21 Church & Dwight Co., Inc.	Investment Grade	250	1.3%	6,043	1.1%
22 Leidos Holdings Inc	Investment Grade	159	0.8%	5,950	1.1%
23 Primerica, Inc.	Investment Grade	344	1.8%	5,737	1.1%
		<u>10,789</u>	<u>57.1%</u>	<u>\$ 336,460</u>	<u>62.2%</u>

- (1) In July 2023, OPI received notice from Tyson Foods, Inc. exercising its option to terminate its lease at a property OPI owns in Chicago, IL effective January 2025, prior to the stated lease expiration date of January 31, 2028. OPI will receive an early termination fee of approximately \$8.6 million.
- (2) In June 2021, OPI entered into a 30-year lease with Sonesta International Hotels Corporation, or Sonesta. The lease relates to the redevelopment of a property OPI owns in Washington, D.C to a mixed use and Sonesta's lease relates to the hotel component of the property. OPI substantially completed the redevelopment in June 2023 and the Sonesta lease is estimated to commence in August 2023.
- (3) In August 2022, OPI entered into an approximately 10-year lease with Sonoma Biotherapeutics, Inc. The lease is at a property OPI owns in Seattle, WA that is currently undergoing redevelopment. The term of the lease is estimated to commence in the fourth quarter of 2023.

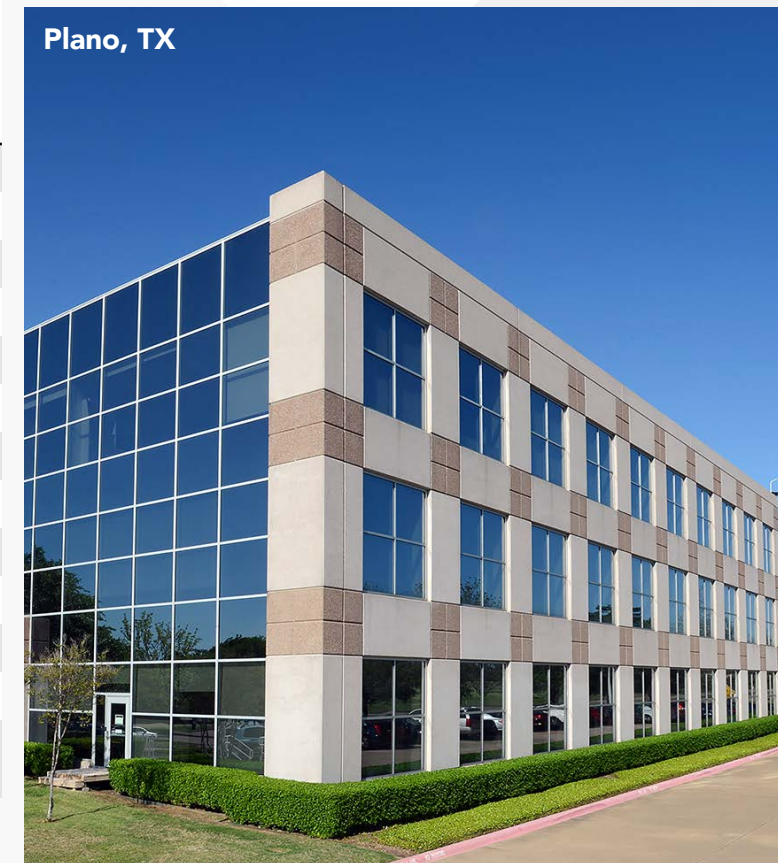
Lease Expiration Schedule

As of June 30, 2023

(dollars and sq. ft. in thousands)

Year ⁽¹⁾	Number of Leases Expiring	Leased Square Feet Expiring	% of Total Leased Square Feet Expiring	Cumulative % of Total Leased Square Feet Expiring	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2023	45	1,476	7.8%	7.8%	\$ 48,939	9.0%	9.0%
2024	52	2,739	14.5%	22.3%	70,366	13.0%	22.0%
2025	39	2,091	11.1%	33.4%	47,557	8.8%	30.8%
2026	38	1,494	7.9%	41.3%	40,395	7.5%	38.3%
2027	36	2,059	10.9%	52.2%	52,515	9.7%	48.0%
2028	21	998	5.3%	57.5%	45,552	8.4%	56.4%
2029	25	988	5.2%	62.7%	28,854	5.3%	61.7%
2030	27	895	4.8%	67.5%	25,821	4.8%	66.5%
2031	16	906	4.8%	72.3%	25,546	4.7%	71.2%
2032 and thereafter	54	5,188	27.7%	100.0%	155,746	28.8%	100.0%
Total	353	18,834	100.0%		\$ 541,291	100.0%	
Weighted average remaining lease term (in years)		<u>6.0</u>			<u>6.4</u>		

Plano, TX



(1) The year of lease expiration is pursuant to current contract terms.

Appendix

The Company:

OPI is included in 161 market indices and comprises more than 1% of the following indices as of June 30, 2023: BI North America Office REIT Valuation Peers (BROFFRTV), Bloomberg Real Estate Investment Trust Mid Cap Index (BBREMIDC), Invesco KBW Premium Yield Equity REIT ETF INAV Index (KBWYIV), Invesco S&P SmallCap Low Volatility ETF INAV Index (XSLVIV), and Hoya Capital High Dividend Yield Index (GTR) (RIET).

Management:

OPI is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of June 30, 2023, RMR had approximately \$36 billion of real estate assets under management and the combined RMR managed companies had more than \$5 billion of annual revenues, over 2,000 properties and over 20,000 employees. OPI believes that being managed by RMR is a competitive advantage for OPI because of RMR's depth of management and experience in the real estate industry. OPI also believes RMR provides management services to it at costs that are lower than OPI would have to pay for similar quality services if OPI were self managed.

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OPI is followed by the analysts and its credit is rated by the rating agencies listed on this page. Please note that any opinions, estimates or forecasts regarding OPI's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of OPI or its management. OPI does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

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*President and Chief Operating
Officer*

Matthew C. Brown
Chief Financial Officer and Treasurer



Atlanta, GA

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures

OPI presents certain “non-GAAP financial measures” within the meaning of the applicable rules of the Securities and Exchange Commission (SEC), including NOI, Cash Basis NOI, Same Property NOI, Same Property Cash Basis NOI, EBITDA, EBITDAre, Adjusted EBITDAre, FFO, Normalized FFO and CAD. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of OPI’s operating performance or as measures of OPI’s liquidity. These measures should be considered in conjunction with net income (loss) as presented in OPI’s condensed consolidated statements of income (loss). OPI considers these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). OPI believes these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of OPI’s operating performance between periods and with other REITs and, in the case of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of OPI’s properties.

NOI and Cash Basis NOI

The calculations of net operating income, or NOI, and Cash Basis NOI exclude certain components of net income (loss) in order to provide results that are more closely related to OPI’s property level results of operations. OPI calculates NOI and Cash Basis NOI as shown on page [28](#) and Same Property NOI and Same Property Cash Basis NOI as shown on page [29](#). OPI defines NOI as income from OPI’s rental of real estate less OPI’s property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that OPI records as depreciation and amortization expense. OPI defines Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization, lease termination fees, if any, and non-cash amortization included in other operating expenses. OPI calculates Same Property NOI and Same Property Cash Basis NOI in the same manner that OPI calculates the corresponding NOI and Cash Basis NOI amounts, except that OPI only includes same properties in calculating Same Property NOI and Same Property Cash Basis NOI. OPI uses NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI differently than OPI does.

EBITDA, EBITDAre and Adjusted EBITDAre

OPI calculates earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, and Adjusted EBITDAre as shown on page [30](#). EBITDAre is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is EBITDA, excluding gains and losses on the sale of real estate, loss on impairment of real estate assets and adjustments to reflect OPI’s share of EBITDAre of its unconsolidated joint ventures. In calculating Adjusted EBITDAre, OPI adjusts for the items shown on page [30](#) and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of OPI’s core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than OPI does.

FFO and Normalized FFO

OPI calculates funds from operations, or FFO, and Normalized FFO as shown on page [31](#). FFO is calculated on the basis defined by Nareit, which is net income (loss), calculated in accordance with GAAP, plus real estate depreciation and amortization of consolidated properties and OPI’s proportionate share of the real estate depreciation and amortization of unconsolidated joint venture properties, but excluding impairment charges on real estate assets and any gain or loss on sale of real estate, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO, OPI adjusts for the other items shown on page [31](#) and includes business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of OPI’s core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by OPI’s Board of Trustees when determining the amount of distributions to OPI’s shareholders. Other factors include, but are not limited to, requirements to maintain OPI’s qualification for taxation as a REIT, limitations in OPI’s credit agreement and public debt covenants, the availability to OPI of debt and equity capital, OPI’s expectation of its future capital requirements and operating performance and OPI’s expected needs for and availability of cash to pay its obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than OPI does.

Cash Available for Distribution

OPI calculates cash available for distribution, or CAD, as shown on page [31](#). OPI defines CAD as Normalized FFO minus recurring real estate related capital expenditures and adjusted for other non-cash and non-recurring items and certain amounts excluded from Normalized FFO but settled in cash. CAD is among the factors considered by OPI’s Board of Trustees when determining the amount of distributions to OPI’s shareholders. Other real estate companies and REITs may calculate CAD differently than OPI does.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Adjusted total assets and total unencumbered assets include the original cost of real estate assets calculated in accordance with GAAP before impairment writedowns, if any, and exclude depreciation and amortization, accounts receivable and intangible assets.

Annualized dividend yield is the annualized dividend per share paid during the period divided by the closing price of OPI's common shares at the end of the period.

Annualized rental income is calculated using the annualized contractual base rents from OPI's tenants pursuant to its lease agreements as of June 30, 2023, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to OPI, and excluding lease value amortization.

Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.

Cap rate represents the ratio of (x) annual straight line rental income, excluding the impact of above and below market lease amortization, based on existing leases at the acquisition date, less estimated annual property operating expenses as of the date of the acquisition, excluding depreciation and amortization expense, to (y) the acquisition purchase price.

Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, loss on asset impairment, gains and losses on early extinguishment of debt, gains and losses on sales of properties and equity in earnings of unconsolidated joint ventures and including distributions from OPI's unconsolidated joint ventures, if any, determined together with debt service for the period presented.

Development, redevelopment and other activities generally include capital expenditure projects that reposition a property or result in new sources of revenue.

GAAP is U.S. generally accepted accounting principles.

Gross book value of real estate assets is real estate properties at cost, plus certain acquisition costs, if any, before depreciation and purchase price allocations, less impairment writedowns, if any.

Gross sales price is equal to the gross contract price and excludes closing costs.

Investment grade tenants include: (a) investment grade rated tenants; (b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and/or (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations. Tenants contributing 53.1% of annualized rental income as of June 30, 2023 were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 9.8% of annualized rental income as of June 30, 2023 were subsidiaries of an investment grade rated parent (although these parent entities are not liable for the payment of rents).

Lease related costs generally include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

Leased square feet is pursuant to leases existing as of June 30, 2023, and includes (i) space being fitted out for tenant occupancy pursuant to OPI's lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any. Square footage measurements are subject to changes when space is remeasured or reconfigured for new tenants.

Leasing cost and concession commitments include commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

Net debt is total debt less cash.

Percent leased includes (i) space being fitted out for occupancy pursuant to OPI's lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

Purchase price represents the gross purchase price, including assumed debt, if any, and excludes acquisition related costs and purchase price adjustments and allocations.

Rentable square feet represents total square feet available for lease as of the measurement date. Square footage measurements are subject to changes when space is remeasured or reconfigured for new tenants.

Rolling four quarter CAD represents CAD for the preceding twelve month period as of the respective quarter end date.

Same properties for the three months ended June 30, 2023 is based on properties OPI owned continuously since April 1, 2022; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which OPI owns a 51% and 50% interest.

Same properties for the six months ended June 30, 2023 is based on properties OPI owned continuously since January 1, 2022; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which OPI owns a 51% and 50% interest.

Same property cash basis NOI % margin is Same Property Cash Basis NOI as a percentage of same property cash basis rental income. Cash basis rental income excludes non-cash straightline rent adjustments, the net effect of non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

Same property NOI % margin is Same Property NOI as a percentage of same property rental income.

Total debt represents the outstanding principal balance as of the date reported.

Total gross assets is total assets plus accumulated depreciation.

Weighted average remaining lease term is the average remaining lease term in years weighted based on annualized rental income.

Calculation and Reconciliation of NOI and Cash Basis NOI

(dollars in thousands)

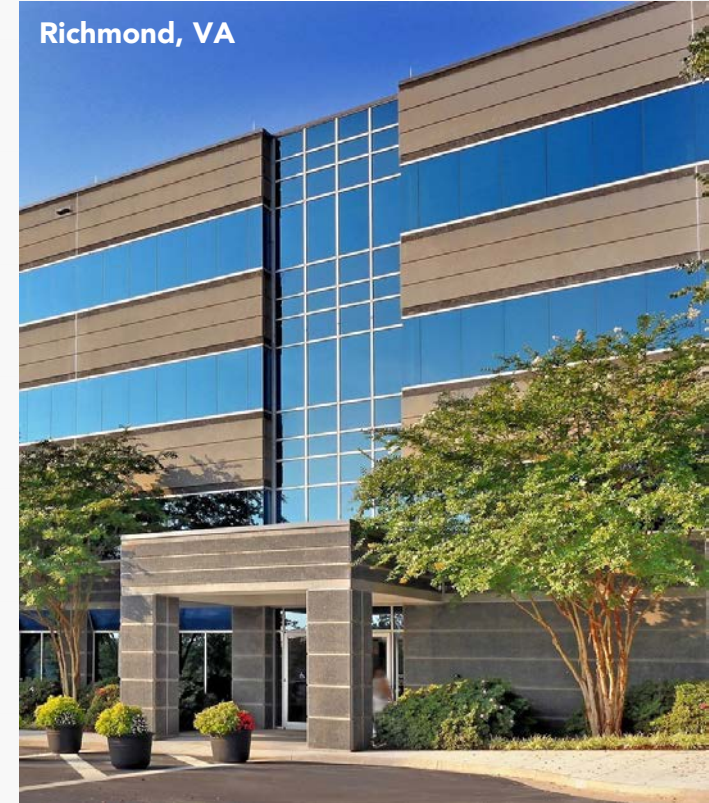
	For the Three Months Ended					For the Six Months Ended	
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	6/30/2023	6/30/2022
Calculation of NOI and Cash Basis NOI:							
Rental income	\$ 133,997	\$ 132,422	\$ 127,922	\$ 137,683	\$ 141,316	\$ 266,419	\$ 288,670
Property operating expenses	(48,277)	(48,650)	(43,305)	(52,137)	(48,900)	(96,927)	(99,773)
NOI	85,720	83,772	84,617	85,546	92,416	169,492	188,897
Non-cash straight line rent adjustments included in rental income	(4,256)	(4,173)	(3,604)	(1,765)	(2,775)	(8,429)	(5,461)
Lease value amortization included in rental income	(61)	(79)	195	204	233	(140)	576
Lease termination fees included in rental income	(1,485)	(99)	(176)	(83)	(2,175)	(1,584)	(7,117)
Non-cash amortization included in property operating expenses ⁽¹⁾	(121)	(121)	(121)	(121)	(121)	(242)	(242)
Cash Basis NOI	\$ 79,797	\$ 79,300	\$ 80,911	\$ 83,781	\$ 87,578	\$ 159,097	\$ 176,653
Reconciliation of Net Income (Loss) to NOI and Cash Basis NOI:							
Net income (loss)	\$ (12,242)	\$ (446)	\$ 6,390	\$ 16,964	\$ (16,056)	\$ (12,688)	\$ (29,463)
Equity in net losses of investees	691	834	878	952	833	1,525	1,679
Income tax expense (benefit)	211	30	(161)	90	(190)	241	341
Income (loss) before income tax expense (benefit) and equity in net losses of investees	(11,340)	418	7,107	18,006	(15,413)	(10,922)	(27,443)
(Gain) loss on early extinguishment of debt	—	—	(759)	—	77	—	77
Interest expense	26,525	25,231	24,557	24,969	26,515	51,756	53,954
Interest and other income	(337)	(164)	(144)	(56)	(16)	(501)	(17)
(Gain) loss on sale of real estate	2,305	(2,548)	(3,564)	(16,925)	11,637	(243)	9,488
General and administrative	5,785	5,925	5,781	6,564	7,083	11,710	12,789
Acquisition and transaction related costs	11,181	3,218	68	—	224	14,399	224
Loss on impairment of real estate	—	—	—	—	4,773	—	21,820
Depreciation and amortization	51,601	51,692	51,571	52,988	57,536	103,293	118,005
NOI	85,720	83,772	84,617	85,546	92,416	169,492	188,897
Non-cash amortization included in property operating expenses ⁽¹⁾	(121)	(121)	(121)	(121)	(121)	(242)	(242)
Lease termination fees included in rental income	(1,485)	(99)	(176)	(83)	(2,175)	(1,584)	(7,117)
Lease value amortization included in rental income	(61)	(79)	195	204	233	(140)	576
Non-cash straight line rent adjustments included in rental income	(4,256)	(4,173)	(3,604)	(1,765)	(2,775)	(8,429)	(5,461)
Cash Basis NOI	\$ 79,797	\$ 79,300	\$ 80,911	\$ 83,781	\$ 87,578	\$ 159,097	\$ 176,653

⁽¹⁾ OPI recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price OPI paid for its former investment in RMR Inc. common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees expense, which is included in property operating expenses.

Reconciliation and Calculation of Same Property NOI and Same Property Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended		For the Six Months Ended	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Reconciliation of NOI to Same Property NOI:				
Rental income	\$ 133,997	\$ 141,316	\$ 266,419	\$ 288,670
Property operating expenses	(48,277)	(48,900)	(96,927)	(99,773)
NOI	85,720	92,416	169,492	188,897
Less: NOI of properties not included in same property results	474	(4,131)	1,061	(13,856)
Same Property NOI	<u>\$ 86,194</u>	<u>\$ 88,285</u>	<u>\$ 170,553</u>	<u>\$ 175,041</u>
Calculation of Same Property Cash Basis NOI:				
Same Property NOI	\$ 86,194	\$ 88,285	\$ 170,553	\$ 175,041
Add: Lease value amortization included in rental income	(61)	200	(148)	448
Less: Non-cash straight line rent adjustments included in rental income	(4,281)	(2,861)	(8,471)	(5,674)
Lease termination fees included in rental income	(1,485)	(2,175)	(1,584)	(3,382)
Non-cash amortization included in property operating expenses ⁽¹⁾	(108)	(102)	(216)	(201)
Same Property Cash Basis NOI	<u>\$ 80,259</u>	<u>\$ 83,347</u>	<u>\$ 160,134</u>	<u>\$ 166,232</u>



(1) OPI recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price OPI paid for its former investment in RMR Inc. common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees expense, which is included in other operating expenses.

Calculation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended				For the Six Months Ended		
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	6/30/2023	6/30/2022
Net income (loss)	\$ (12,242)	\$ (446)	\$ 6,390	\$ 16,964	\$ (16,056)	\$ (12,688)	\$ (29,463)
Add (less): Interest expense	26,525	25,231	24,557	24,969	26,515	51,756	53,954
Income tax expense (benefit)	211	30	(161)	90	(190)	241	341
Depreciation and amortization	51,601	51,692	51,571	52,988	57,536	103,293	118,005
EBITDA	66,095	76,507	82,357	95,011	67,805	142,602	142,837
Add (less): Loss on impairment of real estate	—	—	—	—	4,773	—	21,820
(Gain) loss on sale of real estate	2,305	(2,548)	(3,564)	(16,925)	11,637	(243)	9,488
Distributions received from unconsolidated joint ventures	—	—	—	—	—	—	51
Equity in losses of unconsolidated joint ventures	691	834	878	952	833	1,525	1,679
EBITDAre	69,091	74,793	79,671	79,038	85,048	143,884	175,875
Add (less): Acquisition and transaction related costs	11,181	3,218	68	—	224	14,399	224
General and administrative expense paid in common shares ⁽¹⁾	741	476	499	919	1,073	1,217	1,487
(Gain) loss on early extinguishment of debt	—	—	(759)	—	77	—	77
Adjusted EBITDAre	\$ 81,013	\$ 78,487	\$ 79,479	\$ 79,957	\$ 86,422	\$ 159,500	\$ 177,663

(1) Amounts represent equity based compensation to OPI's Trustees, OPI's officers and certain other employees of RMR.

Calculation of FFO, Normalized FFO and CAD

(amounts in thousands, except per share data)

	For the Three Months Ended				For the Six Months Ended		
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	6/30/2023	6/30/2022
Net income (loss)	\$ (12,242)	\$ (446)	\$ 6,390	\$ 16,964	\$ (16,056)	\$ (12,688)	\$ (29,463)
Add (less): Depreciation and amortization:							
Consolidated properties	51,601	51,692	51,571	52,988	57,536	103,293	118,005
Unconsolidated joint venture properties	868	830	789	775	732	1,698	1,494
Loss on impairment of real estate	—	—	—	—	4,773	—	21,820
(Gain) loss on sale of real estate	2,305	(2,548)	(3,564)	(16,925)	11,637	(243)	9,488
FFO	42,532	49,528	55,186	53,802	58,622	92,060	121,344
Add (less): Acquisition and transaction related costs	11,181	3,218	68	—	224	14,399	224
(Gain) loss on early extinguishment of debt	—	—	(759)	—	77	—	77
Normalized FFO	53,713	52,746	54,495	53,802	58,923	106,459	121,645
Add (less): Non-cash expenses ⁽¹⁾	(2,157)	(1,902)	(1,464)	(640)	(192)	(4,059)	(657)
Distributions from unconsolidated joint ventures	—	—	—	—	—	—	51
Depreciation and amortization - unconsolidated joint ventures	(868)	(830)	(789)	(775)	(732)	(1,698)	(1,494)
Equity in net losses of investees	691	834	878	952	833	1,525	1,679
Non-cash straight line rent adjustments included in rental income	(4,256)	(4,173)	(3,604)	(1,765)	(2,775)	(8,429)	(5,461)
Lease value amortization included in rental income	(61)	(79)	195	204	233	(140)	576
Net amortization of debt premiums, discounts and issuance costs	2,327	2,205	2,188	2,176	2,366	4,532	4,770
Recurring capital expenditures	(33,607)	(17,623)	(42,099)	(25,882)	(20,833)	(51,230)	(32,280)
CAD	\$ 15,782	\$ 31,178	\$ 9,800	\$ 28,072	\$ 37,823	\$ 46,960	\$ 88,829
Weighted average common shares outstanding (basic and diluted)	48,354	48,336	48,334	48,286	48,249	48,345	48,246
Per common share amounts (basic and diluted):							
Net income (loss)	\$ (0.25)	\$ (0.01)	\$ 0.13	\$ 0.35	\$ (0.33)	\$ (0.27)	\$ (0.61)
FFO	\$ 0.88	\$ 1.02	\$ 1.14	\$ 1.11	\$ 1.21	\$ 1.90	\$ 2.52
Normalized FFO	\$ 1.11	\$ 1.09	\$ 1.13	\$ 1.11	\$ 1.22	\$ 2.20	\$ 2.52
CAD	\$ 0.33	\$ 0.65	\$ 0.20	\$ 0.58	\$ 0.78	\$ 0.97	\$ 1.84

(1) Non-cash expenses include equity based compensation, adjustments recorded to capitalize interest expense and amortization of the liability for the amount by which the estimated fair value for accounting purposes exceeded the price OPI paid for its former investment in RMR Inc. common stock in June 2015. This liability is being amortized on a straight line basis through December 31, 2035 as an allocated reduction to business management fee expense and property management fee expense, which are included in general and administrative and other operating expenses, respectively.

Warning Concerning Forward-Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: the Merger and plans and expectations for the combined entity, including OPI's related financing strategy; OPI's operating trends; OPI's key initiatives; economic and market conditions; demand for office lease space; utilization of OPI's properties; OPI's future leasing activity and pipeline; OPI's leverage levels and possible future financings; acquisitions and dispositions; OPI's redevelopment and construction activities and plans; and the amount and timing of future distributions.

Forward-looking statements reflect OPI's current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause OPI's actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause OPI's actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following: the likelihood that OPI will complete the Merger and transactions, including OPI's and DHC's ability to obtain shareholder approval, OPI's ability to obtain an amendment or replacement of its credit agreement and obtaining other financing, consents or approvals required in connection with the Merger, and that OPI's shareholders will benefit from the Merger; the impact of increasing or sustained high interest rates, inflation, labor market challenges, dislocation and volatility in the public equity and debt markets, conditions in the commercial real estate industry generally and in the sectors we operate, geopolitical instability and economic downturns or recessions on OPI and its tenants; the extent to which changes in office space utilization and needs, including due to remote work arrangements, may impact demand for office space at OPI's properties; the financial strength of OPI's tenants; risks and uncertainties regarding the costs and timing of development, redevelopment and repositioning activities, including as a result of inflation, cost overruns, supply chain challenges, labor shortages, construction delays or inability to obtain necessary permits; whether OPI's tenants will renew or extend their leases and not exercise early termination options pursuant to their leases or that OPI will obtain replacement tenants on terms as favorable to OPI as its prior leases; OPI's ability to successfully recycle and deploy capital; the likelihood that OPI's tenants will pay rent or be negatively affected by cyclical economic conditions or government budget constraints; OPI's ability to pay distributions to its shareholders and to maintain or increase the amount of such distributions; OPI's ability to increase or maintain occupancy at its properties on terms desirable to it; OPI's ability to increase rents when its leases expire or renew; OPI's tenant and geographic concentration; OPI's ability to manage its capital expenditures and other operating costs effectively and to maintain and enhance its properties and their appeal to tenants; OPI's ability to acquire properties that realize its targeted returns; OPI's ability to sell properties at prices it targets; OPI's ability to cost effectively raise and balance its use of debt and equity capital; OPI's ability to make required payments on debt; OPI's ability to maintain sufficient liquidity, including the availability of borrowings under its revolving credit facility and otherwise manage leverage; OPI's credit ratings; the ability of OPI's manager, RMR, to successfully manage OPI; OPI's qualification for taxation as a REIT; changes in federal or state tax laws; competition within the commercial real estate industry, particularly in those markets in which OPI's properties are located; compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters; the impact of any U.S. government shutdown or failure to increase the government debt ceiling on OPI's ability to collect rents and pay its operating expenses, debt obligations and distributions to shareholders on a timely basis; actual and potential conflicts of interest with OPI's related parties, including its Managing Trustees, RMR, Sonesta and others affiliated with them; limitations imposed by and OPI's ability to satisfy complex rules to maintain OPI's qualification for taxation as a REIT for U.S. federal income tax purposes; acts of terrorism, outbreaks or continuation of pandemics or other public health safety events or conditions, war or other hostilities, material or prolonged disruption to supply chains, climate change, or other manmade or natural disasters beyond OPI's control; and other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in OPI's periodic filings. The information contained in OPI's filings with the SEC, including under the caption “Risk Factors” in its periodic reports, or incorporated therein, identifies important factors that could cause differences from the forward-looking statements in this presentation. OPI's filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon OPI's forward-looking statements. Except as required by law, OPI does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Important Additional Information About the Merger

This earnings presentation may be deemed to be solicitation material in respect of the proposed merger between OPI and DHC. In connection with the proposed merger, OPI filed a registration statement on Form S-4 with the SEC containing a joint proxy statement/prospectus of OPI and DHC. On July 21, 2023, the registration statement was declared effective by the SEC and OPI and DHC each filed with the SEC and commenced mailing to their respective shareholders the definitive joint proxy statement/prospectus. The proposed transaction involving OPI and DHC will be submitted to OPI's and DHC's shareholders for their consideration at special meetings of shareholders to be held on August 30, 2023.

BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT OPI, DHC AND THE MERGER. Investors will also be able to obtain copies of the registration statement and the joint proxy statement/prospectus and other relevant documents (when they become available) free of charge at the SEC's website (www.sec.gov). Additional copies of documents filed by OPI with the SEC may be obtained for free on OPI's Investor Relations website at www.opireit.com/investors or by contacting the OPI Investor Relations department at 1-617-219-1410.

In addition to the joint proxy statement/prospectus, OPI files annual, quarterly and current reports and other information with the SEC. OPI's filings with the SEC are also available to the public from commercial document-retrieval services and at the website maintained by the SEC at www.sec.gov.

No Offer or Solicitation

This earnings presentation is for informational purposes only and is not intended to and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities or a solicitation of any vote or approval in any jurisdiction with respect to the merger or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Participants in the Solicitation

OPI and certain of its trustees and executive officers, DHC and certain of its trustees and executive officers, and RMR and its parent and certain of their respective directors, officers and employees may be deemed to be participants in the solicitation of proxies from OPI's and DHC's shareholders in connection with the merger. Certain information regarding these trustees, executive officers, directors, officers and employees and a description of their direct and indirect interests are set forth in the registration statement and the joint proxy statement/prospectus filed with the SEC by OPI and/or DHC. Information about OPI's trustees and executive officers is also included in the proxy statement for OPI's 2023 annual meeting of shareholders, which was filed with the SEC on April 6, 2023. Information about DHC's trustees and executive officers is also included in the proxy statement for DHC's 2023 annual meeting of shareholders, which was filed with the SEC on April 20, 2023. Copies of the foregoing documents may be obtained as provided above.