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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **May 9, 2023**

**ORION OFFICE REIT INC.**

(Exact name of Registrant as specified in its charter)

**Maryland**  
(State or Other Jurisdiction of Incorporation  
or Organization)

**001-40873**  
(Commission File Number)

**87-1656425**  
(I.R.S. Employer Identification No.)

**2398 E. Camelback Road, Suite 1060**  
**Phoenix, AZ 85016**  
(Address of principal executive offices, including zip code)

**(602) 698-1002**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

*Title of each class:*  
Common Stock \$0.001 par value per share

*Trading symbol(s):*  
ONL

*Name of each exchange on which registered:*  
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On May 9, 2023, Orion Office REIT Inc. furnished the following documents: (i) a press release relating to its first quarter 2023 financial results and related matters, attached hereto as Exhibit 99.1; and (ii) supplemental information for the quarter ended March 31, 2023, attached hereto as Exhibit 99.2. The information set forth in this Item 2.02 and in the attached Exhibits 99.1 and 99.2 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information set forth in this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release issued May 9, 2023 relating to First Quarter 2023 Financial Results and Related Matters</a>
99.2	<a href="#">Supplemental Information for the Quarter Ended March 31, 2023</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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Exhibit 99.1

FOR IMMEDIATE RELEASE

## Orion Office REIT Inc. Announces First Quarter 2023 Results

- Total Revenues of \$50.2 million -
- Net Loss Attributable to Common Stockholders of \$(8.9) million, or \$(0.16) Per Share -
- Core Funds From Operations of \$25.3 million, or \$0.45 Per Share -
- All Outstanding Debt is 100% Fixed or Swapped to Fixed -
- Declares Dividend of \$0.10 Per Share for Second Quarter -
- Reaffirms 2023 Outlook -

**Phoenix, AZ, May 9, 2023** -- Orion Office REIT Inc. (NYSE: ONL) ("Orion" or the "Company"), a fully-integrated real estate investment trust focused on the ownership, acquisition and management of single-tenant net lease mission-critical suburban office properties located across the U.S., announced today its operating results for the first quarter ended March 31, 2023.

Paul McDowell, Orion's Chief Executive Officer and President, commented, "We are pleased to report another solid quarter of performance from our high-quality mission-critical suburban office portfolio. During the quarter, we continued to make good progress on asset management activity, primarily through leasing and entering agreements to sell non-core assets. We will continue to navigate the ongoing challenges around the office sector across the country, while effectively managing our low leverage balance sheet and financial flexibility to build sustainable long-term value."

### First Quarter 2023 Financial and Operating Highlights

- Total Revenues of \$50.2 million
- Net Loss Attributable to Common Stockholders of \$(8.9) million, or \$(0.16) per share
- Funds from Operations ("FFO") of \$23.5 million, or \$0.41 per share
- Core FFO of \$25.3 million, or \$0.45 per share
- EBITDA of \$27.4 million, EBITDAre of \$31.2 million and Adjusted EBITDA of \$31.2 million

### Leasing and Disposition Activity

During the quarter ended March 31, 2023, the Company entered into one 15.0-year lease renewal for 64,000 square feet at the Company's property in Parkersburg, West Virginia. The Company also entered into a lease expansion covering an additional 11,000 square feet with an existing tenant at one of its properties in The Woodlands, Texas, and entered into one new 5.0-year lease and one 1.0-year lease renewal for a total of 8,000 square feet at its other property in The Woodlands, Texas. Additionally, Orion is in various stages of negotiation and documentation for new leases and renewals at multiple properties.

The Company has agreements currently in place to sell eight additional properties, representing 631,000 square feet, for an aggregate sale price of \$41.0 million, including the six property Walgreens campus in Deerfield, IL.

### Balance Sheet

As of March 31, 2023, the Company has total debt of \$557.3 million, comprised of \$175.0 million under the credit facility term loan, \$355.0 million under the Company's securitized mortgage loan (the "CMBS Loan") and \$27.3 million which represents Orion's pro rata share of indebtedness of the Unconsolidated Joint Venture. As of March 31, 2023, the Company had no outstanding draws under its \$425.0 million capacity credit facility revolver.

As of March 31, 2023, Orion had \$449.5 million of liquidity, comprised of \$24.5 million cash on hand, including the Company's pro rata share of cash from the Unconsolidated Joint Venture, as well as \$425.0 million of available capacity on Orion's \$425.0 million-capacity credit facility revolver.

**Dividend**

On May 8, 2023, Orion's Board of Directors declared a quarterly cash dividend of \$0.10 per share for the second quarter of 2023, payable on July 17, 2023, to stockholders of record as of June 30, 2023. The dividend was sized to permit future growth while preserving meaningful free cash flow for reinvestment into the current portfolio and for accretive investments.

**Real Estate Portfolio**

As of March 31, 2023, Orion's real estate portfolio consisted of 81 properties as well as a 20% ownership interest in the Arch Street Joint Venture, Orion's Unconsolidated Joint Venture with an affiliate of Arch Street Capital Partners, LLC, comprising six properties. As of March 31, 2023, the Company's portfolio occupancy rate was 87.5%, with 73.6% of annualized base rent derived from Investment Grade Tenants, and the portfolio's weighted average remaining lease term was 4.0 years.

As of March 31, 2023, the Unconsolidated Joint Venture owned six real estate assets for total Gross Real Estate Investments of approximately \$227.2 million. Orion is continuing to review a number of potential property acquisitions for both its balance sheet and the Unconsolidated Joint Venture.

**2023 Outlook**

The Company's 2023 Core FFO range of \$1.55 to \$1.63 per share, its 2023 General and Administrative Expense guidance range of \$18.75 million to \$19.75 million, and its 2023 year-end Net Debt to Adjusted EBITDA guidance range of 4.3x to 5.3x, are unchanged from last quarter.

**Webcast and Conference Call Information**

Orion will host a webcast and conference call to review its financial results at 10:00 a.m. ET on Wednesday, May 10, 2023. The webcast and call will be hosted by Paul McDowell, Chief Executive Officer and President, and Gavin Brandon, Chief Financial Officer, Executive Vice President and Treasurer. To participate, the webcast may be accessed live by visiting the "Investors" section of Orion's website at <https://www.onlreit.com/investors>. To join the conference call, callers from the United States and Canada should dial 1-877-407-3982, and international callers should dial 1-201-493-6780, ten minutes prior to the scheduled call time.

**Replay Information**

A replay of the webcast may be accessed via the web by visiting the "Investors" section of Orion's website at <https://www.onlreit.com/investors>. The conference call replay will be available after 1:00 p.m. ET on Wednesday, May 10, 2023 through 11:59 a.m. ET on Wednesday, May 24, 2023. To access the replay, callers may dial 1-844-512-2921 (domestic) or 1-412-317-6671 (international) and use passcode, 13737375.

**Non-GAAP Financial Measures**

To supplement the presentation of the Company's financial results prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), this press release and the accompanying quarterly supplemental information as of and for the quarter ended March 31, 2023 contain certain financial measures that are not prepared in accordance with GAAP, including Funds from Operations ("FFO"), Core Funds from Operations ("Core FFO"), Funds Available for Distribution ("FAD"), Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDAre"), and Adjusted EBITDA. Please see the attachments to this press release for how Orion defines these non-GAAP financial measures and a reconciliation to the most directly comparable GAAP measure.

**About Orion Office REIT Inc.**

Orion Office REIT Inc. (NYSE: ONL) is an internally-managed real estate investment trust engaged in the ownership, acquisition and management of a diversified portfolio of mission-critical and headquarters office buildings located in high-quality suburban markets across the U.S. and leased primarily on a single-tenant net lease basis to creditworthy tenants. The company was founded on July 1, 2021, spun-off from Realty Income (NYSE: O) on November 12, 2021 and began trading on the New York Stock Exchange on November 15, 2021. The company is headquartered in Phoenix, Arizona and has an office in New York, New York. For additional information on the company and its properties, please visit [onlreit.com](http://onlreit.com).

**Investor Relations:**

**Email:** [investors@onlreit.com](mailto:investors@onlreit.com)

**Phone:** 602-675-0338

## **About the Data**

This data and other information described herein are as of and for the three months ended March 31, 2023, unless otherwise indicated. Future performance may not be consistent with past performance and is subject to change and inherent risks and uncertainties. This information should be read in conjunction with the consolidated and combined financial statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations sections contained in Orion Office REIT Inc.'s (the "Company," "Orion," "us," "our" and "we") Quarterly Report on Form 10-Q for the period ended March 31, 2023 and Annual Report on Form 10-K for the year ended December 31, 2022.

## **Definitions**

**Annualized Base Rent** is the monthly aggregate cash amount charged to tenants under our leases (including monthly base rent receivables and certain contractually obligated reimbursements by our tenants), as of the final date of the applicable period, multiplied by 12, including the Company's pro rata share of such amounts related to the Unconsolidated Joint Venture. Annualized Base Rent is not indicative of future performance.

**CPI** refers to a lease in which base rent is adjusted based on changes in a consumer price index.

**Credit Rating** of a tenant refers to the Standard & Poor's or Moody's credit rating and such rating also may reflect the rating assigned by Standard & Poor's or Moody's to the lease guarantor or the parent company as applicable.

**Double Net Lease ("NN")** is a lease under which the tenant agrees to pay all operating expenses associated with the property (e.g., real estate taxes, insurance, maintenance), but excludes some or all major repairs (e.g., roof, structure, parking lot, in each case, as further defined in the applicable lease).

## **Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDAre") and Adjusted EBITDA**

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc. ("Nareit"), an industry trade group, has promulgated a supplemental performance measure known as Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate. Nareit defines EBITDAre as net income or loss computed in accordance with GAAP, adjusted for interest expense, income tax expense (benefit), depreciation and amortization, impairment write-downs on real estate, gains or losses from disposition of property and our pro rata share of EBITDAre adjustments related to the Unconsolidated Joint Venture. We calculated EBITDAre in accordance with Nareit's definition described above.

In addition to EBITDAre, we use Adjusted EBITDA as a non-GAAP supplemental performance measure to evaluate the operating performance of the Company. Adjusted EBITDA, as defined by the Company, represents EBITDAre, modified to exclude non-routine items such as transaction related expenses and spin related expenses. We also exclude certain non-cash items such as impairments of intangible and right of use assets, gains or losses on derivatives, gains or losses on the extinguishment or forgiveness of debt, amortization of intangibles, above-market lease assets and deferred lease incentives, net of amortization of below-market lease liabilities and our pro rata share of Adjusted EBITDA adjustments related to the Unconsolidated Joint Venture. Management believes that excluding these costs from EBITDAre provides investors with supplemental performance information that is consistent with the performance models and analysis used by management, and provides investors a view of the performance of our portfolio over time. Therefore, EBITDAre and Adjusted EBITDA should not be considered as an alternative to net income, as computed in accordance with GAAP. The Company uses Adjusted EBITDA as one measure of its operating performance when formulating corporate goals and evaluating the effectiveness of the Company's strategies. EBITDAre and Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

**Enterprise Value** equals the sum of the Implied Equity Market Capitalization and Net Debt, in each case, as of an applicable date.

**Fixed Charge Coverage Ratio** is (a) Adjusted EBITDA divided by (b) the sum of (i) Interest Expense, excluding non-cash amortization and (ii) secured debt principal amortization on Adjusted Principal Outstanding. Management believes that Fixed Charge Coverage Ratio is a useful supplemental measure of our ability to satisfy fixed financing obligations.

**Fixed Dollar or Percent Increase** refers to a lease that requires contractual rent increases during the term of the lease agreement. A Fixed Dollar or Percent Increase lease may include a period of free rent at the beginning or end of the lease.

**Flat** refers to a lease that requires equal rent payments, with no contractual increases, throughout the term of the lease agreement. A Flat Lease may include a period of free rent at the beginning or end of the lease.

## **Funds Available for Distribution ("FAD")**

Funds available for distribution, as defined by the Company, represents Core FFO, as defined below, modified to exclude capital expenditures, as well as certain non-cash items such as amortization of above market leases, net of amortization of below market lease liabilities, straight-line rental revenue and our pro rata share of FAD adjustments related to the Unconsolidated Joint Venture. Management believes that adjusting these items from Core FFO provides investors with supplemental performance information that is consistent with the performance models and analysis used by management and provides useful information regarding the Company's ability to fund its dividend. Beginning in 2023, the Company's definition of FAD is not adjusting for the following items, which are already included as adjustments in calculating Core FFO: (i) amortization of deferred lease incentives, (ii) amortization of deferred financing costs, (iii) equity-based compensation, and (iv) amortization of premiums and discounts on debt, net. Additionally, beginning in 2023, the Company has revised the FAD adjustment for equity in income (loss) of unconsolidated joint venture to only exclude the non-cash amortization related to the joint venture investment basis difference. These changes in definition have also been applied retrospectively for comparison purposes.

However, not all REITs calculate FAD and those that do may not calculate FAD the same way, so comparisons with other REITs may not be meaningful. FAD should not be considered as an alternative to net income (loss) or cash flow provided by (used in) operating activities as determined under GAAP.

## **Nareit Funds from Operations ("Nareit FFO" or "FFO") and Core Funds from Operations ("Core FFO")**

Due to certain unique operating characteristics of real estate companies, as discussed below, Nareit has promulgated a supplemental performance measure known as FFO, which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. FFO is not equivalent to our net income or loss as determined under GAAP.

Nareit defines FFO as net income or loss computed in accordance with GAAP adjusted for gains or losses from disposition of real estate assets, depreciation and amortization of real estate assets, impairment write-downs on real estate, and our pro rata share of FFO adjustments related to the Unconsolidated Joint Venture. We calculate FFO in accordance with Nareit's definition described above.

In addition to FFO, we use Core FFO as a non-GAAP supplemental financial performance measure to evaluate the operating performance of the Company. Core FFO, as defined by the Company, excludes from FFO items that we believe do not reflect the ongoing operating performance of our business such as transaction related expenses, spin related expenses and gains or losses on extinguishment of swaps and/or debt, and our pro rata share of Core FFO adjustments related to the Unconsolidated Joint Venture. Beginning in 2023, the Company has revised its definition of Core FFO to also exclude the following non-cash charges which management believes do not reflect the ongoing operating performance of our business: (i) amortization of deferred lease incentives, (ii) amortization of deferred financing costs, (iii) equity-based compensation, and (iv) amortization of premiums and discounts on debt, net. This change in definition has also been applied retrospectively for comparison purposes.

We believe that FFO and Core FFO allow for a comparison of the performance of our operations with other publicly-traded REITs, as FFO and Core FFO, or an equivalent measure, are routinely reported by publicly-traded REITs, each adjust for items that we believe do not reflect the ongoing operating performance of our business and we believe are often used by analysts and investors for comparison purposes.

For all of these reasons, we believe FFO and Core FFO, in addition to net income (loss), as defined by GAAP, are helpful supplemental performance measures and useful in understanding the various ways in which our management evaluates the performance of the Company over time. However, not all REITs calculate FFO and Core FFO the same way, so comparisons with other REITs may not be meaningful. FFO and Core FFO should not be considered as alternatives to net income (loss) and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, Nareit, nor any other regulatory body has evaluated the acceptability of the exclusions used to adjust FFO in order to calculate Core FFO and its use as a non-GAAP financial performance measure.

**GAAP** is an abbreviation for generally accepted accounting principles in the United States.

**Gross Lease** is a lease under which the landlord is responsible for all expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs).

**Gross Real Estate Investments** represent total gross real estate and related assets of Operating Properties and the Company's pro rata share of such amounts related to properties owned by the Unconsolidated Joint Venture, net of gross intangible lease liabilities. Gross Real Estate Investments should not be considered as an alternative to the Company's real estate investments balance as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with, and as a supplement to, the Company's financial information prepared in accordance with GAAP.

**GSA CPI** refers to a General Services Administration ("GSA") lease that includes a contractually obligated operating cost component of rent which is adjusted annually based on changes in a consumer price index.

**Implied Equity Market Capitalization** equals shares of common stock outstanding as of an applicable date, multiplied by the closing sale price of the Company's stock as reported on the New York Stock Exchange on such date.

**Industry** is derived from the Global Industry Classification Standard ("GICS") Methodology that was developed by Morgan Stanley Capital International ("MSCI") in collaboration with S&P Dow Jones Indices to establish a global, accurate, complete and widely accepted approach to defining industries and classifying securities by industry.

**Interest Coverage Ratio** equals Adjusted EBITDA divided by Interest Expense, excluding non-cash amortization. Management believes that Interest Coverage Ratio is a useful supplemental measure of our ability to service our debt obligations.

**Interest Expense, excluding non-cash amortization** is a non-GAAP measure that represents interest expense incurred on the outstanding principal balance of our debt and the Company's pro rata share of the Unconsolidated Joint Venture's interest expense incurred on its outstanding principal balance. This measure excludes the amortization of deferred financing costs, premiums and discounts, which is included in interest expense in accordance with GAAP. Interest Expense, excluding non-cash amortization should not be considered as an alternative to the Company's interest expense as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**Investment-Grade Tenants** are those with a Credit Rating of BBB- or higher from Standard & Poor's or a Credit Rating of Baa3 or higher from Moody's. The ratings may reflect those assigned by Standard & Poor's or Moody's to the lease guarantor or the parent company, as applicable.

**Leased Square Feet** is Rentable Square Feet leased and includes such amounts related to the Unconsolidated Joint Venture.

**Modified Gross Lease** is a lease under which the landlord is responsible for most expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs), but passes through some operating expenses to the tenant.

**Month-to-Month** refers to a lease that is outside of the contractual lease expiration, but the tenant has not vacated and continues to pay rent which may also include holdover rent if applicable.

#### **Net Debt, Principal Outstanding and Adjusted Principal Outstanding**

Principal Outstanding is a non-GAAP measure that represents the Company's outstanding principal debt balance, excluding certain GAAP adjustments, such as premiums and discounts, financing and issuance costs, and related accumulated amortization. Adjusted Principal Outstanding includes the Company's pro rata share of the Unconsolidated Joint Venture's outstanding principal debt balance. We believe that the presentation of Principal Outstanding and Adjusted Principal Outstanding, which show our contractual debt obligations, provides useful information to investors to assess our overall financial flexibility, capital structure and leverage. Principal Outstanding and Adjusted Principal Outstanding should not be considered as alternatives to the Company's consolidated debt balance as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with, and as a supplement to, the Company's financial information prepared in accordance with GAAP.

Net Debt is a non-GAAP measure used to show the Company's Adjusted Principal Outstanding, less all cash and cash equivalents and the Company's pro rata share of the Unconsolidated Joint Venture's cash and cash equivalents. We believe that the presentation of Net Debt provides useful information to investors because our management reviews Net Debt as part of its management of our overall liquidity, financial flexibility, capital structure and leverage.

**Net Debt Leverage Ratio** equals Net Debt divided by Gross Real Estate Investments.



### **Net Operating Income ("NOI") and Cash NOI**

NOI is a non-GAAP performance measure used to evaluate the operating performance of a real estate company. NOI represents total revenues less property operating expenses and excludes fee revenue earned for services to the Unconsolidated Joint Venture, impairment, depreciation and amortization, general and administrative expenses, transaction related expenses and spin related expenses. Cash NOI excludes the impact of certain GAAP adjustments included in rental revenue, such as straight-line rent adjustments and amortization of above-market intangible lease assets and below-market lease intangible liabilities. Cash NOI includes the pro rata share of such amounts from properties owned by the Unconsolidated Joint Venture. It is management's view that NOI and Cash NOI provide investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. NOI and Cash NOI should not be considered as an alternative to operating income in accordance with GAAP. Further, NOI and Cash NOI may not be comparable to similarly titled measures of other companies.

**Occupancy Rate** equals the sum of Leased Square Feet divided by Rentable Square Feet and includes the Company's pro rata share of such amounts related to the Unconsolidated Joint Venture, in each case, as of an applicable date.

**Operating Properties** refers to all properties owned and consolidated by the Company as of the applicable date.

**Property Operating Expense** includes reimbursable and non-reimbursable costs to operate a property, including real estate taxes, utilities, insurance, repairs, maintenance, legal, property management fees, etc.

**Rentable Square Feet** is leasable square feet of Operating Properties and the Company's pro rata share of leasable square feet of properties owned by the Unconsolidated Joint Venture.

**Triple Net Lease ("NNN")** is a lease under which the tenant agrees to pay all expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs in accordance with the lease terms).

**Unconsolidated Joint Venture** means the Company's investment in the unconsolidated joint venture with an affiliate of Arch Street Capital Partners, LLC.

**Unencumbered Asset Ratio** equals unencumbered Gross Real Estate Investments divided by Gross Real Estate Investments. Management believes that Unencumbered Asset Ratio is a useful supplemental measure of our overall liquidity and leverage.

**Unencumbered Gross Real Estate Investments** equals Gross Real Estate Investments, excluding Gross Real Estate Investments related to properties serving as collateral for the Company's CMBS Loan and the Company's pro rata share of properties owned by the Unconsolidated Joint Venture that are pledged as collateral under mortgage debt. Unencumbered Gross Real Estate Investments includes otherwise unencumbered properties which are part of the unencumbered property pool under our credit facility and therefore generally are not available to simultaneously serve as collateral under other borrowings.

**Weighted Average Remaining Lease Term** is the number of years remaining on each respective lease as of the applicable date, weighted based on Annualized Base Rent and includes the years remaining on each of the respective leases of the Unconsolidated Joint Venture, weighted based on the Company's pro rata share of Annualized Base Rent related to the Unconsolidated Joint Venture.

## Forward-Looking Statements

Information set forth in this press release includes "forward-looking statements" which reflect the Company's expectations and projections regarding future events and plans, future financial condition, results of operations, liquidity and business, including leasing and occupancy, acquisitions, dispositions, rent receipts, expected borrowings and financing costs and the payment of future dividends. Generally, the words "anticipates," "assumes," "believes," "continues," "could," "estimates," "expects," "goals," "intends," "may," "plans," "projects," "seeks," "should," "targets," "will," "guidance," variations of such words and similar expressions identify forward-looking statements. These forward-looking statements are based on information currently available to the Company and involve a number of known and unknown assumptions and risks, uncertainties and other factors, which may be difficult to predict and beyond the Company's control, that could cause actual events and plans or could cause the Company's business, financial condition, liquidity and results of operations to differ materially from those expressed or implied in the forward-looking statements. Further, information regarding historical rent collections should not serve as an indication of future rent collections.

The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements:

- the risk of rising interest rates, including that our borrowing costs may increase and we may be unable to refinance our debt obligations on favorable terms and in a timely manner, or at all;
- the risk of inflation, including that our operating costs, such as insurance premiums, utilities, real estate taxes, capital expenditures and repair and maintenance costs, may rise;
- conditions associated with the global market, including an oversupply of office space, tenant credit risk and general economic conditions;
- the extent to which changes in workplace practices and office space utilization, including remote work arrangements, will continue and the impact that may have on demand for office space at our properties;
- our ability to acquire new properties and sell non-core assets on favorable terms and in a timely manner, or at all;
- our ability to comply with the terms of our credit agreements or to meet the debt obligations on certain of our properties;
- our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms and in a timely manner, or at all;
- changes in the real estate industry and in performance of the financial markets and interest rates and our ability to effectively hedge against interest rate changes;
- the risk of tenants defaulting on their lease obligations, which is heightened due to our focus on single tenant properties;
- our ability to renew leases with existing tenants or re-let vacant space to new tenants on favorable terms and in a timely manner, or at all;
- the cost of rent concessions, tenant improvement allowances and leasing commissions;
- the potential for termination of existing leases pursuant to tenant termination rights;
- the amount, growth and relative inelasticity of our expenses;
- risks associated with the ownership and development of real property;
- risks accompanying the management of OAP/VER Venture, LLC (the "Arch Street Joint Venture"), our unconsolidated joint venture, in which we hold a non-controlling interest;
- our ability to close pending real estate transactions, which may be subject to conditions that are outside of our control;
- risks associated with acquisitions, including the risk that we may not be in a position, or have the opportunity in the future, to make suitable property acquisitions on advantageous terms and/or that such acquisitions will fail to perform as expected;
- risks associated with the fact that we have a limited operating history and our future performance is difficult to predict;
- our properties may be subject to impairment charges;
- risks resulting from losses in excess of insured limits or uninsured losses;
- risks associated with the potential volatility of our common stock; and
- the risk that we may fail to maintain our qualification as a REIT.

Additional factors that may affect future results are contained in the Company's filings with the SEC, which are available at the SEC's website at [www.sec.gov](http://www.sec.gov). The Company disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of changes in underlying assumptions or factors, new information, future events or otherwise, except as required by law.

**ORION OFFICE REIT INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	(Unaudited)	
	March 31, 2023	December 31, 2022
<b>Assets</b>		
Real estate investments, at cost:		
Land	\$ 236,966	\$ 238,225
Buildings, fixtures and improvements	1,127,590	1,128,400
Total real estate investments, at cost	1,364,556	1,366,625
Less: accumulated depreciation	141,093	133,379
Total real estate investments, net	1,223,463	1,233,246
Accounts receivable, net	24,697	21,641
Intangible lease assets, net	182,629	202,832
Cash and cash equivalents	23,755	20,638
Real estate assets held for sale, net	2,502	2,502
Other assets, net	89,826	90,214
<b>Total assets</b>	<b>\$ 1,546,872</b>	<b>\$ 1,571,073</b>
<b>Liabilities and Equity</b>		
Mortgages payable, net	\$ 352,337	\$ 352,167
Credit facility term loan, net	174,153	173,815
Accounts payable and accrued expenses	19,957	26,161
Below-market lease liabilities, net	12,526	14,068
Distributions payable	5,666	5,664
Other liabilities, net	22,286	23,340
<b>Total liabilities</b>	<b>586,925</b>	<b>595,215</b>
Common stock	57	57
Additional paid-in capital	1,147,466	1,147,014
Accumulated other comprehensive income	4,540	6,308
Accumulated deficit	(193,516)	(178,910)
Total stockholders' equity	958,547	974,469
Non-controlling interest	1,400	1,389
<b>Total equity</b>	<b>959,947</b>	<b>975,858</b>
<b>Total liabilities and equity</b>	<b>\$ 1,546,872</b>	<b>\$ 1,571,073</b>

**ORION OFFICE REIT INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except for per share data) (Unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Revenues:</b>		
Rental	\$ 49,990	\$ 53,017
Fee income from unconsolidated joint venture	200	189
<b>Total revenues</b>	<b>50,190</b>	<b>53,206</b>
<b>Operating expenses:</b>		
Property operating	15,344	15,314
General and administrative	4,309	3,517
Depreciation and amortization	28,166	34,353
Impairments	3,754	1,602
Transaction related	105	63
Spin related	—	756
<b>Total operating expenses</b>	<b>51,678</b>	<b>55,605</b>
<b>Other (expense) income:</b>		
Interest expense, net	(7,139)	(6,847)
Loss on extinguishment of debt, net	—	(468)
Other income, net	36	39
Equity in loss of unconsolidated joint venture	(123)	(41)
<b>Total other (expenses) income, net</b>	<b>(7,226)</b>	<b>(7,317)</b>
<b>Loss before taxes</b>	<b>(8,714)</b>	<b>(9,716)</b>
Provision for income taxes	(160)	(166)
<b>Net loss</b>	<b>(8,874)</b>	<b>(9,882)</b>
Net income attributable to non-controlling interest	(11)	(24)
<b>Net loss attributable to common stockholders</b>	<b>\$ (8,885)</b>	<b>\$ (9,906)</b>
Weighted-average shares outstanding - basic and diluted	56,642	56,626
<b>Basic and diluted net loss per share attributable to common stockholders</b>	<b>\$ (0.16)</b>	<b>\$ (0.17)</b>

**ORION OFFICE REIT INC.**  
**FFO, CORE FFO and FAD**  
(In thousands, except for per share data) (Unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Net loss</b>	\$ (8,885)	\$ (9,906)
Depreciation and amortization of real estate assets	28,142	34,337
Impairment of real estate	3,754	1,602
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	462	461
<b>FFO attributable to common stockholders</b>	<b>\$ 23,473</b>	<b>\$ 26,494</b>
Adjustments:		
Transaction related expenses	105	63
Spin related expenses	—	756
Amortization of deferred financing costs <sup>(1)</sup>	1,049	1,171
Amortization of deferred lease incentives, net <sup>(1)</sup>	101	—
Equity-based compensation <sup>(1)</sup>	526	270
Loss on extinguishment of debt, net	—	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	29	67
<b>Core funds from operations attributable to common stockholders <sup>(1)</sup></b>	<b>\$ 25,283</b>	<b>\$ 29,289</b>
Adjustments:		
Amortization of above and below market leases, net	(215)	(320)
Straight-line rental revenue	(2,684)	(896)
Unconsolidated Joint Venture basis difference amortization <sup>(1)</sup>	133	258
Capital expenditures and leasing costs	(3,338)	(2,401)
Other adjustments, net	131	63
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(40)	(58)
<b>Funds available for distribution <sup>(1)</sup></b>	<b>\$ 19,270</b>	<b>\$ 25,935</b>
Weighted-average shares outstanding - basic	56,642	56,626
Effect of weighted-average dilutive securities <sup>(2)</sup>	18	1
<b>Weighted-average shares outstanding - diluted</b>	<b>56,660</b>	<b>56,627</b>
FFO attributable to common stockholders per diluted share	\$ 0.41	\$ 0.47
Core FFO attributable to common stockholders per diluted share	\$ 0.45	\$ 0.52
FAD per diluted share	\$ 0.34	\$ 0.46

(1) The Company has revised its definition of Core FFO and FAD beginning in 2023 and has applied this change retrospectively for comparison purposes. See the Definitions section for further discussion of the change.

(2) Dilutive securities include unvested restricted stock units. Such shares are not included when calculating net loss per diluted share applicable to the Company for the three months ended March 31, 2023 and 2022 as the effect would be antidilutive.

**ORION OFFICE REIT INC.**  
**EBITDA, EBITDAre AND ADJUSTED EBITDA**  
(In thousands) (Unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Net loss</b>	\$ (8,885)	\$ (9,906)
Adjustments:		
Interest expense	7,139	6,847
Depreciation and amortization	28,166	34,353
Provision for income taxes	160	166
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	854	643
<b>EBITDA</b>	<b>\$ 27,434</b>	<b>\$ 32,103</b>
Impairment of real estate	3,754	1,602
<b>EBITDAre</b>	<b>\$ 31,188</b>	<b>\$ 33,705</b>
Transaction related	105	63
Spin related	—	756
Amortization of above and below market leases, net	(215)	(320)
Amortization of deferred lease incentives	101	—
Loss on extinguishment and forgiveness of debt, net	—	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(7)	(7)
<b>Adjusted EBITDA</b>	<b>\$ 31,172</b>	<b>\$ 34,665</b>

**ORION OFFICE REIT INC.**  
**FINANCIAL AND OPERATIONS STATISTICS AND RATIOS**  
(Dollars in thousands) (Unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Interest expense - as reported</b>	\$ 7,139	\$ 6,847
<i>Adjustments:</i>		
Amortization of deferred financing costs and other non-cash charges	(1,049)	(1,171)
Proportionate share of Unconsolidated Joint Venture Interest Expense, excluding non-cash amortization	363	115
<b>Interest Expense, excluding non-cash amortization</b>	<b>\$ 6,453</b>	<b>\$ 5,791</b>

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Interest Coverage Ratio</b>		
Interest Expense, excluding non-cash amortization <sup>(1)</sup>	\$ 6,453	\$ 5,791
Adjusted EBITDA <sup>(2)</sup>	31,172	34,665
Interest Coverage Ratio	4.83x	5.99x

<b>Fixed Charge Coverage Ratio</b>		
Interest Expense, excluding non-cash amortization <sup>(1)</sup>	\$ 6,453	\$ 5,791
Secured debt principal amortization	—	—
Total fixed charges	6,453	5,791
Adjusted EBITDA <sup>(2)</sup>	31,172	34,665
Fixed Charge Coverage Ratio	4.83x	5.99x

(1) Refer to the Statement of Operations for interest expense calculated in accordance with GAAP and to the Supplemental Information Package for the required reconciliation to the most directly comparable GAAP financial measure.

(2) Refer to the Statement of Operations for net income calculated in accordance with GAAP and to the EBITDAre and Adjusted EBITDA table in the Supplemental Information Package for the required reconciliation to the most directly comparable GAAP financial measure.

	March 31, 2023	December 31, 2022
<b>Net Debt</b>		
Mortgages payable, net	\$ 352,337	\$ 352,167
Credit facility term loan, net	174,153	173,815
<b>Total debt - as reported</b>	<b>526,490</b>	<b>525,982</b>
Deferred financing costs, net	3,510	4,018
<b>Principal Outstanding</b>	<b>530,000</b>	<b>530,000</b>
Proportionate share of Unconsolidated Joint Venture Principal Outstanding	27,332	27,332
<b>Adjusted Principal Outstanding</b>	<b>\$ 557,332</b>	<b>\$ 557,332</b>
Cash and cash equivalents	(23,755)	(20,638)
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents	(727)	(572)
<b>Net Debt</b>	<b>\$ 532,850</b>	<b>\$ 536,122</b>

**ORION OFFICE REIT INC.**  
**FINANCIAL AND OPERATIONS STATISTICS AND RATIOS**  
(Dollars in thousands) (Unaudited)

	March 31, 2023	December 31, 2022
<b>Total real estate investments, at cost - as reported</b>	\$ 1,364,556	\$ 1,366,625
<i>Adjustments:</i>		
Gross intangible lease assets	353,341	360,690
Gross intangible lease liabilities	(31,317)	(31,317)
Gross assets held for sale	2,544	2,544
Proportionate share of Unconsolidated Joint Venture Gross Real Estate Investments	45,435	45,427
<b>Gross Real Estate Investments</b>	<b>\$ 1,734,559</b>	<b>\$ 1,743,969</b>

	March 31, 2023	December 31, 2022
<b>Net Debt Ratios</b>		
Net Debt <sup>(1)</sup>	\$ 532,850	\$ 536,122
Adjusted EBITDA <sup>(2)</sup>	124,688	132,210
Net Debt to Adjusted EBITDA Ratio <sup>(2)</sup>	4.27x	4.06x
Net Debt <sup>(1)</sup>	\$ 532,850	\$ 536,122
Gross Real Estate Investments <sup>(1)</sup>	1,734,559	1,743,969
Net Debt Leverage Ratio	30.7 %	30.7 %
<b>Unencumbered Assets/Real Estate Assets</b>		
Unencumbered Gross Real Estate Investments	\$ 1,131,272	\$ 1,141,035
Gross Real Estate Investments <sup>(1)</sup>	1,734,559	1,743,969
Unencumbered Asset Ratio	65.2 %	65.4 %

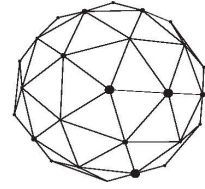
(1) Refer to the Balance Sheets for total debt and real estate investments, at cost calculated in accordance with GAAP and to the table above for the required reconciliation to the most directly comparable GAAP financial measure.

(2) Adjusted EBITDA for March 31, 2023 has been annualized for the purpose of this calculation. Adjusted EBITDA for December 31, 2022 has not been annualized for the purpose of this calculation.



# Orion

Office REIT



## Supplemental Information Package



**2023**  
First Quarter

# Orion Supplemental Information

March 31, 2023

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## About the Data

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This data and other information described herein are as of and for the three months ended March 31, 2023, unless otherwise indicated. Future performance may not be consistent with past performance and is subject to change and inherent risks and uncertainties. This information should be read in conjunction with the consolidated and combined financial statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations sections contained in Orion Office REIT Inc.'s (the "Company," "Orion," "us," "our" and "we") Quarterly Report on Form 10-Q for the period ended March 31, 2023 and Annual Report on Form 10-K for the year ended December 31, 2022.

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## Forward-Looking Statements

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Information set forth herein includes “forward-looking statements” which reflect the Company’s expectations and projections regarding future events and plans, future financial condition, results of operations, liquidity and business, including leasing and occupancy, acquisitions, dispositions, rent receipts, expected borrowings and financing costs and the payment of future dividends. Generally, the words “anticipates,” “assumes,” “believes,” “continues,” “could,” “estimates,” “expects,” “goals,” “intends,” “may,” “plans,” “projects,” “seeks,” “should,” “targets,” “will,” “guidance”, variations of such words and similar expressions identify forward-looking statements. These forward-looking statements are based on information currently available to the Company and involve a number of known and unknown assumptions and risks, uncertainties and other factors, which may be difficult to predict and beyond the Company’s control, that could cause actual events and plans or could cause the Company’s business, financial condition, liquidity and results of operations to differ materially from those expressed or implied in the forward-looking statements. Further, information regarding historical rent collections should not serve as an indication of future rent collections.

The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements:

- the risk of rising interest rates, including that our borrowing costs may increase and we may be unable to refinance our debt obligations on favorable terms and in a timely manner, or at all;
- the risk of inflation, including that our operating costs, such as insurance premiums, utilities, real estate taxes, capital expenditures and repair and maintenance costs, may rise;
- conditions associated with the global market, including an oversupply of office space, tenant credit risk and general economic conditions;
- the extent to which changes in workplace practices and office space utilization, including remote work arrangements, will continue and the impact that may have on demand for office space at our properties;
- our ability to acquire new properties and sell non-core assets on favorable terms and in a timely manner, or at all;
- our ability to comply with the terms of our credit agreements or to meet the debt obligations on certain of our properties;
- our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms and in a timely manner, or at all;
- changes in the real estate industry and in performance of the financial markets and interest rates and our ability to effectively hedge against interest rate changes;
- the risk of tenants defaulting on their lease obligations, which is heightened due to our focus on single tenant properties;
- our ability to renew leases with existing tenants or re-let vacant space to new tenants on favorable terms and in a timely manner, or at all;
- the cost of rent concessions, tenant improvement allowances and leasing commissions;
- the potential for termination of existing leases pursuant to tenant termination rights;
- the amount, growth and relative inelasticity of our expenses;
- risks associated with the ownership and development of real property;
- risks accompanying the management of OAP/VER Venture, LLC, our unconsolidated joint venture, in which we hold a non-controlling ownership interest;
- our ability to close pending real estate transactions, which may be subject to conditions that are outside of our control;
- risks associated with acquisitions, including the risk that we may not be in a position, or have the opportunity in the future, to make suitable property acquisitions on advantageous terms and/or that such acquisitions will fail to perform as expected;
- risks associated with the fact that we have a limited operating history and our future performance is difficult to predict;
- our properties may be subject to impairment charges;
- risks resulting from losses in excess or insured limits or uninsured losses;
- risks associated with the potential volatility of our common stock; and
- the risk that we may fail to maintain our qualification as a REIT.

Additional factors that may affect future results are contained in the Company's filings with the SEC, which are available at the SEC's website at [www.sec.gov](http://www.sec.gov). The Company disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of changes in underlying assumptions or factors, new information, future events or otherwise, except as required by law.

## Company Overview

(unaudited)

*Orion is a real estate company incorporated in the state of Maryland on July 1, 2021, which has been operating in a manner so as to qualify and has elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2021.*

*Orion is a full-service real estate operating company which owns and operates a portfolio of 81 office properties totaling approximately 9.5 million leasable square feet located within 29 states. In addition, the Company owns a 20% equity interest in one Unconsolidated Joint Venture with an affiliate of Arch Street Capital Partners, which owns a portfolio consisting of six office properties totaling approximately 1.0 million leasable square feet located within six states. As of March 31, 2023, approximately 73.6% of the Company's Annualized Base Rent was from Investment Grade Tenants, the Company's Occupancy Rate was 87.5% and the Weighted Average Remaining Lease Term was 4.0 years.*

*The Company's Annualized Base Rent as of March 31, 2023 was approximately \$156.5 million. See "Tenants Comprising Over 1% of Annualized Base Rent" below.*

### **Tenants, Trademarks and Logos**

*Orion is not affiliated or associated with, is not endorsed by, does not endorse, and is not sponsored by or a sponsor of the tenants or of their products or services pictured or mentioned. The names, logos and all related product and service names, design marks and slogans are the trademarks or service marks of their respective companies.*

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

Orion Office REIT Inc. | [WWW.ONLREIT.COM](http://WWW.ONLREIT.COM) | 6

## Company Overview (cont.)

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### **Senior Management**

Paul H. McDowell, Chief Executive Officer, President  
Gavin B. Brandon, Executive Vice President, Chief Financial Officer and Treasurer  
Christopher H. Day, Executive Vice President, Chief Operating Officer  
Gary E. Landriau, Executive Vice President, Chief Investment Officer  
Paul C. Hughes, General Counsel and Secretary  
Revea L. Schmidt, Senior Vice President, Chief Accounting Officer

### **Board of Directors**

Reginald H. Gilyard, Non-Executive Chairman  
Kathleen R. Allen, Ph.D., Independent Director  
Richard J. Lieb, Independent Director  
Gregory J. Whyte, Independent Director  
Paul H. McDowell, Chief Executive Officer, President and Director

### **Corporate Offices and Contact Information**

2398 E. Camelback Road, Suite 1060  
Phoenix, AZ 85016  
602-698-1002  
[www.ONLREIT.com](http://www.ONLREIT.com)

19 West 44th Street, Suite 1401  
New York, NY 10036

**Trading Symbol:** ONL

**Stock Exchange Listing:** New York Stock Exchange

### **Transfer Agent**

Computershare Trust Company, N.A.  
462 South 4th Street, Suite 1600  
Louisville, KY 40202  
855-866-0787

## Balance Sheets

(unaudited, in thousands)

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Assets</b>					
Real estate investments, at cost:					
Land	\$ 236,966	\$ 238,225	\$ 243,726	\$ 250,724	\$ 254,786
Buildings, fixtures and improvements	1,127,590	1,128,400	1,137,177	1,208,475	1,231,469
<b>Total real estate investments, at cost</b>	<b>1,364,556</b>	<b>1,366,625</b>	<b>1,380,903</b>	<b>1,459,199</b>	<b>1,486,255</b>
Less: accumulated depreciation	141,093	133,379	126,097	138,642	137,217
<b>Total real estate investments, net</b>	<b>1,223,463</b>	<b>1,233,246</b>	<b>1,254,806</b>	<b>1,320,557</b>	<b>1,349,038</b>
Accounts receivable, net	24,697	21,641	21,923	25,731	22,032
Intangible lease assets, net	182,629	202,832	223,528	247,722	272,623
Cash and cash equivalents	23,755	20,638	23,282	19,300	18,585
Real estate assets held for sale, net	2,502	2,502	6,383	9,402	—
Other assets, net	89,826	90,214	91,632	91,208	92,671
<b>Total assets</b>	<b>\$ 1,546,872</b>	<b>\$ 1,571,073</b>	<b>\$ 1,621,554</b>	<b>\$ 1,713,920</b>	<b>\$ 1,754,949</b>
<b>Liabilities and Equity</b>					
Mortgages payable, net	\$ 352,337	\$ 352,167	\$ 351,994	\$ 351,820	\$ 351,648
Credit facility term loan, net	174,153	173,815	173,478	173,133	172,793
Credit facility revolver	—	—	31,000	71,000	91,000
Accounts payable and accrued expenses	19,957	26,161	22,038	16,855	17,929
Below-market lease liabilities, net	12,526	14,068	15,611	17,381	18,993
Distributions payable	5,666	5,664	5,664	5,663	5,663
Other liabilities, net	22,286	23,340	21,085	20,341	19,897
<b>Total liabilities</b>	<b>586,925</b>	<b>595,215</b>	<b>620,870</b>	<b>656,193</b>	<b>677,923</b>
Common stock	57	57	57	57	57
Additional paid-in capital	1,147,466	1,147,014	1,146,431	1,145,987	1,145,548
Accumulated other comprehensive income	4,540	6,308	7,057	5,851	4,356
Accumulated deficit	(193,516)	(178,910)	(154,273)	(95,562)	(74,328)
<b>Total stockholders' equity</b>	<b>958,547</b>	<b>974,469</b>	<b>999,272</b>	<b>1,056,333</b>	<b>1,075,633</b>
Non-controlling interest	1,400	1,389	1,412	1,394	1,393
<b>Total equity</b>	<b>959,947</b>	<b>975,858</b>	<b>1,000,684</b>	<b>1,057,727</b>	<b>1,077,026</b>
<b>Total liabilities and equity</b>	<b>\$ 1,546,872</b>	<b>\$ 1,571,073</b>	<b>\$ 1,621,554</b>	<b>\$ 1,713,920</b>	<b>\$ 1,754,949</b>



## Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Revenues:</b>					
Rental	\$ 49,990	\$ 50,097	\$ 51,580	\$ 52,659	\$ 53,017
Fee income from unconsolidated joint venture	200	197	189	190	189
<b>Total revenues</b>	<b>50,190</b>	<b>50,294</b>	<b>51,769</b>	<b>52,849</b>	<b>53,206</b>
<b>Operating expenses:</b>					
Property operating	15,344	15,746	15,303	15,156	15,314
General and administrative	4,309	4,428	4,672	3,291	3,517
Depreciation and amortization	28,166	30,493	32,693	33,828	34,353
Impairments	3,754	12,198	44,801	7,758	1,602
Transaction related	105	277	194	141	63
Spin related	—	—	—	208	756
<b>Total operating expenses</b>	<b>51,678</b>	<b>63,142</b>	<b>97,663</b>	<b>60,382</b>	<b>55,605</b>
Other (expense) income:					
Interest expense, net	(7,139)	(7,553)	(7,904)	(7,867)	(6,847)
Gain on disposition of real estate assets	—	1,293	1,059	—	—
Loss on extinguishment of debt, net	—	—	—	—	(468)
Other income, net	36	105	31	48	39
Equity in loss of unconsolidated joint venture	(123)	(272)	(157)	(54)	(41)
Total other (expenses) income, net	(7,226)	(6,427)	(6,971)	(7,873)	(7,317)
<b>Loss before taxes</b>	<b>(8,714)</b>	<b>(19,275)</b>	<b>(52,865)</b>	<b>(15,406)</b>	<b>(9,716)</b>
Provision for income taxes	(160)	282	(164)	(164)	(166)
<b>Net loss</b>	<b>(8,874)</b>	<b>(18,993)</b>	<b>(53,029)</b>	<b>(15,570)</b>	<b>(9,882)</b>
Net (income) loss attributable to non-controlling interest	(11)	23	(18)	(1)	(24)
<b>Net loss attributable to common stockholders</b>	<b>\$ (8,885)</b>	<b>\$ (18,970)</b>	<b>\$ (53,047)</b>	<b>\$ (15,571)</b>	<b>\$ (9,906)</b>
Weighted-average shares outstanding - basic and diluted	56,642	56,644	56,635	56,629	56,626
<b>Basic and diluted net loss per share attributable to common stockholders</b>	<b>\$ (0.16)</b>	<b>\$ (0.33)</b>	<b>\$ (0.94)</b>	<b>\$ (0.27)</b>	<b>\$ (0.17)</b>

## Funds From Operations (FFO), Core Funds From Operations (Core FFO) and Funds Available for Distribution (FAD)

(unaudited, in thousands, except per share data)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Net loss</b>	\$ (8,885)	\$ (18,970)	\$ (53,047)	\$ (15,571)	\$ (9,906)
Depreciation and amortization of real estate assets	28,142	30,475	32,674	33,811	34,337
Gain on disposition of real estate assets	—	(1,293)	(1,059)	—	—
Impairment of real estate	3,754	12,198	44,801	7,758	1,602
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	462	465	460	461	461
<b>FFO attributable to common stockholders</b>	<b>\$ 23,473</b>	<b>\$ 22,875</b>	<b>\$ 23,829</b>	<b>\$ 26,459</b>	<b>\$ 26,494</b>
Adjustments:					
Transaction related expenses	105	277	194	141	63
Spin related expenses	—	—	—	208	756
Amortization of deferred financing costs <sup>(1)</sup>	1,049	1,068	1,067	1,057	1,171
Amortization of deferred lease incentives, net <sup>(1)</sup>	101	80	36	—	—
Equity-based compensation <sup>(1)</sup>	526	603	444	439	270
Loss on extinguishment of debt, net	—	—	—	—	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable <sup>(1)</sup>	29	29	28	54	67
<b>Core funds from operations attributable to common stockholders <sup>(1)</sup></b>	<b>\$ 25,283</b>	<b>\$ 24,932</b>	<b>\$ 25,598</b>	<b>\$ 28,358</b>	<b>\$ 29,289</b>
Adjustments:					
Amortization of above and below market leases, net	(215)	(260)	(312)	(315)	(320)
Straight-line rental revenue	(2,684)	2,911	(699)	(547)	(896)
Unconsolidated Joint Venture basis difference amortization <sup>(1)</sup>	133	259	258	259	258
Capital expenditures and leasing costs	(3,338)	(6,112)	(3,730)	(2,381)	(2,401)
Other adjustments, net	131	74	63	63	63
Proportionate share of Unconsolidated Joint Venture adjustments for the items above, as applicable	(40)	(54)	(59)	(59)	(58)
<b>Funds available for distribution <sup>(1)</sup></b>	<b>\$ 19,270</b>	<b>\$ 21,750</b>	<b>\$ 21,119</b>	<b>\$ 25,378</b>	<b>\$ 25,935</b>
Weighted-average shares outstanding - basic	56,642	56,644	56,635	56,629	56,626
Effect of weighted-average dilutive securities <sup>(2)</sup>	18	—	—	—	1
<b>Weighted-average shares outstanding - diluted</b>	<b>56,660</b>	<b>56,644</b>	<b>56,635</b>	<b>56,629</b>	<b>56,627</b>
FFO attributable to common stockholders per diluted share	\$ 0.41	\$ 0.40	\$ 0.42	\$ 0.47	\$ 0.47
Core FFO attributable to common stockholders per diluted share	\$ 0.45	\$ 0.44	\$ 0.45	\$ 0.50	\$ 0.52
FAD per diluted share	\$ 0.34	\$ 0.38	\$ 0.37	\$ 0.45	\$ 0.46

(1) The Company has revised its definitions of Core FFO and FAD beginning in 2023 and has applied this change retrospectively for comparison purposes. See the Definitions section for further discussion of the change.

(2) Dilutive securities include unvested restricted stock units. Such shares are not included when calculating net loss per diluted share applicable to the Company for the periods presented above, as the effect would be antidilutive. See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## EBITDA, EBITDAre and Adjusted EBITDA

(unaudited, in thousands)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Net loss</b>	\$ (8,885)	\$ (18,970)	\$ (53,047)	\$ (15,571)	\$ (9,906)
Adjustments:					
Interest expense	7,139	7,553	7,904	7,867	6,847
Depreciation and amortization	28,166	30,493	32,693	33,828	34,353
Provision for income taxes	160	(282)	164	164	166
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	854	864	782	672	643
<b>EBITDA</b>	<b>\$ 27,434</b>	<b>\$ 19,658</b>	<b>\$ (11,504)</b>	<b>\$ 26,960</b>	<b>\$ 32,103</b>
Gain on disposition of real estate assets	—	(1,293)	(1,059)	—	—
Impairment of real estate	3,754	12,198	44,801	7,758	1,602
<b>EBITDAre</b>	<b>\$ 31,188</b>	<b>\$ 30,563</b>	<b>\$ 32,238</b>	<b>\$ 34,718</b>	<b>\$ 33,705</b>
Transaction related	105	277	194	141	63
Spin related	—	—	—	208	756
Amortization of above and below market leases, net	(215)	(260)	(312)	(315)	(320)
Amortization of deferred lease incentives	101	80	36	—	—
Loss on extinguishment of debt, net	—	—	—	—	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(7)	(8)	(7)	(8)	(7)
<b>Adjusted EBITDA</b>	<b>\$ 31,172</b>	<b>\$ 30,652</b>	<b>\$ 32,149</b>	<b>\$ 34,744</b>	<b>\$ 34,665</b>

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Capital Structure

(unaudited, dollars and shares in thousands, except per share amounts)

Capitalization  
(as of March 31, 2023)



<span style="color: #002060;">■</span>	Common equity	40.5%
<span style="color: #FF4500;">■</span>	Mortgages payable, net	37.9%
<span style="color: #483D8B;">■</span>	Credit facility term loan	18.7%
<span style="color: #228B22;">■</span>	Credit facility revolver <sup>(5)</sup>	—%
<span style="color: #A9A9A9;">■</span>	Proportionate share of Unconsolidated Joint Venture Debt	2.9%

### Fixed vs. Variable Rate Debt

Fixed and Swapped to Fixed	100.0 %
Variable <sup>(5)</sup>	— %

### Orion Capitalization Table

	March 31, 2023
Common stock outstanding	56,664
Stock price	\$ 6.70
<b>Implied Equity Market Capitalization</b>	<b>\$ 379,649</b>

	Wtd. Avg. Maturity (Years)	Interest Rate <sup>(1)</sup>	March 31, 2023
Proportionate share of Unconsolidated Joint Venture Debt <sup>(2)</sup>	1.7	5.19 %	\$ 27,332
Mortgages payable	3.9	4.97 %	355,000
<b>Total secured debt</b>	<b>3.7</b>	<b>4.99 %</b>	<b>\$ 382,332</b>
Credit facility term loan <sup>(3) (4)</sup>	0.6	3.17 %	175,000
Credit facility revolver <sup>(4) (5)</sup>	N/A	N/A	—
<b>Total unsecured debt</b>	<b>0.6</b>	<b>3.17 %</b>	<b>175,000</b>
<b>Total Principal Outstanding</b>	<b>2.7</b>	<b>4.42 %</b>	<b>\$ 557,332</b>
<b>Total Capitalization</b>			<b>\$ 936,981</b>
Cash and cash equivalents			23,755
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents			727
<b>Enterprise Value</b>			<b>\$ 912,499</b>
Net Debt/Enterprise Value			58.4 %
Net Debt/Gross Real Estate Investments			30.7 %
Fixed Charge Coverage Ratio			4.83x
Liquidity <sup>(6)</sup>			\$ 449,482
Net Debt/Annualized Adjusted EBITDA			4.27x

(1) Interest rate for variable rate debt represents the interest rate in effect as of March 31, 2023.

(2) The Unconsolidated Joint Venture mortgage notes payable have a floating interest rate; however, the Unconsolidated Joint Venture has entered into an interest rate swap transaction which effectively fixes the interest rate on the mortgage notes at 5.19% per annum.

(3) The credit facility term loan matures on November 12, 2023 and is a floating rate facility, however, the Company has entered into an interest rate swap transaction which effectively fixes the interest rate on the credit facility term loan indebtedness at 3.17% per annum.

(4) Under the related loan agreements, these borrowings which are secured only by a pledge of equity interests are treated as unsecured indebtedness. The Company's otherwise unencumbered properties are part of the unencumbered property pool under the related loan agreements and therefore, generally are not available to simultaneously serve as collateral under other borrowings.

(5) The credit facility revolver matures on November 12, 2024 and had no outstanding draws as of March 31, 2023.

(6) Liquidity represents cash and cash equivalents of \$24.5 million and \$425.0 million available capacity on our \$425.0 million credit facility revolver as of March 31, 2023.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Debt Detail

(unaudited, dollars in thousands)

Principal Payments Due	Total	2023	2024	2025	Thereafter
Credit facility revolver <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ —	\$ —
Credit facility term loan	175,000	175,000	—	—	—
Mortgages payable	355,000	—	—	—	355,000
Proportionate share of Unconsolidated Joint Venture debt	27,332	—	27,332	—	—
<b>Total Principal Outstanding</b>	<b>\$ 557,332</b>	<b>\$ 175,000</b>	<b>\$ 27,332</b>	<b>\$ —</b>	<b>\$ 355,000</b>

Debt Type	Percentage of Principal Outstanding	Interest Rate	Weighted-Average Years to Maturity
Credit facility revolver <sup>(1)</sup>	— %	N/A	N/A
Credit facility term loan	31.4 %	3.17 %	0.6
Mortgages payable	63.7 %	4.97 %	3.9
Proportionate share of Unconsolidated Joint Venture debt	4.9 %	5.19 %	1.7
<b>Total</b>	<b>100.0 %</b>	<b>4.42 %</b>	<b>2.7</b>

Debt Type	Percentage of Principal Outstanding	Weighted-Average Interest Rate	Weighted-Average Years to Maturity
Total unsecured debt	31.4 %	3.17 %	0.6
Total secured debt	68.6 %	4.99 %	3.7
<b>Total</b>	<b>100.0 %</b>	<b>4.42 %</b>	<b>2.7</b>
Total fixed-rate and swapped to fixed-rate debt	100.0 %	4.42 %	2.7
Total variable-rate debt <sup>(1)</sup>	— %	N/A	N/A
<b>Total</b>	<b>100.0 %</b>	<b>4.42 %</b>	<b>2.7</b>

(1) The credit facility revolver matures on November 12, 2024 and had no outstanding draws as of March 31, 2023.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## Ratio Analysis

(unaudited, dollars in thousands)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Interest Coverage Ratio</b>					
Interest Expense, excluding non-cash amortization <sup>(1)</sup>	\$ 6,453	\$ 6,852	\$ 7,131	\$ 6,965	\$ 5,791
Adjusted EBITDA <sup>(2)</sup>	31,172	30,652	32,149	34,744	34,665
Interest Coverage Ratio	4.83x	4.47x	4.51x	4.99x	5.99x
<b>Fixed Charge Coverage Ratio</b>					
Interest Expense, excluding non-cash amortization <sup>(1)</sup>	\$ 6,453	\$ 6,852	\$ 7,131	\$ 6,965	\$ 5,791
Secured debt principal amortization	—	—	—	—	—
Total fixed charges	6,453	6,852	7,131	6,965	5,791
Adjusted EBITDA <sup>(2)</sup>	31,172	30,652	32,149	34,744	34,665
Fixed Charge Coverage Ratio	4.83x	4.47x	4.51x	4.99x	5.99x

(1) Refer to the Statements of Operations section for interest expense calculated in accordance with GAAP and to the Definitions section for the required reconciliation to the most directly comparable GAAP financial measure.

(2) Refer to the Statements of Operations section for net loss calculated in accordance with GAAP and to the EBITDAre and Adjusted EBITDA section for the required reconciliation to the most directly comparable GAAP financial measure.

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Net Debt Ratios</b>					
Net Debt <sup>(1)</sup>	\$ 532,850	\$ 536,122	\$ 564,292	\$ 608,409	\$ 629,095
Adjusted EBITDA <sup>(2)</sup>	124,688	132,210	128,596	138,976	138,660
Net Debt to Adjusted EBITDA Ratio	4.27x	4.06x	4.39x	4.38x	4.54x
Net Debt <sup>(1)</sup>	\$ 532,850	\$ 536,122	\$ 564,292	\$ 608,409	\$ 629,095
Gross Real Estate Investments <sup>(1)</sup>	1,734,559	1,743,969	1,766,600	1,850,068	1,867,581
Net Debt Leverage Ratio	30.7 %	30.7 %	31.9 %	32.9 %	33.7 %
<b>Unencumbered Assets/Real Estate Assets</b>					
Unencumbered Gross Real Estate Investments <sup>(1)</sup>	\$ 1,131,272	\$ 1,141,035	\$ 1,165,310	\$ 1,249,379	\$ 1,267,128
Gross Real Estate Investments <sup>(1)</sup>	1,734,559	1,743,969	1,766,600	1,850,068	1,867,581
Unencumbered Asset Ratio	65.2 %	65.4 %	66.0 %	67.5 %	67.8 %

(1) Refer to the Balance Sheets section for total debt and real estate investments, at cost calculated in accordance with GAAP and to the Definitions section for the required reconciliation to the most directly comparable GAAP financial measure.

(2) Adjusted EBITDA for the year ended December 31, 2022 has not been annualized for the purpose of this calculation. Adjusted EBITDA for the quarters ended March 31, 2023, September 30, 2022, June 30, 2022 and March 31, 2022 has been annualized for the purpose of this calculation.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## Credit Facility Covenants

(unaudited)

The following is a summary of financial covenants for the Company's credit facility term loan and credit facility revolver as defined and calculated per the terms of the facility's credit agreement. These calculations are presented to investors to show the Company's compliance with the financial covenants and are not measures of our liquidity or performance. As of March 31, 2023, the Company believes it is in compliance with these covenants based on the covenant limits and calculations in place at that time.

Credit Facility Financial Covenants	Required	March 31, 2023
Ratio of total indebtedness to total asset value	≤ 60%	33.0%
Ratio of adjusted EBITDA to fixed charges	≥ 1.5x	4.44x
Ratio of secured indebtedness to total asset value	≤ 45%	22.4%
Ratio of unsecured indebtedness to unencumbered asset value	≤ 60%	15.4%
Ratio of unencumbered adjusted NOI to unsecured interest expense	≥ 2.00x	12.85x

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Net Operating Income (NOI) and Cash NOI

(unaudited, dollars in thousands)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Rental revenue	\$ 49,990	\$ 50,097	\$ 51,580	\$ 52,659	\$ 53,017
Property operating expense	(15,344)	(15,746)	(15,303)	(15,156)	(15,314)
<b>NOI</b>	<b>34,646</b>	<b>34,351</b>	<b>36,277</b>	<b>37,503</b>	<b>37,703</b>
Adjustments:					
Straight-line rent	(2,684)	2,911	(699)	(547)	(896)
Amortization of above and below market leases, net	(215)	(260)	(312)	(315)	(320)
Amortization of deferred lease incentives	101	80	36	—	—
Other non-cash adjustments	48	51	50	48	51
Proportionate share of Unconsolidated Joint Venture Cash NOI	862	833	848	850	849
<b>Cash NOI</b>	<b>\$ 32,758</b>	<b>\$ 37,966</b>	<b>\$ 36,200</b>	<b>\$ 37,539</b>	<b>\$ 37,387</b>

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Leasing Activity

(unaudited, dollars and square feet in thousands)

During the three months ended March 31, 2023, we entered into new and renewal leases as summarized in the following table:

	Three Months Ended March 31, 2023		
	New Leases	Renewals	Total
Rentable square feet leased	15	68	83
Weighted average rental rate change (cash basis) <sup>(1)</sup> <sup>(2)</sup>	(20.3)%	26.9 %	19.7 %
Tenant leasing costs and concession commitments <sup>(3)</sup>	\$ 736	\$ 984	\$ 1,720
Tenant leasing costs and concession commitments per rentable square foot	\$ 49.04	\$ 14.68	\$ 20.96
Weighted average lease term (by rentable square feet) (years)	8.8	14.3	13.3
Tenant leasing costs and concession commitments per rentable square foot per year	\$ 5.57	\$ 1.03	\$ 1.58

(1) Represents weighted average percentage increase or decrease in (i) the annualized monthly cash amount charged to the applicable tenants (including monthly base rent receivables and certain contractually obligated reimbursements by the applicable tenants, which may include estimates) as of the commencement date of the new lease term (excluding any full or partial rent abatement period) compared to (ii) the annualized monthly cash amount charged to the applicable tenants (including the monthly base rent receivables and certain contractually obligated reimbursements by the applicable tenants, which may include estimates) as of the expiration date of the prior lease term. If a space has been vacant for more than 12 months prior to the execution of a new lease, the lease will be excluded from this calculation.

(2) Excludes one new lease for approximately 4,000 square feet of space that had been vacant for more than 12 months at the time the new lease was executed.

(3) Includes commitments for tenant improvement allowances and base building allowances, leasing commissions and free rent (includes estimates of property operating expenses, where applicable).

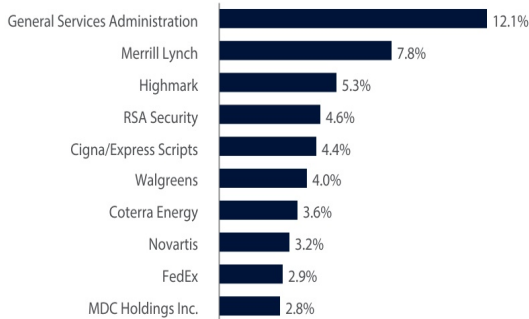
See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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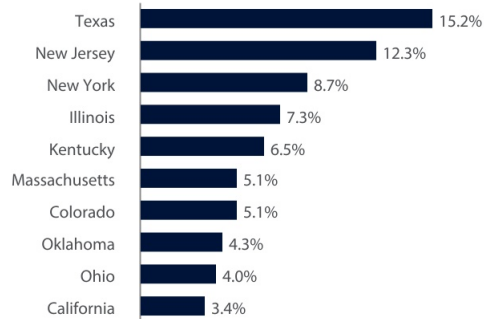
## Diversification Statistics: Real Estate Portfolio

(unaudited, percentages based on portfolio Annualized Base Rent as of March 31, 2023, other than occupancy rate which is based on square footage as of March 31, 2023)

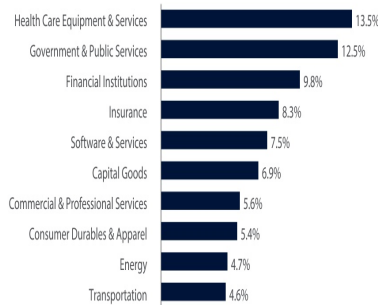
### Tenant Diversification



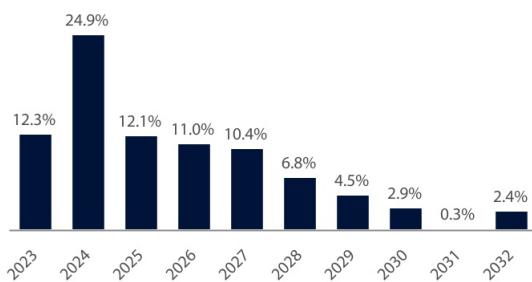
### Geographic Diversification



### Industry Diversification



### Lease Expirations



### Statistics (square feet in thousands)

Operating Properties	81
Unconsolidated Joint Venture Properties	6
Rentable Square Feet	9,732
Occupancy Rate	87.5 %
Weighted Average Remaining Lease Term	4.0
Investment-Grade Tenants	73.6 %
NN leases	66.1 %
NNN leases	16.9 %

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## Tenants Comprising Over 1% of Annualized Base Rent

(unaudited, square feet and dollars in thousands as of March 31, 2023)

Tenant	Number of Leases	Leased Square Feet	Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio	Credit Rating
General Services Administration	17	781	8.0 %	\$ 18,994	12.1 %	AA+
Merrill Lynch	1	482	5.0 %	12,224	7.8 %	A-
Highmark Western & Northeastern NY	1	430	4.4 %	8,328	5.3 %	NR
RSA Security	2	328	3.4 %	7,221	4.6 %	BBB
Cigna/Express Scripts	3	365	3.7 %	6,814	4.4 %	A-
Walgreens	6	574	5.9 %	6,310	4.0 %	BBB
Coterra Energy	1	309	3.2 %	5,658	3.6 %	BBB
Novartis	1	176	1.8 %	4,995	3.2 %	AA-
FedEx	2	352	3.6 %	4,469	2.9 %	BBB
MDC Holdings Inc.	1	144	1.5 %	4,299	2.8 %	BBB-
<b>Top Ten Tenants</b>	<b>35</b>	<b>3,941</b>	<b>40.5 %</b>	<b>79,312</b>	<b>50.7 %</b>	
Remaining Tenants:						
T-Mobile	3	216	2.2 %	3,856	2.5 %	BBB-
Charter Communications	2	264	2.7 %	3,745	2.4 %	BB+
Banner Life Insurance	1	116	1.2 %	3,493	2.2 %	A
Inform Diagnostics	1	172	1.8 %	3,481	2.2 %	NR
Maximus	3	274	2.8 %	3,476	2.2 %	BB+
Encompass Health	1	65	0.7 %	3,436	2.2 %	BB-
Collins Aerospace	1	207	2.1 %	3,300	2.1 %	A-
Home Depot/HD Supply	2	153	1.6 %	3,109	2.0 %	A
Experian	1	178	1.8 %	2,988	1.9 %	A-
AT&T	1	203	2.1 %	2,820	1.8 %	BBB
Linde	1	161	1.7 %	2,540	1.6 %	A
Citigroup	1	64	0.7 %	2,364	1.5 %	BBB+
CVS/Aetna	1	127	1.3 %	2,259	1.4 %	BBB
Hasbro	1	136	1.4 %	2,243	1.4 %	BBB
Ingram Micro	1	200	2.1 %	2,197	1.4 %	BB-
Novus International	1	96	1.0 %	2,022	1.3 %	NR
Elementis	1	66	0.7 %	1,980	1.3 %	NR
NetJets	1	140	1.4 %	1,966	1.3 %	NR
Pulte Mortgage	1	95	1.0 %	1,953	1.3 %	BBB-
Baker Hughes	1	152	1.6 %	1,663	1.1 %	A-
AGCO	1	126	1.3 %	1,607	1.0 %	BBB-
<b>Total</b>	<b>62</b>	<b>7,152</b>	<b>73.7 %</b>	<b>\$ 135,810</b>	<b>86.8 %</b>	

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## Diversification: Tenant Industry

(unaudited, square feet and dollars in thousands as of March 31, 2023)

Industry	Number of Leases (1)	Leased Square Feet	Leased Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
Health Care Equipment & Services	12	1,109	11.4 %	\$ 21,209	13.5 %
Government & Public Services	19	825	8.5 %	19,543	12.5 %
Financial Institutions	3	616	6.3 %	15,373	9.8 %
Insurance	3	600	6.2 %	13,055	8.3 %
Software & Services	6	638	6.6 %	11,668	7.5 %
Capital Goods	9	693	7.1 %	10,791	6.9 %
Commercial & Professional Services	11	583	6.0 %	8,720	5.6 %
Consumer Durables & Apparel	3	375	3.9 %	8,495	5.4 %
Energy	2	461	4.7 %	7,321	4.7 %
Transportation	5	541	5.6 %	7,191	4.6 %
<b>Top Ten Tenant Industries</b>	<b>73</b>	<b>6,441</b>	<b>66.3 %</b>	<b>123,366</b>	<b>78.8 %</b>
Remaining Tenant Industries:					
Telecommunication Services	5	419	4.3 %	6,676	4.3 %
Food & Staples Retailing	6	574	5.9 %	6,310	4.0 %
Materials	4	352	3.6 %	5,676	3.6 %
Pharmaceuticals, Biotechnology & Life Sciences	1	176	1.8 %	4,995	3.2 %
Media & Entertainment	2	264	2.7 %	3,745	2.4 %
Retailing	3	157	1.6 %	3,181	2.0 %
Food, Beverage & Tobacco	1	96	1.0 %	2,022	1.3 %
Utilities	1	26	0.3 %	394	0.3 %
Real Estate	1	4	— %	86	0.1 %
Consumer Services	2	5	— %	54	— %
<b>Total</b>	<b>99</b>	<b>8,514</b>	<b>87.5 %</b>	<b>\$ 156,505</b>	<b>100.0 %</b>

(1) The Company has certain properties that are subject to multiple leases.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Diversification: Property Geographic

(unaudited, square feet and dollars in thousands as of March 31, 2023)

Location	Number of Properties	Rentable Square Feet	Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
Texas	15	1,353	13.9 %	\$ 23,779	15.2 %
New Jersey	3	724	7.4 %	19,199	12.3 %
New York	5	781	8.0 %	13,564	8.7 %
Illinois	9	916	9.4 %	11,472	7.3 %
Kentucky	2	458	4.7 %	10,114	6.5 %
Massachusetts	2	378	3.9 %	7,933	5.1 %
Colorado	4	570	5.9 %	7,915	5.1 %
Oklahoma	3	585	6.0 %	6,687	4.3 %
Ohio	4	500	5.1 %	6,221	4.0 %
California	3	244	2.5 %	5,299	3.4 %
<b>Top Ten States</b>	<b>50</b>	<b>6,509</b>	<b>66.8 %</b>	<b>112,183</b>	<b>71.9 %</b>
Remaining States:					
Missouri	4	530	5.4 %	4,917	3.1 %
Georgia	3	284	2.9 %	4,601	2.9 %
Maryland	2	236	2.4 %	4,558	2.9 %
Tennessee	4	240	2.5 %	4,553	2.9 %
Virginia	2	240	2.5 %	4,454	2.8 %
Rhode Island	2	206	2.1 %	3,028	1.9 %
South Carolina	1	64	0.7 %	2,364	1.5 %
Wisconsin	1	155	1.6 %	2,299	1.5 %
Arizona	2	215	2.2 %	2,216	1.4 %
Kansas	2	196	2.0 %	1,971	1.3 %
Iowa	2	92	0.9 %	1,953	1.2 %
Nebraska	2	180	1.9 %	1,563	1.0 %
Pennsylvania	2	233	2.4 %	1,287	0.8 %
Oregon	1	69	0.7 %	1,120	0.7 %
West Virginia	1	63	0.7 %	1,114	0.7 %
Idaho	2	45	0.5 %	1,035	0.7 %
Indiana	1	83	0.9 %	568	0.4 %
Minnesota	1	39	0.4 %	493	0.3 %
Florida	2	53	0.5 %	228	0.1 %
<b>Total</b>	<b>87</b>	<b>9,732</b>	<b>100.0 %</b>	<b>\$ 156,505</b>	<b>100.0 %</b>

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Lease Expirations

(unaudited, square feet and dollars in thousands as of March 31, 2023)

Year of Expiration	Number of Leases Expiring <sup>(1)</sup>	Leased Square Feet	Leased Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
2023	11	1,340	13.8 %	\$ 19,326	12.3 %
2024	16	1,911	19.7 %	38,960	24.9 %
2025	14	1,055	10.8 %	18,925	12.1 %
2026	13	757	7.8 %	17,155	11.0 %
2027	14	1,002	10.3 %	16,309	10.4 %
2028	10	591	6.1 %	10,648	6.8 %
2029	5	459	4.7 %	7,010	4.5 %
2030	2	98	1.0 %	4,591	2.9 %
2031	1	11	0.1 %	427	0.3 %
2032	3	300	3.1 %	3,783	2.4 %
Thereafter	8	933	9.5 %	19,077	12.2 %
<b>Subtotal</b>	<b>97</b>	<b>8,457</b>	<b>86.9 %</b>	<b>156,211</b>	<b>99.8 %</b>
Month-to-Month	2	57	0.6 %	294	0.2 %
<b>Total</b>	<b>99</b>	<b>8,514</b>	<b>87.5 %</b>	<b>\$ 156,505</b>	<b>100.0 %</b>

(1) The Company has certain properties that are subject to multiple leases.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Lease Summary

(unaudited, square feet and dollars in thousands as of March 31, 2023)

### Rent Escalations

	Number of Leases <sup>(1)</sup>	Leased Square Feet	Leased Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
Fixed Dollar or Percent Increase	73	7,146	73.4 %	\$ 128,934	82.4 %
Flat	8	477	4.9 %	5,495	3.5 %
GSA CPI	14	689	7.1 %	17,959	11.5 %
CPI	2	145	1.5 %	3,823	2.4 %
Month-to-Month	2	57	0.6 %	294	0.2 %
<b>Total</b>	<b>99</b>	<b>8,514</b>	<b>87.5 %</b>	<b>\$ 156,505</b>	<b>100.0 %</b>

### Tenant Expense Obligation

	Number of Leases <sup>(1)</sup>	Leased Square Feet	Leased Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
NN	58	5,682	58.4 %	\$ 103,416	66.1 %
Modified Gross	19	977	10.0 %	26,428	16.9 %
NNN	19	1,847	19.0 %	26,565	16.9 %
Gross	3	8	0.1 %	96	0.1 %
<b>Total</b>	<b>99</b>	<b>8,514</b>	<b>87.5 %</b>	<b>\$ 156,505</b>	<b>100.0 %</b>

(1) The Company has certain properties that are subject to multiple leases.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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Full Portfolio <sup>(1)</sup>

Industry	Address	City	State
Food, Beverage & Tobacco	20 Missouri Research Park Drive	St. Charles	MO
Commercial & Professional Services	4335 Paredes Line Road	Brownsville	TX
Telecommunication Services	3750 Wheeler Road	Augusta	GA
Telecommunication Services	4080 27th Court SE	Salem	OR
Financial Institutions	11 Ewall Street	Mount Pleasant	SC
Health Care Equipment & Services	8455 University Place Drive	St. Louis	MO
Transportation	1475 Boettler Road	Uniontown	OH
Government & Public Services	2305 Hudson Boulevard	Brownsville	TX
Government & Public Services	257 Bosley Industrial Park	Parkersburg	WV
Government & Public Services	2805 Pine Mill Road	Paris	TX
Government & Public Services	4521 Thomas Jefferson Street	Caldwell	ID
Government & Public Services	3381 U.S. Highway 277	Eagle Pass	TX
Government & Public Services	2475 Cliff Creek Crossing Drive	Dallas	TX
Government & Public Services	3644 Avtech Parkway	Redding	CA
Government & Public Services	5100 W 36th Street	Minneapolis	MN
Government & Public Services	4551 State Route 11 (E)	Malone	NY
Government & Public Services	2600 Voyager Avenue	Sioux City	IA
Government & Public Services	135 Circle Lane	Knoxville	TN
Government & Public Services	9912 & 9934 Little Road	New Port Richey	FL
Health Care Equipment & Services	2304 State Highway 121	Bedford	TX
Vacant	5411 E. Williams Boulevard	Tucson	AZ
Government & Public Services	3369 U.S. Highway 277	Eagle Pass	TX
Transportation	942 S. Shady Grove Road	Memphis	TN
Transportation	4151 Bridgeway Avenue	Columbus	OH
Food & Staples Retailing	1411 Lake Cook Road	Deerfield	IL
Food & Staples Retailing	1415 Lake Cook Road	Deerfield	IL
Food & Staples Retailing	1417 Lake Cook Road	Deerfield	IL
Food & Staples Retailing	1419 Lake Cook Road	Deerfield	IL
Food & Staples Retailing	1425 Lake Cook Road	Deerfield	IL
Food & Staples Retailing	1435 Lake Cook Road	Deerfield	IL
Capital Goods	601 Third Street SE	Cedar Rapids	IA
Consumer Durables & Apparel	15 LaSalle Square	Providence	RI
Materials	100 Sci Park Boulevard	East Windsor	NJ
Media & Entertainment	6005 Fair Lakes Road	East Syracuse	NY
Government & Public Services	310 Canaveral Groves Boulevard	Cocoa	FL
Vacant	8640 Evans Avenue	Berkeley	MO
Government & Public Services	103 & 104 Airport Road	Grangeville	ID
Government & Public Services	2901 Alta Mesa Boulevard	Fort Worth	TX
Government & Public Services	59 Dunning Way	Plattsburgh	NY
Financial Institutions	480 Jefferson Boulevard	Warwick	RI
Energy	1800 Nelson Road	Longmont	CO
Health Care Equipment & Services	1850 Norman Drive North	Waukegan	IL
Health Care Equipment & Services	1333 - 1385 East Shaw Avenue	Fresno	CA
Telecommunication Services	2270 Lakeside Boulevard	Richardson	TX
Health Care Equipment & Services	5859 Farinon Drive	San Antonio	TX
Energy	202 S. Cheyenne	Tulsa	OK

See the Definitions section for a description of the Company's non-GAAP and operating metrics.



Industry	Address	City	State
Vacant	7475 S. Joliet Street	Englewood	CO
Consumer Durables & Apparel	4340 & 4350 South Monaco Street	Denver	CO
Vacant	2250 Lakeside Boulevard	Richardson	TX
Commercial & Professional Services	3833 Greenway Drive	Lawrence	KS
Commercial & Professional Services	2201 Noria Road	Lawrence	KS
Materials	1585 Sawdust Road	The Woodlands	TX
Consumer Durables & Apparel	7390 S. Iola Street	Englewood	CO
Vacant	41 Moores Road	Malvern	PA
Media & Entertainment	1320 N. Dr. MLK Jr. Drive	Milwaukee	WI
Telecommunication Services	695 Grassmere Park	Nashville	TN
Commercial & Professional Services	1575 Sawdust Road	The Woodlands	TX
Retailing	101 Riverview Parkway	Santee	CA
Materials	6752 Baymeadow Drive	Glen Burnie	MD
Health Care Equipment & Services	6655 North MacArthur Boulevard	Irving	TX
Capital Goods	2087 East 71st Street	Tulsa	OK
Government & Public Services	333 Scott Street	Covington	KY
Software & Services	1759 Wehrle Dr	Amherst	NY
Commercial & Professional Services	6377 Emerald Drive	Dublin	OH
Capital Goods	22640 Davis Drive	Sterling	VA
Capital Goods	1100 Atwater Drive, Lot 11A	Malvern	PA
Health Care Equipment & Services	7353 Company Drive	Indianapolis	IN
Health Care Equipment & Services	1640 Dallas Parkway	Plano	TX
Capital Goods	1705 Kellie Drive	Blair	NE
Commercial & Professional Services	955 American Lane Unit 1	Schaumburg	IL
Vacant	3100 Quail Springs Parkway	Oklahoma City	OK
Software & Services	777 Research Road	Lincoln	NE
Insurance	249-257 West Genesee Street	Buffalo	NY
Insurance	3275 Bennett Creek Avenue	Urbana	MD
Health Care Equipment & Services	100 Airpark Center Drive East	Nashville	TN
Retailing	3074 Chastain Meadows Parkway NW	Kennesaw	GA
Capital Goods	4205 River Green Parkway	Duluth	GA
Pharmaceuticals, Biotechnology & Life Sciences	8 Sylvan way	Parsippany	NJ
Software & Services	174 & 176 Middlesex Turnpike	Bedford	MA
Financial Institutions	1500-1600 Merrill Lynch Drive	Hopewell	NJ
Health Care Equipment & Services	3003 N. 3rd Street	Phoenix	AZ
Capital Goods	70 Mechanic Street	Foxboro	MA
Health Care Equipment & Services	577 Aptakasic Road	Lincolnshire	IL
Transportation	360 Westar Boulevard	Westerville	OH
Software & Services	12975 Worldgate Drive	Herndon	VA
Transportation	580 Atlas Air Way	Erlanger	KY
Utilities	700 Market Street	St. Louis	MO

(1) Includes the properties owned by the Company's Unconsolidated Joint Venture.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

## Unconsolidated Joint Venture Investment Summary

(unaudited, square feet and dollars in thousands)

The following table summarizes the Company's investments in the Arch Street Unconsolidated Joint Venture as of March 31, 2023.

	Legal Ownership Percentage <sup>(1)</sup>	Tenant Industry	Pro Rata Share of Gross Real Estate Investments	Pro Rata Share of Rentable Square Feet	Pro Rata Share of Annualized Base Rent	Pro Rata Share of Principal Outstanding
Schneider Electric - Foxboro, MA	20%	Capital Goods	\$ 8,336	50	\$ 713	\$ 5,090
Systemex - Lincolnshire, IL	20%	Health Care Equipment & Services	9,239	33	795	5,448
DHL - Westerville, OH	20%	Transportation	6,676	29	439	3,972
Peraton - Herndon, VA	20%	Software & Services	9,695	33	1,155	6,000
Atlas Air - Erlanger, KY	20%	Transportation	5,330	20	317	3,162
Spire Energy - St. Louis, MO	20%	Utilities	6,159	26	394	3,660
			<b>\$ 45,435</b>	<b>191</b>	<b>\$ 3,813</b>	<b>\$ 27,332</b>

(1) Legal ownership percentage may, at times, not equal the Company's economic interest because of various provisions in the joint venture agreement regarding capital contributions, distributions of cash flow based on capital account balances and allocations of profits and losses.

See the Definitions section for a description of the Company's non-GAAP and operating metrics.

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## Definitions

(unaudited, in thousands, except share and per share data)

**Annualized Base Rent** is the monthly aggregate cash amount charged to tenants under our leases (including monthly base rent receivables and certain contractually obligated reimbursements by our tenants), as of the final date of the applicable period, multiplied by 12, including the Company's pro rata share of such amounts related to the Unconsolidated Joint Venture. Annualized Base Rent is not indicative of future performance.

**CPI** refers to a lease in which base rent is adjusted based on changes in a consumer price index.

**Credit Rating** of a tenant refers to the Standard & Poor's or Moody's credit rating and such rating also may reflect the rating assigned by Standard & Poor's or Moody's to the lease guarantor or the parent company as applicable.

**Double Net Lease ("NN")** is a lease under which the tenant agrees to pay all operating expenses associated with the property (e.g., real estate taxes, insurance, maintenance), but excludes some or all major repairs (e.g., roof, structure, parking lot, in each case, as further defined in the applicable lease).

### **Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDAre") and Adjusted EBITDA**

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc. ("Nareit"), an industry trade group, has promulgated a supplemental performance measure known as Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate. Nareit defines EBITDAre as net income or loss computed in accordance with GAAP, adjusted for interest expense, income tax expense (benefit), depreciation and amortization, impairment write-downs on real estate, gains or losses from disposition of property and our pro rata share of EBITDAre adjustments related to the Unconsolidated Joint Venture. We calculated EBITDAre in accordance with Nareit's definition described above.

In addition to EBITDAre, we use Adjusted EBITDA as a non-GAAP supplemental performance measure to evaluate the operating performance of the Company. Adjusted EBITDA, as defined by the Company, represents EBITDAre, modified to exclude non-routine items such as transaction related expenses and spin related expenses. We also exclude certain non-cash items such as impairments of intangible and right of use assets, gains or losses on derivatives, gains or losses on the extinguishment or forgiveness of debt, amortization of intangibles, above-market lease assets and deferred lease incentives, net of amortization of below-market lease liabilities and our pro rata share of Adjusted EBITDA adjustments related to the Unconsolidated Joint Venture. Management believes that excluding these costs from EBITDAre provides investors with supplemental performance information that is consistent with the performance models and analysis used by management, and provides investors a view of the performance of our portfolio over time. Therefore, EBITDAre and Adjusted EBITDA should not be considered as an alternative to net income, as computed in accordance with GAAP. The Company uses Adjusted EBITDA as one measure of its operating performance when formulating corporate goals and evaluating the effectiveness of the Company's strategies. EBITDAre and Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

**Enterprise Value** equals the sum of the Implied Equity Market Capitalization and Net Debt, in each case, as of an applicable date.

**Fixed Charge Coverage Ratio** is (a) Adjusted EBITDA divided by (b) the sum of (i) Interest Expense, excluding non-cash amortization and (ii) secured debt principal amortization on Adjusted Principal Outstanding. Management believes that Fixed Charge Coverage Ratio is a useful supplemental measure of our ability to satisfy fixed financing obligations.

**Fixed Dollar or Percent Increase** refers to a lease that requires contractual rent increases during the term of the lease agreement. A Fixed Dollar or Percent Increase lease may include a period of free rent at the beginning or end of the lease.

**Flat** refers to a lease that requires equal rent payments, with no contractual increases, throughout the term of the lease agreement. A Flat Lease may include a period of free rent at the beginning or end of the lease.

## Definitions (cont.)

(unaudited, in thousands, except share and per share data)

### Funds Available for Distribution ("FAD")

Funds available for distribution, as defined by the Company, represents Core FFO, as defined below, modified to exclude capital expenditures, as well as certain non-cash items such as amortization of above market leases, net of amortization of below market lease liabilities, straight-line rental revenue and our pro rata share of FAD adjustments related to the Unconsolidated Joint Venture. Management believes that adjusting these items from Core FFO provides investors with supplemental performance information that is consistent with the performance models and analysis used by management and provides useful information regarding the Company's ability to fund its dividend. Beginning in 2023, the Company's definition of FAD is not adjusting for the following items, which are already included as adjustments in calculating Core FFO: (i) amortization of deferred lease incentives, (ii) amortization of deferred financing costs, (iii) equity-based compensation, and (iv) amortization of premiums and discounts on debt, net. Additionally, beginning in 2023, the Company has revised the FAD adjustment for equity in income (loss) of unconsolidated joint venture to only exclude the non-cash amortization related to the joint venture investment basis difference. These changes in definition have also been applied retrospectively for comparison purposes.

However, not all REITs calculate FAD and those that do may not calculate FAD the same way, so comparisons with other REITs may not be meaningful. FAD should not be considered as an alternative to net income (loss) or cash flow provided by (used in) operating activities as determined under GAAP.

### Nareit Funds from Operations ("Nareit FFO" or "FFO") and Core Funds from Operations ("Core FFO")

Due to certain unique operating characteristics of real estate companies, as discussed below, Nareit has promulgated a supplemental performance measure known as FFO, which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. FFO is not equivalent to our net income or loss as determined under GAAP.

Nareit defines FFO as net income or loss computed in accordance with GAAP adjusted for gains or losses from disposition of real estate assets, depreciation and amortization of real estate assets, impairment write-downs on real estate, and our pro rata share of FFO adjustments related to the Unconsolidated Joint Venture. We calculate FFO in accordance with Nareit's definition described above.

In addition to FFO, we use Core FFO as a non-GAAP supplemental financial performance measure to evaluate the operating performance of the Company. Core FFO, as defined by the Company, excludes from FFO items that we believe do not reflect the ongoing operating performance of our business such as transaction related expenses, spin related expenses and gains or losses on extinguishment of swaps and/or debt, and our pro rata share of Core FFO adjustments related to the Unconsolidated Joint Venture. Beginning in 2023, the Company has revised its definition of Core FFO to also exclude the following non-cash charges which management believes do not reflect the ongoing operating performance of our business: (i) amortization of deferred lease incentives, (ii) amortization of deferred financing costs, (iii) equity-based compensation, and (iv) amortization of premiums and discounts on debt, net. This change in definition has also been applied retrospectively for comparison purposes.

We believe that FFO and Core FFO allow for a comparison of the performance of our operations with other publicly-traded REITs, as FFO and Core FFO, or an equivalent measure, are routinely reported by publicly-traded REITs, each adjust for items that we believe do not reflect the ongoing operating performance of our business and we believe are often used by analysts and investors for comparison purposes.

For all of these reasons, we believe FFO and Core FFO, in addition to net income (loss), as defined by GAAP, are helpful supplemental performance measures and useful in understanding the various ways in which our management evaluates the performance of the Company over time. However, not all REITs calculate FFO and Core FFO the same way, so comparisons with other REITs may not be meaningful. FFO and Core FFO should not be considered as alternatives to net income (loss) and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, Nareit, nor any other regulatory body has evaluated the acceptability of the exclusions used to adjust FFO in order to calculate Core FFO and its use as a non-GAAP financial performance measure.

**GAAP** is an abbreviation for generally accepted accounting principles in the United States.

**Gross Lease** is a lease under which the landlord is responsible for all expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs).

## Definitions (cont.)

(unaudited, in thousands, except share and per share data)

**Gross Real Estate Investments** represent total gross real estate and related assets of Operating Properties and the Company's pro rata share of such amounts related to properties owned by the Unconsolidated Joint Venture, net of gross intangible lease liabilities. Gross Real Estate Investments should not be considered as an alternative to the Company's real estate investments balance as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with, and as a supplement to, the Company's financial information prepared in accordance with GAAP.

The following table shows a reconciliation of Gross Real Estate Investments to the amounts presented in accordance with GAAP on the balance sheets for the periods presented (in thousands):

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Total real estate investments, at cost - as reported</b>	\$ 1,364,556	\$ 1,366,625	\$ 1,380,903	\$ 1,459,199	\$ 1,486,255
<i>Adjustments:</i>					
Gross intangible lease assets	353,341	360,690	364,058	371,110	370,981
Gross intangible lease liabilities	(31,317)	(31,317)	(31,317)	(35,068)	(35,068)
Gross assets held for sale	2,544	2,544	7,530	9,402	—
Proportionate share of Unconsolidated Joint Venture Gross Real Estate Investments	45,435	45,427	45,426	45,425	45,413
<b>Gross Real Estate Investments</b>	<b>\$ 1,734,559</b>	<b>\$ 1,743,969</b>	<b>\$ 1,766,600</b>	<b>\$ 1,850,068</b>	<b>\$ 1,867,581</b>

**GSA CPI** refers to a General Services Administration ("GSA") lease that includes a contractually obligated operating cost component of rent which is adjusted annually based on changes in a consumer price index.

**Implied Equity Market Capitalization** equals shares of common stock outstanding as of an applicable date, multiplied by the closing sale price of the Company's stock as reported on the New York Stock Exchange on such date.

**Industry** is derived from the Global Industry Classification Standard ("GICS") Methodology that was developed by Morgan Stanley Capital International ("MSCI") in collaboration with S&P Dow Jones Indices to establish a global, accurate, complete and widely accepted approach to defining industries and classifying securities by industry.

**Interest Coverage Ratio** equals Adjusted EBITDA divided by Interest Expense, excluding non-cash amortization. Management believes that Interest Coverage Ratio is a useful supplemental measure of our ability to service our debt obligations.

**Interest Expense, excluding non-cash amortization** is a non-GAAP measure that represents interest expense incurred on the outstanding principal balance of our debt and the Company's pro rata share of the Unconsolidated Joint Venture's interest expense incurred on its outstanding principal balance. This measure excludes the amortization of deferred financing costs, premiums and discounts, which is included in interest expense in accordance with GAAP. Interest Expense, excluding non-cash amortization should not be considered as an alternative to the Company's interest expense as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

The following table shows a reconciliation of Interest Expense, excluding non-cash amortization to interest expense presented in accordance with GAAP on the statements of operations for the periods presented (in thousands):

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
<b>Interest expense, net - as reported</b>	\$ 7,139	\$ 7,553	\$ 7,904	\$ 7,867	\$ 6,847
<i>Adjustments:</i>					
Amortization of deferred financing costs and other non-cash charges	(1,049)	(1,068)	(1,067)	(1,057)	(1,171)
Proportionate share of Unconsolidated Joint Venture Interest Expense, excluding non-cash amortization	363	367	294	155	115
<b>Interest Expense, excluding non-cash amortization</b>	<b>\$ 6,453</b>	<b>\$ 6,852</b>	<b>\$ 7,131</b>	<b>\$ 6,965</b>	<b>\$ 5,791</b>

## Definitions (cont.)

(unaudited, in thousands, except share and per share data)

**Investment-Grade Tenants** are those with a Credit Rating of BBB- or higher from Standard & Poor's or a Credit Rating of Baa3 or higher from Moody's. The ratings may reflect those assigned by Standard & Poor's or Moody's to the lease guarantor or the parent company, as applicable.

**Leased Square Feet** is Rentable Square Feet leased and includes such amounts related to the Unconsolidated Joint Venture.

**Modified Gross Lease** is a lease under which the landlord is responsible for most expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs), but passes through some operating expenses to the tenant.

**Month-to-Month** refers to a lease that is outside of the contractual lease expiration, but the tenant has not vacated and continues to pay rent which may also include holdover rent if applicable.

### Net Debt, Principal Outstanding and Adjusted Principal Outstanding

Principal Outstanding is a non-GAAP measure that represents the Company's outstanding principal debt balance, excluding certain GAAP adjustments, such as premiums and discounts, financing and issuance costs, and related accumulated amortization. Adjusted Principal Outstanding includes the Company's pro rata share of the Unconsolidated Joint Venture's outstanding principal debt balance. We believe that the presentation of Principal Outstanding and Adjusted Principal Outstanding, which show our contractual debt obligations, provides useful information to investors to assess our overall financial flexibility, capital structure and leverage. Principal Outstanding and Adjusted Principal Outstanding should not be considered as alternatives to the Company's consolidated debt balance as determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with, and as a supplement to, the Company's financial information prepared in accordance with GAAP.

Net Debt is a non-GAAP measure used to show the Company's Adjusted Principal Outstanding, less all cash and cash equivalents and the Company's pro rata share of the Unconsolidated Joint Venture's cash and cash equivalents. We believe that the presentation of Net Debt provides useful information to investors because our management reviews Net Debt as part of its management of our overall liquidity, financial flexibility, capital structure and leverage.

The following table shows a reconciliation of Net Debt, Principal Outstanding and Adjusted Principal Outstanding to the amounts presented in accordance with GAAP on the balance sheets for the periods presented (in thousands):

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Mortgages payable, net	\$ 352,337	\$ 352,167	\$ 351,994	\$ 351,820	\$ 351,648
Credit facility term loan, net	174,153	173,815	173,478	173,133	172,793
Credit facility revolver	—	—	31,000	71,000	91,000
<b>Total debt - as reported</b>	<b>526,490</b>	<b>525,982</b>	<b>556,472</b>	<b>595,953</b>	<b>615,441</b>
Deferred financing costs, net	3,510	4,018	4,528	5,047	5,559
<b>Principal Outstanding</b>	<b>530,000</b>	<b>530,000</b>	<b>561,000</b>	<b>601,000</b>	<b>621,000</b>
Proportionate share of Unconsolidated Joint Venture Principal Outstanding	27,332	27,332	27,332	27,332	27,332
<b>Adjusted Principal Outstanding</b>	<b>\$ 557,332</b>	<b>\$ 557,332</b>	<b>\$ 588,332</b>	<b>\$ 628,332</b>	<b>\$ 648,332</b>
Cash and cash equivalents	(23,755)	(20,638)	(23,282)	(19,300)	(18,585)
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents	(727)	(572)	(758)	(623)	(652)
<b>Net Debt</b>	<b>\$ 532,850</b>	<b>\$ 536,122</b>	<b>\$ 564,292</b>	<b>\$ 608,409</b>	<b>\$ 629,095</b>

**Net Debt Leverage Ratio** equals Net Debt divided by Gross Real Estate Investments.

## Definitions (cont.)

(unaudited, in thousands, except share and per share data)

### Net Operating Income ("NOI") and Cash NOI

NOI is a non-GAAP performance measure used to evaluate the operating performance of a real estate company. NOI represents total revenues less property operating expenses and excludes fee revenue earned for services to the Unconsolidated Joint Venture, impairment, depreciation and amortization, general and administrative expenses, transaction related expenses and spin related expenses. Cash NOI excludes the impact of certain GAAP adjustments included in rental revenue, such as straight-line rent adjustments and amortization of above-market intangible lease assets and below-market lease intangible liabilities. Cash NOI includes the pro rata share of such amounts from properties owned by the Unconsolidated Joint Venture. It is management's view that NOI and Cash NOI provide investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. NOI and Cash NOI should not be considered as an alternative to operating income in accordance with GAAP. Further, NOI and Cash NOI may not be comparable to similarly titled measures of other companies.

The following table shows the calculation of NOI and Cash NOI for the periods presented (in thousands):

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total revenues	\$ 50,190	\$ 50,294	\$ 51,769	\$ 52,849	\$ 53,206
Less total operating expenses	(51,678)	(63,142)	(97,663)	(60,382)	(55,605)
Fee income from unconsolidated joint venture	(200)	(197)	(189)	(190)	(189)
Transaction related	105	277	194	141	63
Spin related	—	—	—	208	756
General and administrative	4,309	4,428	4,672	3,291	3,517
Depreciation and amortization	28,166	30,493	32,693	33,828	34,353
Impairment of real estate	3,754	12,198	44,801	7,758	1,602
<b>NOI</b>	<b>34,646</b>	<b>34,351</b>	<b>36,277</b>	<b>37,503</b>	<b>37,703</b>
Straight-line rent	(2,684)	2,911	(699)	(547)	(896)
Amortization of above and below market leases, net	(215)	(260)	(312)	(315)	(320)
Deferred lease incentives	101	80	36	—	—
Other non-cash adjustments	48	51	50	48	51
Proportionate share of Unconsolidated Joint Venture Cash NOI	862	833	848	850	849
<b>Cash NOI</b>	<b>\$ 32,758</b>	<b>\$ 37,966</b>	<b>\$ 36,200</b>	<b>\$ 37,539</b>	<b>\$ 37,387</b>

**Occupancy Rate** equals the sum of Leased Square Feet divided by Rentable Square Feet and includes the Company's pro rata share of such amounts related to the Unconsolidated Joint Venture, in each case, as of an applicable date.

**Operating Properties** refers to all properties owned and consolidated by the Company as of the applicable date.

**Property Operating Expense** includes reimbursable and non-reimbursable costs to operate a property, including real estate taxes, utilities, insurance, repairs, maintenance, legal, property management fees, etc.

**Rentable Square Feet** is leasable square feet of Operating Properties and the Company's pro rata share of leasable square feet of properties owned by the Unconsolidated Joint Venture.

**Triple Net Lease ("NNN")** is a lease under which the tenant agrees to pay all expenses associated with the property (e.g., real estate taxes, insurance, maintenance and repairs in accordance with the lease terms).

**Unconsolidated Joint Venture** means the Company's investment in the unconsolidated joint venture with an affiliate of Arch Street Capital Partners, LLC.

**Unencumbered Asset Ratio** equals Unencumbered Gross Real Estate Investments divided by Gross Real Estate Investments. Management believes that Unencumbered Asset Ratio is a useful supplemental measure of our overall liquidity and leverage.

## Definitions (cont.)

(unaudited, in thousands, except share and per share data)

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**Unencumbered Gross Real Estate Investments** equals Gross Real Estate Investments, excluding Gross Real Estate Investments related to properties serving as collateral for the Company's CMBS Loan and the Company's pro rata share of properties owned by the Unconsolidated Joint Venture that are pledged as collateral under mortgage debt. Unencumbered Gross Real Estate Investments includes otherwise unencumbered properties which are part of the unencumbered property pool under our credit facility and therefore generally are not available to simultaneously serve as collateral under other borrowings.

**Weighted Average Remaining Lease Term** is the number of years remaining on each respective lease as of the applicable date, weighted based on Annualized Base Rent and includes the years remaining on each of the respective leases of the Unconsolidated Joint Venture, weighted based on the Company's pro rata share of Annualized Base Rent related to the Unconsolidated Joint Venture.