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

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): November 9, 2023

ORION OFFICE REIT INC.
(Exact name of Registrant as specified in its charter)

Maryland	001-40873	87-1656425
(State or Other Jurisdiction of Incorporation or Organization	(Commission File Number)	(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:	*Trading symbol(s):*	*Name of each exchange on which registered:*
Common Stock $0.001 par value per share	ONL	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. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 9, 2023, Orion Office REIT Inc. furnished the following documents: (i) a press release relating to its third quarter 2023 results, attached hereto as Exhibit 99.1; and (ii) supplemental information for the quarter ended September 30, 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

Exhibit No.	Description
99.1	Press Release issued November 9, 2023 relating to Third Quarter 2023 Results
99.2	Supplemental Information for the Quarter Ended September 30, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORION OFFICE REIT INC.

By: /s/ Gavin B. Brandon
Name: Gavin B. Brandon
Title: Chief Financial Officer, Executive Vice President and Treasurer

Date: November 9, 2023

Exhibit 99.1

FOR IMMEDIATE RELEASE

Orion Office REIT Inc. Announces Third Quarter 2023 Results

- Entered into 10-Year Lease Renewal for a 90,000 Square Foot Property Subsequent to Quarter End -
- Sold Three Properties for $15.4 million and Agreements in Place to Sell Nine Properties for $46.6 million -
- Declares Dividend of $0.10 Per Share for Fourth Quarter -
- Updated 2023 Outlook -

Phoenix, AZ, November 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 office properties located across the U.S., announced today its operating results for the third quarter ended September 30, 2023.

Paul McDowell, Orion's Chief Executive Officer commented, "Our progress executing on our business strategy continues to evolve. During the quarter ended September 30, 2023 and shortly thereafter, we closed on three non-core property sales and have definitive agreements to dispose of an additional nine properties that will contribute to our ongoing efforts to control carrying costs and reshape the portfolio. Subsequent to quarter end, we executed on an early lease renewal and we continue to have a growing long-term leasing pipeline. With a low levered balance sheet and no expected debt maturities until 2026, we believe we have strong financial flexibility to continue delivering on our plans to transform the portfolio over time to unlock value for shareholders."

Third Quarter 2023 Financial and Operating Highlights

- Total Revenues of $49.1 million
- Net Loss Attributable to Common Stockholders of $(16.5) million, or $(0.29) per share
- Funds from Operations ("FFO") of $22.3 million, or $0.39 per share
- Core FFO of $24.1 million, or $0.43 per share
- EBITDA of $18.9 million, EBITDAre of $30.3 million and Adjusted EBITDA of $30.0 million
- Net Debt to Annualized Adjusted EBITDA of 4.09x

Financial Results

During the quarter ended September 30, 2023, the Company generated total revenues of $49.1 million, as compared to $51.8 million in the same quarter of 2022. The Company's net loss attributable to common stockholders was $(16.5) million, or $(0.29) per share, during the third quarter of 2023, as compared to $(53.0) million, or $(0.94) per share, reported in the same quarter of 2022. Core FFO for the third quarter of 2023 was $24.1 million, or $0.43 per share, as compared to $25.6 million, or $0.45 per share in the same quarter of 2022.

Leasing and Disposition Activity

Although the Company did not enter any new leases or lease renewals during the quarter ended September 30, 2023, during October, the Company entered into a 10.0-year early lease renewal for approximately 90,000 square feet at its property in Memphis, Tennessee, where the Investment-Grade tenant's lease term will now run until December 31, 2034. Also during October, the Company entered into a new 10.0-year lease for 3,000 square feet of retail space at its property in Covington, Kentucky leased primarily to the United States Government.

During the quarter ended September 30, 2023 and shortly thereafter, the Company closed on three dispositions, representing a total of 452,000 square feet, for an aggregate sales price of approximately $15.4 million. The Company also has agreements currently in place to sell nine additional properties, representing 779,000 square feet, for an aggregate gross sales price of $46.6 million, including the six property former Walgreens campus in Deerfield, IL.

Real Estate Portfolio

As of September 30, 2023, the Company's real estate portfolio consisted of 79 properties as well as a 20% ownership interest in the Arch Street Joint Venture, the Company's Unconsolidated Joint Venture with an affiliate of Arch Street

Capital Partners, LLC, comprising six properties. As of September 30, 2023, the Company's Occupancy Rate was 80.5%, with 72.0% of Annualized Base Rent derived from Investment-Grade Tenants, and the portfolio's Weighted Average Remaining Lease Term was 3.9 years. Adjusted for properties that have been sold following quarter end or are currently under agreement to be sold, the Company's Occupancy Rate was 88.7% as of September 30, 2023.

As of September 30, 2023, the Unconsolidated Joint Venture owned six real estate assets for total Gross Real Estate Investments of approximately $227.7 million. The Company is continuing to review a number of potential property acquisitions for its real estate portfolio.

Balance Sheet and Liquidity
As of September 30, 2023, the Company has total debt of $557.3 million, comprised of $175.0 million under the Company's $425.0 million-capacity credit facility revolver, $355.0 million under the Company's securitized mortgage loan (the "CMBS Loan") and $27.3 million which represents the Company's pro rata share of indebtedness of the Unconsolidated Joint Venture.

As of September 30, 2023, the Company had $316.2 million of liquidity, comprised of $33.0 million cash and cash equivalents, including the Company's pro rata share of cash from the Unconsolidated Joint Venture, as well as $33.2 million of restricted cash deposited with the credit facility lenders and $250.0 million of available capacity on the Company's $425.0 million-capacity revolving credit facility.

Dividend
On November 9, 2023, the Company's Board of Directors declared a quarterly cash dividend of $0.10 per share for the fourth quarter of 2023, payable on January 16, 2024, to stockholders of record as of December 29, 2023.

Share Repurchase Activity
During the quarter ended September 30, 2023, the Company repurchased $5.0 million or 0.9 million shares of common stock at a weighted average price of $5.46 per share as part of the Company's previously announced $50.0 million share repurchase program.

2023 Outlook
The Company is updating its 2023 Core FFO and Net Debt to Adjusted EBITDA guidance ranges to reflect solid performance for the first nine months of 2023 and greater certainty in its estimates for the remainder of the year. The Company's Core FFO is now expected to range from $1.65 to $1.68 per share, up from $1.59 to $1.63 per share last quarter. The Company's Net Debt to Adjusted EBITDA is now expected to range from 4.0x to 4.7x, down from 4.3x to 5.0x. The Company's 2023 General and Administrative Expenses guidance range of $18.25 million to $18.75 million is 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 Friday, November 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 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 by visiting the "Investors" section of Orion's website at onlreit.com/investors. The conference call replay will be available after 1:00 p.m. ET on Friday, November 10, 2023 through 11:59 a.m. ET on Friday, November 24, 2023. To access the replay, callers may dial 1-844-512-2921 (domestic) or 1-412-317-6671 (international) and use passcode, 13738939.

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 September 30, 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. 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.

Investor Relations:
Email: investors@onlreit.com
Phone: 602-675-0338

About the Data

This data and other information described herein are as of and for the three and nine months ended September 30, 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 Reports on Form 10-Q for the periods ended September 30, 2023, June 30, 2023 and 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 fixed 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 and leasing costs, 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, amortization of the Unconsolidated Joint Venture basis difference 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.

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, amortization of deferred lease incentives, amortization of deferred financing costs, equity-based compensation, amortization of premiums and discounts on debt, net 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.

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, and less cash deposited with the credit facility lenders that will, in accordance with the terms of the credit facility revolver, be used to prepay borrowings upon expiration or termination of the Company’s interest rate swap agreements. 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, amortization of above-market intangible lease assets and below-market lease intangible liabilities, and amortization of deferred lease incentives. 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, 2023 financial outlook, 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 and geopolitical 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 our properties, including our ability to satisfy the conditions to extend our credit facility revolver;
- 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 ownership interest;
- our ability to close pending real estate transactions, which may be subject to conditions that are outside of our control;
- our ability to accurately forecast the payment of future dividends on our common stock, and the amount of such dividend;
- 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. 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) September 30, 2023	December 31, 2022
Assets		
Real estate investments, at cost:		
Land	$ 227,203	$ 238,225
Buildings, fixtures and improvements	1,106,383	1,128,400
Total real estate investments, at cost	1,333,586	1,366,625
Less: accumulated depreciation	156,904	133,379
Total real estate investments, net	1,176,682	1,233,246
Accounts receivable, net	26,911	21,641
Intangible lease assets, net	144,304	202,832
Cash and cash equivalents	32,286	20,638
Real estate assets held for sale, net	3,818	2,502
Other assets, net	120,390	90,214
Total assets	**$ 1,504,391**	**$ 1,571,073**
Liabilities and Equity		
Mortgages payable, net	$ 352,683	$ 352,167
Credit facility term loan, net	—	173,815
Credit facility revolver	175,000	—
Accounts payable and accrued expenses	30,570	26,161
Below-market lease liabilities, net	9,481	14,068
Distributions payable	5,578	5,664
Other liabilities, net	21,811	23,340
Total liabilities	**595,123**	**595,215**
Common stock	56	57
Additional paid-in capital	1,143,825	1,147,014
Accumulated other comprehensive income	986	6,308
Accumulated deficit	(237,026)	(178,910)
Total stockholders' equity	907,841	974,469
Non-controlling interest	1,427	1,389
Total equity	**909,268**	**975,858**
Total liabilities and equity	**$ 1,504,391**	**$ 1,571,073**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues:				
Rental	$ 48,876	$ 51,580	$ 150,690	$ 157,256
Fee income from unconsolidated joint venture	200	189	600	568
Total revenues	**49,076**	**51,769**	**151,290**	**157,824**
Operating expenses:				
Property operating	15,506	15,303	46,337	45,773
General and administrative	4,367	4,672	13,241	11,480
Depreciation and amortization	27,013	32,693	83,056	100,874
Impairments	11,403	44,801	26,976	54,161
Transaction related	101	194	356	398
Spin related	—	—	—	964
Total operating expenses	**58,390**	**97,663**	**169,966**	**213,650**
Other (expenses) income:				
Interest expense, net	(7,380)	(7,904)	(21,741)	(22,618)
Gain on disposition of real estate assets	18	1,059	18	1,059
Loss on extinguishment of debt, net	—	—	(504)	(468)
Other income, net	437	31	638	118
Equity in loss of unconsolidated joint venture, net	(108)	(157)	(326)	(252)
Total other (expenses) income, net	**(7,033)**	**(6,971)**	**(21,915)**	**(22,161)**
Loss before taxes	**(16,347)**	**(52,865)**	**(40,591)**	**(77,987)**
Provision for income taxes	(160)	(164)	(505)	(494)
Net loss	**(16,507)**	**(53,029)**	**(41,096)**	**(78,481)**
Net income attributable to non-controlling interest	(12)	(18)	(38)	(43)
Net loss attributable to common stockholders	**$ (16,519)**	**$ (53,047)**	**$ (41,134)**	**$ (78,524)**
Weighted-average shares outstanding - basic and diluted	56,543	56,635	56,621	56,630
Basic and diluted net loss per share attributable to common stockholders	**$ (0.29)**	**$ (0.94)**	**$ (0.73)**	**$ (1.39)**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to common stockholders	$ (16,519)	$ (53,047)	$ (41,134)	$ (78,524)
Adjustments:				
Depreciation and amortization of real estate assets	26,988	32,674	82,982	100,822
Gain on disposition of real estate assets	(18)	(1,059)	(18)	(1,059)
Impairment of real estate	11,403	44,801	26,976	54,161
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	463	460	1,388	1,382
FFO attributable to common stockholders	**$ 22,317**	**$ 23,829**	**$ 70,194**	**$ 76,782**
Transaction related	101	194	356	398
Spin related	—	—	—	964
Amortization of deferred financing costs	933	1,067	3,041	3,295
Amortization of deferred lease incentives, net	(14)	36	187	36
Equity-based compensation	687	444	1,902	1,153
Loss on extinguishment of debt, net	—	—	504	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	29	28	87	149
Core FFO attributable to common stockholders	**$ 24,053**	**$ 25,598**	**$ 76,271**	**$ 83,245**
Amortization of above and below market leases, net	(346)	(312)	(835)	(947)
Straight-line rental revenue	(1,369)	(699)	(6,328)	(2,142)
Unconsolidated Joint Venture basis difference amortization	113	258	360	775
Capital expenditures and leasing costs	(8,359)	(3,730)	(13,869)	(8,512)
Other adjustments, net	66	63	271	189
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(40)	(59)	(121)	(176)
FAD attributable to common stockholders	**$ 14,118**	**$ 21,119**	**$ 55,749**	**$ 72,432**
Weighted-average shares outstanding - basic	56,543	56,635	56,621	56,630
Effect of weighted-average dilutive securities (1)	26	—	4	—
Weighted-average shares outstanding - diluted	**56,569**	**56,635**	**56,625**	**56,630**
FFO attributable to common stockholders per diluted share	$ 0.39	$ 0.42	$ 1.24	$ 1.36
Core FFO attributable to common stockholders per diluted share	$ 0.43	$ 0.45	$ 1.35	$ 1.47
FAD attributable to common stockholders per diluted share	$ 0.25	$ 0.37	$ 0.98	$ 1.28

(1) Dilutive securities include unvested restricted stock units net of assumed repurchases in accordance with the treasury stock method and exclude performance-based restricted stock units for which the performance thresholds have not been met by the end of the applicable reporting period. Such dilutive securities are not included when calculating net loss per diluted share applicable to the Company for the three and nine months ended September 30, 2023 and 2022, as the effect would be antidilutive.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to common stockholders	$ (16,519)	$ (53,047)	$ (41,134)	$ (78,524)
Adjustments:				
Interest expense	7,380	7,904	21,741	22,618
Depreciation and amortization	27,013	32,693	83,056	100,874
Provision for income taxes	160	164	505	494
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	864	782	2,579	2,097
EBITDA	**$ 18,898**	**$ (11,504)**	**$ 66,747**	**$ 47,559**
Gain on disposition of real estate assets	(18)	(1,059)	(18)	(1,059)
Impairment of real estate	11,403	44,801	26,976	54,161
EBITDAre	**$ 30,283**	**$ 32,238**	**$ 93,705**	**$ 100,661**
Transaction related	101	194	356	398
Spin related	—	—	—	964
Amortization of above and below market leases, net	(346)	(312)	(835)	(947)
Amortization of deferred lease incentives, net	(14)	36	187	36
Loss on extinguishment and forgiveness of debt, net	—	—	504	468
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(7)	(7)	(22)	(22)
Adjusted EBITDA	**$ 30,017**	**$ 32,149**	**$ 93,895**	**$ 101,558**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest expense - as reported	$ 7,380	$ 7,904	$ 21,741	$ 22,618
Adjustments:				
Amortization of deferred financing costs and other non-cash charges	(933)	(1,067)	(3,041)	(3,295)
Proportionate share of Unconsolidated Joint Venture Interest Expense, excluding non-cash amortization	371	294	1,100	565
Interest Expense, excluding non-cash amortization	**$ 6,818**	**$ 7,131**	**$ 19,800**	**$ 19,888**

	Three Months Ended September 30,		Nine Months Ended September 30,	
Interest Coverage Ratio	2023	2022	2023	2022
Interest Expense, excluding non-cash amortization (1)	$ 6,818	$ 7,131	$ 19,800	$ 19,888
Adjusted EBITDA (2)	30,017	32,149	93,895	101,558
Interest Coverage Ratio	4.40x	4.51x	4.74x	5.11x
Fixed Charge Coverage Ratio				
Interest Expense, excluding non-cash amortization (1)	$ 6,818	$ 7,131	$ 19,800	$ 19,888
Secured debt principal amortization	—	—	—	—
Total fixed charges	6,818	7,131	19,800	19,888
Adjusted EBITDA (2)	30,017	32,149	93,895	101,558
Fixed Charge Coverage Ratio	4.40x	4.51x	4.74x	5.11x

(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.

Net Debt	September 30, 2023	December 31, 2022
Mortgages payable, net	$ 352,683	$ 352,167
Credit facility term loan, net	—	173,815
Credit facility revolver	175,000	—
Total debt - as reported	**527,683**	**525,982**
Deferred financing costs, net	2,317	4,018
Principal Outstanding	**530,000**	**530,000**
Proportionate share of Unconsolidated Joint Venture Principal Outstanding	27,332	27,332
Adjusted Principal Outstanding	**557,332**	**557,332**
Cash and cash equivalents	(32,286)	(20,638)
Restricted cash deposited with credit facility lenders	(33,198)	—
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents	(708)	(572)
Net Debt	**$ 491,140**	**$ 536,122**

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

	September 30, 2023	December 31, 2022
Total real estate investments, at cost - as reported	$ 1,333,586	$ 1,366,625
Adjustments:		
Gross intangible lease assets	346,643	360,690
Gross intangible lease liabilities	(31,250)	(31,317)
Gross assets held for sale	3,860	2,544
Proportionate share of Unconsolidated Joint Venture Gross Real Estate Investments	45,548	45,427
Gross Real Estate Investments	**$ 1,698,387**	**$ 1,743,969**

	September 30, 2023	December 31, 2022
Net Debt Ratios		
Net Debt [1]	$ 491,140	$ 536,122
Adjusted EBITDA [2]	120,068	132,210
Net Debt to Adjusted EBITDA Ratio [2]	4.09x	4.06x
Net Debt [1]	$ 491,140	$ 536,122
Gross Real Estate Investments [1]	1,698,387	1,743,969
Net Debt Leverage Ratio	28.9 %	30.7 %
Unencumbered Assets/Real Estate Assets		
Unencumbered Gross Real Estate Investments	$ 1,092,464	$ 1,141,035
Gross Real Estate Investments [1]	1,698,387	1,743,969
Unencumbered Asset Ratio	64.3 %	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 the quarter ended September 30, 2023 has been annualized for the purpose of this calculation.

ORION OFFICE REIT INC.
CORE FUNDS FROM OPERATIONS PER DILUTED SHARE - 2023 GUIDANCE
(Unaudited)

The Company expects its 2023 Core FFO per diluted share to be in a range between $1.65 and $1.68. This guidance assumes:

- General & Administrative Expenses: $18.25 million to $18.75 million
- Net Debt to Adjusted EBITDA: 4.0x to 4.7x

The estimated net income per diluted share is not a projection and is provided solely to satisfy the disclosure requirements of the U.S. Securities and Exchange Commission.

The Company does not provide a reconciliation of Net Debt to Adjusted EBITDA guidance to the most directly comparable GAAP measure, due to the inherent difficulty and uncertainty in quantifying certain adjustments principally related to the Company's investment in the unconsolidated joint venture.

	Low	High
Diluted net loss per share attributable to common stockholders	$ (0.47)	$ (0.44)
Depreciation and amortization of real estate assets	1.95	1.95
Proportionate share of adjustments for Unconsolidated Joint Venture	0.03	0.03
FFO attributable to common stockholders per diluted share	1.51	1.54
Adjustments (1)	0.14	0.14
Core FFO attributable to common stockholders per diluted share	$ 1.65	$ 1.68

(1) Includes transaction related expenses, amortization of deferred lease incentives, amortization of deferred financing costs, equity-based compensation, and our proportionate share of such adjustments for the Unconsolidated Joint Venture.

Exhibit 99.2

Orion
Office REIT

Supplemental
Information
Package

2023

Third Quarter

Orion Supplemental Information

September 30, 2023

About the Data

This data and other information described herein are as of and for the three months ended September 30, 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 Reports on Form 10-Q for the periods ended September 30, 2023, June 30, 2023 and March 31, 2023 and Annual Report on Form 10-K for the year ended December 31, 2022.

Forward-Looking Statements

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 and geopolitical 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 our properties, including our ability to satisfy the conditions to extend our credit facility revolver;
- 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;
- our ability to accurately forecast the payment of future dividends on our common stock, and the amount of such dividend;
- 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. 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 an internally managed REIT engaged in the ownership, acquisition and management of a diversified portfolio of mission-critical regional and corporate headquarters office buildings in high-quality suburban markets across the U.S. and leased primarily on a single-tenant net lease basis to creditworthy tenants. As of September 30, 2023, Orion owned and operated a portfolio of 79 office properties totaling approximately 9.3 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, as of September 30, 2023, owned a portfolio consisting of six office properties totaling approximately 1.0 million leasable square feet located within six states. As of September 30, 2023, approximately 72.0% of the Company's Annualized Base Rent was from Investment-Grade Tenants, the Company's Occupancy Rate was 80.5%, or 88.7% adjusted for properties that have been sold following quarter end or are currently under agreement to be sold, and the Weighted Average Remaining Lease Term was 3.9 years.

The Company's Annualized Base Rent as of September 30, 2023 was approximately $144.9 million. The top tenants, tenant industries and geographic locations of the Company's properties are outlined in the following sections: "Tenants Comprising Over 1% of Annualized Base Rent," "Tenant Industry Diversification," and "Property Geographic Diversification," respectively.

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.

Company Overview (cont.)

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, Independent Director

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

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)

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Assets					
Real estate investments, at cost:					
Land	$ 227,203	$ 229,105	$ 236,966	$ 238,225	$ 243,726
Buildings, fixtures and improvements	1,106,383	1,111,646	1,127,590	1,128,400	1,137,177
Total real estate investments, at cost	1,333,586	1,340,751	1,364,556	1,366,625	1,380,903
Less: accumulated depreciation	156,904	149,147	141,093	133,379	126,097
Total real estate investments, net	1,176,682	1,191,604	1,223,463	1,233,246	1,254,806
Accounts receivable, net	26,911	24,960	24,697	21,641	21,923
Intangible lease assets, net	144,304	161,885	182,629	202,832	223,528
Cash and cash equivalents	32,286	42,209	23,755	20,638	23,282
Real estate assets held for sale, net	3,818	16,251	2,502	2,502	6,383
Other assets, net	120,390	90,998	89,826	90,214	91,632
Total assets	**$ 1,504,391**	**$ 1,527,907**	**$ 1,546,872**	**$ 1,571,073**	**$ 1,621,554**
Liabilities and Equity					
Mortgages payable, net	$ 352,683	$ 352,509	$ 352,337	$ 352,167	$ 351,994
Credit facility term loan, net	—	—	174,153	173,815	173,478
Credit facility revolver	175,000	175,000	—	—	31,000
Accounts payable and accrued expenses	30,570	22,326	19,957	26,161	22,038
Below-market lease liabilities, net	9,481	10,996	12,526	14,068	15,611
Distributions payable	5,578	5,670	5,666	5,664	5,664
Other liabilities, net	21,811	23,682	22,286	23,340	21,085
Total liabilities	**595,123**	**590,183**	**586,925**	**595,215**	**620,870**
Common stock	56	57	57	57	57
Additional paid-in capital	1,143,825	1,148,155	1,147,466	1,147,014	1,146,431
Accumulated other comprehensive income	986	3,026	4,540	6,308	7,057
Accumulated deficit	(237,026)	(214,929)	(193,516)	(178,910)	(154,273)
Total stockholders' equity	907,841	936,309	958,547	974,469	999,272
Non-controlling interest	1,427	1,415	1,400	1,389	1,412
Total equity	**909,268**	**937,724**	**959,947**	**975,858**	**1,000,684**
Total liabilities and equity	**$ 1,504,391**	**$ 1,527,907**	**$ 1,546,872**	**$ 1,571,073**	**$ 1,621,554**

Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Revenues:					
Rental	$ 48,876	$ 51,824	$ 49,990	$ 50,097	$ 51,580
Fee income from unconsolidated joint venture	200	200	200	197	189
Total revenues	**49,076**	**52,024**	**50,190**	**50,294**	**51,769**
Operating expenses:					
Property operating	15,506	15,487	15,344	15,746	15,303
General and administrative	4,367	4,565	4,309	4,428	4,672
Depreciation and amortization	27,013	27,877	28,166	30,493	32,693
Impairments	11,403	11,819	3,754	12,198	44,801
Transaction related	101	150	105	277	194
Total operating expenses	**58,390**	**59,898**	**51,678**	**63,142**	**97,663**
Other (expenses) income:					
Interest expense, net	(7,380)	(7,222)	(7,139)	(7,553)	(7,904)
Gain on disposition of real estate assets	18	—	—	1,293	1,059
Loss on extinguishment of debt, net	—	(504)	—	—	—
Other income, net	437	165	36	105	31
Equity in loss of unconsolidated joint venture, net	(108)	(95)	(123)	(272)	(157)
Total other (expenses) income, net	**(7,033)**	**(7,656)**	**(7,226)**	**(6,427)**	**(6,971)**
Loss before taxes	**(16,347)**	**(15,530)**	**(8,714)**	**(19,275)**	**(52,865)**
Provision for income taxes	(160)	(185)	(160)	282	(164)
Net loss	**(16,507)**	**(15,715)**	**(8,874)**	**(18,993)**	**(53,029)**
Net (income) loss attributable to non-controlling interest	(12)	(15)	(11)	23	(18)
Net loss attributable to common stockholders	**$ (16,519)**	**$ (15,730)**	**$ (8,885)**	**$ (18,970)**	**$ (53,047)**
Weighted-average shares outstanding - basic and diluted	56,543	56,680	56,642	56,644	56,635
Basic and diluted net loss per share attributable to common stockholders	**$ (0.29)**	**$ (0.28)**	**$ (0.16)**	**$ (0.33)**	**$ (0.94)**

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

(unaudited, in thousands, except per share data)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net loss attributable to common stockholders	$ (16,519)	$ (15,730)	$ (8,885)	$ (18,970)	$ (53,047)
Adjustments:					
Depreciation and amortization of real estate assets	26,988	27,852	28,142	30,475	32,674
Gain on disposition of real estate assets	(18)	—	—	(1,293)	(1,059)
Impairment of real estate	11,403	11,819	3,754	12,198	44,801
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	463	463	462	465	460
FFO attributable to common stockholders	**$ 22,317**	**$ 24,404**	**$ 23,473**	**$ 22,875**	**$ 23,829**
Transaction related	101	150	105	277	194
Amortization of deferred financing costs	933	1,059	1,049	1,068	1,067
Amortization of deferred lease incentives, net	(14)	100	101	80	36
Equity-based compensation	687	689	526	603	444
Loss on extinguishment of debt, net	—	504	—	—	—
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	29	29	29	29	28
Core FFO attributable to common stockholders	**$ 24,053**	**$ 26,935**	**$ 25,283**	**$ 24,932**	**$ 25,598**
Amortization of above and below market leases, net	(346)	(274)	(215)	(260)	(312)
Straight-line rental revenue	(1,369)	(2,275)	(2,684)	2,911	(699)
Unconsolidated Joint Venture basis difference amortization	113	114	133	259	258
Capital expenditures and leasing costs	(8,359)	(2,172)	(3,338)	(6,112)	(3,730)
Other adjustments, net	66	74	131	74	63
Proportionate share of Unconsolidated Joint Venture adjustments for the items above, as applicable	(40)	(41)	(40)	(54)	(59)
FAD attributable to common stockholders	**$ 14,118**	**$ 22,361**	**$ 19,270**	**$ 21,750**	**$ 21,119**
Weighted-average shares outstanding - basic	56,543	56,680	56,642	56,644	56,635
Effect of weighted-average dilutive securities (1)	26	11	18	—	—
Weighted-average shares outstanding - diluted	**56,569**	**56,691**	**56,660**	**56,644**	**56,635**
FFO attributable to common stockholders per diluted share	$ 0.39	$ 0.43	$ 0.41	$ 0.40	$ 0.42
Core FFO attributable to common stockholders per diluted share	$ 0.43	$ 0.48	$ 0.45	$ 0.44	$ 0.45
FAD attributable to common stockholders per diluted share	$ 0.25	$ 0.39	$ 0.34	$ 0.38	$ 0.37

(1) Dilutive securities include unvested restricted stock units net of assumed repurchases in accordance with the treasury stock method and exclude performance-based restricted stock units for which the thresholds have not been met by the end of the applicable reporting period. Such dilutive securities 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)

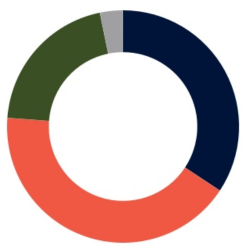
	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net loss attributable to common stockholders	$ (16,519)	$ (15,730)	$ (8,885)	$ (18,970)	$ (53,047)
Adjustments:					
Interest expense	7,380	7,222	7,139	7,553	7,904
Depreciation and amortization	27,013	27,877	28,166	30,493	32,693
Provision for income taxes	160	185	160	(282)	164
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	864	861	854	864	782
EBITDA	**$ 18,898**	**$ 20,415**	**$ 27,434**	**$ 19,658**	**$ (11,504)**
Gain on disposition of real estate assets	(18)	—	—	(1,293)	(1,059)
Impairment of real estate	11,403	11,819	3,754	12,198	44,801
EBITDAre	**$ 30,283**	**$ 32,234**	**$ 31,188**	**$ 30,563**	**$ 32,238**
Transaction related	101	150	105	277	194
Amortization of above and below market leases, net	(346)	(274)	(215)	(260)	(312)
Amortization of deferred lease incentives, net	(14)	100	101	80	36
Loss on extinguishment of debt, net	—	504	—	—	—
Proportionate share of Unconsolidated Joint Venture adjustments for items above, as applicable	(7)	(8)	(7)	(8)	(7)
Adjusted EBITDA	**$ 30,017**	**$ 32,706**	**$ 31,172**	**$ 30,652**	**$ 32,149**

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

Capital Structure

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

Capitalization
(as of September 30, 2023)



Common equity	34.3%
Mortgages payable	41.9%
Credit facility revolver [4]	20.6%
Proportionate share of Unconsolidated Joint Venture Debt	3.2%

Fixed vs. Variable Rate Debt

Fixed and Swapped to Fixed	100.0 %
Variable [4]	— %

Orion Capitalization Table			
			September 30, 2023
Common stock outstanding			55,780
Stock price			$ 5.21
Implied Equity Market Capitalization			$ 290,614
	Wtd. Avg. Maturity (Years)	**Interest Rate [1]**	**September 30, 2023**
Mortgages payable	3.4	4.97 %	$ 355,000
Proportionate share of Unconsolidated Joint Venture Debt [2]	1.2	5.19 %	27,332
Total secured debt	**3.2**	**4.99 %**	**$ 382,332**
Total unsecured credit facility revolver [3] [4]	**2.6**	**3.92%**	**$ 175,000**
Total Principal Outstanding	**3.0**	**4.65 %**	**$ 557,332**
Total Capitalization			$ 847,946
Cash and cash equivalents			32,286
Restricted cash deposited with credit facility lenders			33,198
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents			708
Enterprise Value			$ 781,754
Net Debt/Enterprise Value			62.8 %
Net Debt/Gross Real Estate Investments			28.9 %
Fixed Charge Coverage Ratio			4.40x
Liquidity [5]			$ 316,192
Net Debt/Annualized Adjusted EBITDA			4.09x

(1) Interest rate for variable rate debt represents the interest rate in effect as of September 30, 2023.

(2) The Unconsolidated Joint Venture mortgages payable have a variable interest rate which is determined, at the election of the borrower, on the basis of Daily Simple SOFR or a base rate, in the case of a SOFR loan, plus 1.60% per annum, and in the case of a base rate loan, plus 0.50% per annum; however, the Unconsolidated Joint Venture has entered into an interest rate swap agreement which effectively fixes the interest rate on the mortgage notes at 5.19% per annum until May 27, 2024.

(3) 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.

(4) The credit facility revolver matures on November 12, 2024 with an option to extend the maturity an additional 18 months to May 12, 2026. This table assumes exercise of the extension option. There was $175.0 million outstanding on the credit facility revolver as of September 30, 2023 and it is a variable rate facility with the interest rate determined, at the election of the borrower, on the basis of Daily Simple SOFR, Term SOFR or a base rate, in the case of a SOFR loan, plus 3.35% per annum, and in the case of a base rate loan, plus 2.25% per annum; however, the Company has entered into interest rate swap agreements which effectively fixes the interest rate on the notional amount of $175.0 million at 3.92% per annum until November 12, 2023. Upon the scheduled expiration of the interest rate swap agreements, the Company's borrowing cost on the credit facility revolver will no longer be effectively fixed, but rather will float and, therefore, the Company's borrowing cost on the credit facility revolver will immediately shift to prevailing short-term interest rates based on the benchmark and applicable margin described above, and the Company will be exposed to interest rate fluctuations on these borrowings.

(5) Liquidity represents cash and cash equivalents of $33.0 million, including the Company's pro rata share of cash from the Unconsolidated Joint Venture, as well as $250.0 million available capacity on our $425.0 million credit facility revolver as of September 30, 2023. Also includes $33.2 million of restricted cash deposited with the credit facility lenders that will, in accordance with the terms of the credit facility revolver, be used to prepay borrowings thereunder upon the scheduled expiration in November 2023 (or earlier termination) of the Company's interest rate swap agreements, and thereby create an equal amount of additional available capacity under the credit facility revolver.

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

Debt Detail

(unaudited, dollars in thousands)

Principal Payments Due	Total	2023	2024	2025	Thereafter
Credit facility revolver [(1)]	$ 175,000	$ —	$ —	$ —	$ 175,000
Mortgages payable	355,000	—	—	—	355,000
Proportionate share of Unconsolidated Joint Venture debt	27,332	—	27,332	—	—
Total Principal Outstanding	**$ 557,332**	**$ —**	**$ 27,332**	**$ —**	**$ 530,000**

Debt Type	Percentage of Principal Outstanding	Interest Rate	Weighted-Average Years to Maturity
Credit facility revolver [(1)]	31.4 %	3.92 %	2.6
Mortgages payable	63.7 %	4.97 %	3.4
Proportionate share of Unconsolidated Joint Venture debt	4.9 %	5.19 %	1.2
Total	**100.0 %**	**4.65 %**	**3.0**

Debt Type	Percentage of Principal Outstanding	Weighted-Average Interest Rate	Weighted-Average Years to Maturity
Total unsecured debt	31.4 %	3.92 %	2.6
Total secured debt	68.6 %	4.99 %	3.2
Total	**100.0 %**	**4.65 %**	**3.0**
Total fixed-rate and swapped to fixed-rate debt [(1)]	100.0 %	4.65 %	3.0
Total variable-rate debt [(1)]	— %	N/A	N/A
Total	**100.0 %**	**4.65 %**	**3.0**

(1) The credit facility revolver matures on November 12, 2024 with an option to extend the maturity an additional 18 months to May 12, 2026. This table assumes exercise of the extension option. There was $175.0 million outstanding on the credit facility revolver as of September 30, 2023 and it is a variable rate facility with the interest rate determined, at the election of the borrower, on the basis of Daily Simple SOFR, Term SOFR or a base rate, in the case of a SOFR loan, plus 3.35% per annum, and in the case of a base rate loan, plus 2.25% per annum; however, the Company has entered into interest rate swap agreements which effectively fixes the interest rate on the notional amount of $175.0 million at 3.92% per annum until November 12, 2023. Upon the scheduled expiration of the interest rate swap agreements, the Company's borrowing cost on the credit facility revolver will no longer be effectively fixed, but rather will float and, therefore, the Company's borrowing cost on the credit facility revolver will immediately shift to prevailing short-term interest rates based on the benchmark and applicable margin described above, and the Company will be exposed to interest rate fluctuations on these borrowings.

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				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Interest Coverage Ratio					
Interest Expense, excluding non-cash amortization (1)	$ 6,818	$ 6,529	$ 6,453	$ 6,852	$ 7,131
Adjusted EBITDA (2)	30,017	32,706	31,172	30,652	32,149
Interest Coverage Ratio	4.40x	5.01x	4.83x	4.47x	4.51x
Fixed Charge Coverage Ratio					
Interest Expense, excluding non-cash amortization (1)	$ 6,818	$ 6,529	$ 6,453	$ 6,852	$ 7,131
Secured debt principal amortization	—	—	—	—	—
Total fixed charges	6,818	6,529	6,453	6,852	7,131
Adjusted EBITDA (2)	30,017	32,706	31,172	30,652	32,149
Fixed Charge Coverage Ratio	4.40x	5.01x	4.83x	4.47x	4.51x

(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.

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net Debt Ratios					
Net Debt (1)	$ 491,140	$ 514,418	$ 532,850	$ 536,122	$ 564,292
Adjusted EBITDA (2)	120,068	130,824	124,688	132,210	128,596
Net Debt to Adjusted EBITDA Ratio	4.09x	3.93x	4.27x	4.06x	4.39x
Net Debt (1)	$ 491,140	$ 514,418	$ 532,850	$ 536,122	$ 564,292
Gross Real Estate Investments (1)	1,698,387	1,716,594	1,734,559	1,743,969	1,766,600
Net Debt Leverage Ratio	28.9 %	30.0 %	30.7 %	30.7 %	31.9 %
Unencumbered Assets/Real Estate Assets					
Unencumbered Gross Real Estate Investments (1)	$ 1,092,464	$ 1,112,811	$ 1,131,272	$ 1,141,035	$ 1,165,310
Gross Real Estate Investments (1)	1,698,387	1,716,594	1,734,559	1,743,969	1,766,600
Unencumbered Asset Ratio	64.3 %	64.8 %	65.2 %	65.4 %	66.0 %

(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. 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.

(2) Adjusted EBITDA for the quarters ended September 30, 2023, June 30, 2023, March 31, 2023, and September 30, 2022 has been annualized for the purpose of this calculation.

Credit Facility Revolver Covenants

(unaudited)

The following is a summary of financial covenants for the Company's 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 cove nants and are not measures of our liquidity or performance. As of September 30, 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 Revolver Financial Covenants	Required	September 30, 2023
Ratio of total indebtedness to total asset value	≤ 60%	38.3%
Ratio of adjusted EBITDA to fixed charges	≥ 1.5x	4.23x
Ratio of secured indebtedness to total asset value	≤ 40%	25.0%
Ratio of unsecured indebtedness to unencumbered asset value	≤ 60% (1)	14.9%
Ratio of unencumbered adjusted NOI to unsecured interest expense	≥ 2.00x	10.74x
Unencumbered asset value	≥ $600.0 million	$832.5 million

(1) If the ratio of unsecured indebtedness to unencumbered asset value exceeds 35% as of the end of two consecutive fiscal quarters, the Company will be required, within 90 days and subject to cure rights, to grant the administrative agent a first priority lien on all the properties included in the pool of unencumbered assets (other than properties identified for disposition by the Company so long as such properties are sold within one year of such identification).

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

Net Operating Income (NOI) and Cash NOI

(unaudited, dollars in thousands)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Rental revenue:					
Cash rental revenue	35,491	36,410	36,104	37,209	38,987
Fixed reimbursements	1,737	1,399	1,384	1,406	1,428
Variable reimbursements	9,203	10,679	8,482	9,081	9,027
Straight-line rental revenue	1,369	2,275	2,684	(2,911)	699
Amortization of above and below market leases, net	346	274	215	260	312
Amortization of deferred lease incentives, net	14	(100)	(101)	(80)	(36)
Other rental revenue	716	887	1,222	5,132	1,163
Total rental revenue	48,876	51,824	49,990	50,097	51,580
Property operating expense	(15,506)	(15,487)	(15,344)	(15,746)	(15,303)
NOI	**33,370**	**36,337**	**34,646**	**34,351**	**36,277**
Adjustments:					
Straight-line rental revenue	(1,369)	(2,275)	(2,684)	2,911	(699)
Amortization of above and below market leases, net	(346)	(274)	(215)	(260)	(312)
Amortization of deferred lease incentives, net	(14)	100	101	80	36
Other non-cash adjustments	47	48	48	51	50
Proportionate share of Unconsolidated Joint Venture Cash NOI	863	861	862	833	848
Cash NOI	**$ 32,551**	**$ 34,797**	**$ 32,758**	**$ 37,966**	**$ 36,200**

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

Leasing Activity

(unaudited, dollars and square feet in thousands)

During the nine months ended September 30, 2023, we entered into new and renewal leases as summarized in the following table:

	Nine Months Ended September 30, 2023		
	New Leases	Renewals	Total
Rentable square feet leased	18	111	129
Weighted average rental rate change (cash basis) [(1)] [(2)]	(19.8)%	17.3 %	13.5 %
Tenant leasing costs and concession commitments [(3)]	$ 748	$ 1,065	$ 1,813
Tenant leasing costs and concession commitments per rentable square foot	$ 41.38	$ 9.62	$ 14.09
Weighted average lease term (by rentable square feet) (years)	7.8	9.8	9.5
Tenant leasing costs and concession commitments per rentable square foot per year	$ 5.29	$ 0.98	$ 1.48

(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).

Vacant Property Operating Expenses

(unaudited, in thousands for the nine months ended September 30, 2023)

	Square Feet	Total Expenses
Fully vacant - full period	637	$2,866
Fully vacant - disposed and partial period (1)	1,085	3,565
Fully vacant subtotal (2)	**1,722**	**$6,431**
Partially vacant properties (3)	345	1,778
Total	**2,067**	**$8,209**

(1) Represents eight properties that became vacant during the nine months ended September 30, 2023 and one vacant property that was disposed during the nine months ended September 30, 2023.

(2) The Company had 13 fully vacant properties as of September 30, 2023, including the six property former Walgreens campus in Deerfield, Illinois. All expenses are a component of property operating expenses in the consolidated statements of operations.

(3) The Company does not record property operating expenses at the suite level; therefore, the total expenses for the nine months ended September 30, 2023 for partially vacant properties are estimated by multiplying the vacant square feet of the partially vacant properties by the total annualized expenses per square foot for fully vacant properties and prorating for the nine months ended September 30, 2023.

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

Dispositions

(unaudited, square feet and dollars in thousands)

The following table summarizes the Company's disposition activity during the three and nine months ended September 30, 2023.

Date Sold	Property Location	Square Feet	Gross Sale Price	Lease Term (Years)
07/06/2023	Berkeley, MO	227	$9,650	Vacant
08/10/2023	New Port Richey, FL	47	4,400	Vacant
	Total	**274**	**$14,050**	

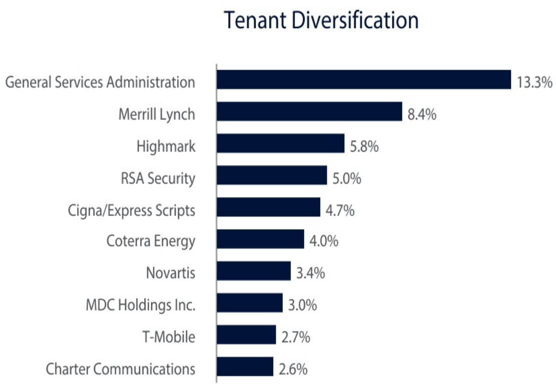
The following table summarizes the Company's disposition activity following the nine months ended September 30, 2023.

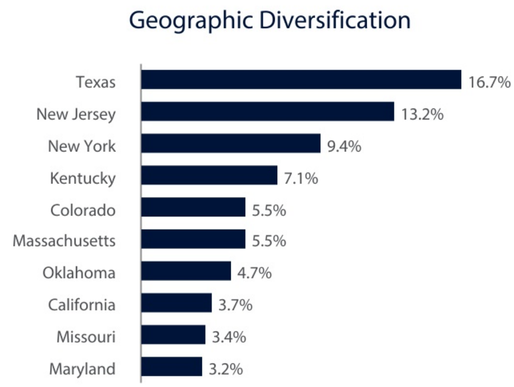
Date Sold	Property Location	Square Feet	Gross Sale Price	Lease Term (Years)
10/23/2023	Schaumburg, IL	178	$1,375	Vacant

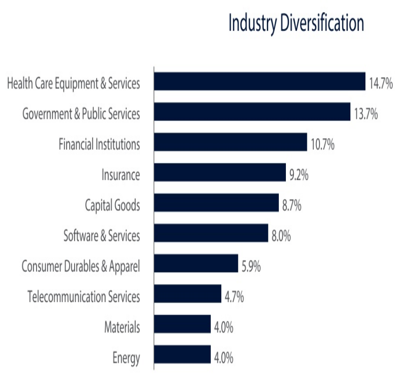
See the Definitions section for a description of the Company's non-GAAP and operating metrics.

Diversification Statistics: Real Estate Portfolio

(unaudited, percentages based on portfolio Annualized Base Rent as of September 30, 2023, other than occupancy rate which is based on square footage as of September 30, 2023)







Statistics
(square feet in thousands)

Operating Properties	79
Unconsolidated Joint Venture Properties	6
Rentable Square Feet	9,459
Occupancy Rate	80.5 %
Weighted Average Remaining Lease Term	3.9
Investment-Grade Tenants	72.0 %
NN leases	69.6 %
NNN leases	11.9 %

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 September 30, 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	16	734	7.8 %	$ 19,283	13.3 %	AA+
Merrill Lynch	1	482	5.1 %	12,224	8.4 %	A-
Highmark Western & Northeastern NY	1	430	4.5 %	8,450	5.8 %	NR
RSA Security	2	328	3.5 %	7,221	5.0 %	BBB
Cigna/Express Scripts	3	365	3.9 %	6,856	4.7 %	A-
Coterra Energy	1	309	3.3 %	5,762	4.0 %	BBB
Novartis	1	176	1.9 %	4,995	3.4 %	AA-
MDC Holdings Inc.	1	144	1.5 %	4,299	3.0 %	BBB-
T-Mobile	3	217	2.3 %	3,937	2.7 %	BBB
Charter Communications	2	264	2.8 %	3,745	2.6 %	BB+
Top Ten Tenants	**31**	**3,449**	**36.6 %**	**76,772**	**52.9 %**	
Remaining Tenants:						
Banner Life Insurance	1	116	1.2 %	3,581	2.5 %	A
Inform Diagnostics	1	172	1.8 %	3,551	2.5 %	NR
Encompass Health	1	65	0.7 %	3,436	2.4 %	BB-
Collins Aerospace	1	207	2.2 %	3,369	2.3 %	BBB+
Home Depot/HD Supply	2	153	1.6 %	3,120	2.2 %	A
AT&T	1	203	2.1 %	2,921	2.0 %	BBB
Linde	1	175	1.9 %	2,714	1.9 %	A
Maximus	2	168	1.8 %	2,549	1.8 %	BB+
Citigroup	1	64	0.7 %	2,459	1.7 %	BBB+
CVS/Aetna	1	127	1.3 %	2,259	1.6 %	BBB
Hasbro	1	136	1.4 %	2,243	1.5 %	BBB
Ingram Micro	1	200	2.1 %	2,197	1.5 %	BB-
Novus International	1	96	1.0 %	2,022	1.4 %	NR
Pulte Mortgage	1	95	1.0 %	2,005	1.4 %	BBB
NetJets	1	140	1.5 %	1,990	1.4 %	NR
Elementis	1	66	0.7 %	1,980	1.4 %	NR
FedEx [(1)]	2	352	3.7 %	1,744	1.2 %	BBB
General Electric	1	152	1.6 %	1,663	1.1 %	BBB+
AGCO	1	126	1.3 %	1,607	1.1 %	BBB-
Intermec	1	81	0.9 %	1,459	1.0 %	A
Abbott Laboratories	1	131	1.4 %	1,379	1.0 %	AA-
Total	**55**	**6,474**	**68.5 %**	**$ 127,020**	**87.8 %**	

(1) Includes one lease where FedEx was in holdover tenancy at the end of the quarter and holdover rent has been excluded from the Annualized Base Rent calculation.

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

Tenant Industry Diversification

(unaudited, square feet and dollars in thousands as of September 30, 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	11.7 %	$ 21,354	14.7 %
Government & Public Services	18	778	8.2 %	19,831	13.7 %
Financial Institutions	3	616	6.5 %	15,479	10.7 %
Insurance	3	600	6.3 %	13,292	9.2 %
Capital Goods	10	845	8.9 %	12,572	8.7 %
Software & Services	6	638	6.7 %	11,668	8.0 %
Consumer Durables & Apparel	3	375	4.0 %	8,546	5.9 %
Telecommunication Services	5	419	4.4 %	6,858	4.7 %
Materials	4	366	3.9 %	5,852	4.0 %
Energy	1	309	3.3 %	5,762	4.0 %
Top Ten Tenant Industries	**65**	**6,055**	**63.9 %**	**121,214**	**83.6 %**
Remaining Tenant Industries:					
Pharmaceuticals, Biotechnology & Life Sciences	1	176	1.9 %	4,995	3.4 %
Commercial & Professional Services	10	295	3.1 %	4,719	3.3 %
Transportation	5	541	5.7 %	4,490	3.1 %
Media & Entertainment	2	264	2.8 %	3,745	2.6 %
Retailing	3	157	1.7 %	3,196	2.2 %
Food, Beverage & Tobacco	1	96	1.0 %	2,022	1.4 %
Utilities	1	26	0.3 %	394	0.3 %
Real Estate	1	4	— %	86	0.1 %
Consumer Services	2	5	0.1 %	54	— %
Total	**91**	**7,619**	**80.5 %**	**$ 144,915**	**100.0 %**

(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.

Property Geographic Diversification

(unaudited, square feet and dollars in thousands as of September 30, 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	14.3 %	$ 24,239	16.7 %
New Jersey	3	724	7.6 %	19,199	13.2 %
New York	5	781	8.2 %	13,691	9.4 %
Kentucky	2	458	4.8 %	10,299	7.1 %
Colorado	4	571	6.0 %	7,967	5.5 %
Massachusetts	2	378	4.0 %	7,933	5.5 %
Oklahoma	3	585	6.2 %	6,791	4.7 %
California	3	244	2.6 %	5,310	3.7 %
Missouri	3	303	3.2 %	4,917	3.4 %
Maryland	2	236	2.5 %	4,646	3.2 %
Top Ten States	**42**	**5,633**	**59.4 %**	**104,992**	**72.4 %**
Remaining States:					
Tennessee	4	240	2.5 %	4,615	3.2 %
Georgia	3	284	3.0 %	4,601	3.2 %
Virginia	2	240	2.5 %	4,523	3.1 %
Ohio	4	500	5.3 %	3,520	2.4 %
Rhode Island	2	206	2.2 %	3,040	2.1 %
South Carolina	1	64	0.7 %	2,459	1.7 %
Wisconsin	1	155	1.6 %	2,299	1.6 %
Arizona	2	215	2.3 %	2,216	1.5 %
Illinois	9	916	9.7 %	2,174	1.5 %
Iowa	2	92	1.0 %	1,955	1.4 %
Nebraska	2	180	1.9 %	1,563	1.1 %
Pennsylvania	2	233	2.5 %	1,316	0.9 %
Oregon	1	69	0.7 %	1,142	0.8 %
West Virginia	1	63	0.7 %	1,130	0.8 %
Kansas	2	196	2.1 %	1,044	0.7 %
Idaho	2	45	0.5 %	1,035	0.7 %
Indiana	1	83	0.9 %	570	0.4 %
Minnesota	1	39	0.4 %	493	0.3 %
Florida	1	6	0.1 %	228	0.2 %
Total	**85**	**9,459**	**100.0 %**	**$ 144,915**	**100.0 %**

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

Lease Expirations

(unaudited, square feet and dollars in thousands as of September 30, 2023)

Year of Expiration	Number of Leases Expiring [1]	Leased Square Feet	Leased Square Feet as a % of Total Portfolio	Annualized Base Rent	Annualized Base Rent as a % of Total Portfolio
2023	2	186	2.0 %	$ 5,288	3.5 %
2024	16	1,911	20.2 %	39,379	27.2 %
2025	13	1,044	11.0 %	18,956	13.1 %
2026	15	804	8.5 %	18,629	12.9 %
2027	14	1,002	10.5 %	16,504	11.4 %
2028	11	595	6.3 %	10,907	7.5 %
2029	4	396	4.2 %	5,968	4.1 %
2030	2	98	1.0 %	4,591	3.2 %
2031	1	11	0.1 %	429	0.3 %
2032	3	300	3.2 %	3,808	2.6 %
Thereafter	9	1,010	10.7 %	20,456	14.2 %
Subtotal	**90**	**7,357**	**77.7 %**	**144,915**	**100.0 %**
Month-to-Month	1	262	2.8 %	—	— %
Total	**91**	**7,619**	**80.5 %**	**$ 144,915**	**100.0 %**

(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.

Lease Summary

(unaudited, square feet and dollars in thousands as of September 30, 2023)

Rent Escalations

	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
Fixed Dollar or Percent Increase	67	6,410	67.8 %	$ 120,956	83.5 %
Flat	7	113	1.1 %	1,794	1.2 %
GSA CPI	14	689	7.3 %	18,248	12.6 %
CPI	2	145	1.5 %	3,917	2.7 %
Month-to-Month	1	262	2.8 %	—	— %
Total	**91**	**7,619**	**80.5 %**	**$ 144,915**	**100.0 %**

Tenant Expense Obligation

	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
NN	58	5,586	59.1 %	$ 100,799	69.6 %
Modified Gross	19	977	10.2 %	26,717	18.4 %
NNN	11	1,048	11.1 %	17,303	11.9 %
Gross	3	8	0.1 %	96	0.1 %
Total	**91**	**7,619**	**80.5 %**	**$ 144,915**	**100.0 %**

(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.

Full Portfolio (1)

(unaudited, as of September 30, 2023)

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
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
Vacant	1411 Lake Cook Road	Deerfield	IL
Vacant	1415 Lake Cook Road	Deerfield	IL
Vacant	1417 Lake Cook Road	Deerfield	IL
Vacant	1419 Lake Cook Road	Deerfield	IL
Vacant	1425 Lake Cook Road	Deerfield	IL
Vacant	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
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
Capital Goods	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
Vacant	7475 S. Joliet Street	Englewood	CO
Consumer Durables & Apparel	4340 & 4350 South Monaco Street	Denver	CO

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

Industry	Address	City	State
Vacant	2250 Lakeside Boulevard	Richardson	TX
Commercial & Professional Services	3833 Greenway Drive	Lawrence	KS
Vacant	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
Vacant (2)	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 Aptakisic 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.
(2) Property was sold in October 2023.

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 September 30, 2023.

	Legal Ownership Percentage [1]	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
Sysmex - 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	9,808	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
			$ 45,548	**191**	**$ 3,813**	**$ 27,332**

(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.

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 fixed 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 and leasing costs, 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, amortization of the Unconsolidated Joint Venture basis difference 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.

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, amortization of deferred lease incentives, amortization of deferred financing costs, equity-based compensation, amortization of premiums and discounts on debt, net 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.

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.*

Definitions (cont.)

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

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):

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Total real estate investments, at cost - as reported	$ 1,333,586	$ 1,340,751	$ 1,364,556	$ 1,366,625	$ 1,380,903
Adjustments:					
Gross intangible lease assets	346,643	345,416	353,341	360,690	364,058
Gross intangible lease liabilities	(31,250)	(31,317)	(31,317)	(31,317)	(31,317)
Gross assets held for sale	3,860	16,293	2,544	2,544	7,530
Proportionate share of Unconsolidated Joint Venture Gross Real Estate Investments	45,548	45,451	45,435	45,427	45,426
Gross Real Estate Investments	**$ 1,698,387**	**$ 1,716,594**	**$ 1,734,559**	**$ 1,743,969**	**$ 1,766,600**

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				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Interest expense, net - as reported	$ 7,380	$ 7,222	$ 7,139	$ 7,553	$ 7,904
Adjustments:					
Amortization of deferred financing costs and other non-cash charges	(933)	(1,059)	(1,049)	(1,068)	(1,067)
Proportionate share of Unconsolidated Joint Venture Interest Expense, excluding non-cash amortization	371	366	363	367	294
Interest Expense, excluding non-cash amortization	**$ 6,818**	**$ 6,529**	**$ 6,453**	**$ 6,852**	**$ 7,131**

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.*

Definitions (cont.)

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

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, and less cash deposited with the credit facility lenders that will, in accordance with the terms of the credit facility revolver, be used to prepay borrowings upon expiration or termination of the Company's interest rate swap agreements. 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):

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Mortgages payable, net	$ 352,683	$ 352,509	$ 352,337	$ 352,167	$ 351,994
Credit facility term loan, net	—	—	174,153	173,815	173,478
Credit facility revolver	175,000	175,000	—	—	31,000
Total debt - as reported	**527,683**	**527,509**	**526,490**	**525,982**	**556,472**
Deferred financing costs, net	2,317	2,491	3,510	4,018	4,528
Principal Outstanding	**530,000**	**530,000**	**530,000**	**530,000**	**561,000**
Proportionate share of Unconsolidated Joint Venture Principal Outstanding	27,332	27,332	27,332	27,332	27,332
Adjusted Principal Outstanding	**$ 557,332**	**$ 557,332**	**$ 557,332**	**$ 557,332**	**$ 588,332**
Cash and cash equivalents	(32,286)	(42,209)	(23,755)	(20,638)	(23,282)
Restricted cash deposited with credit facility lenders	(33,198)	—	—	—	—
Proportionate share of Unconsolidated Joint Venture cash and cash equivalents	(708)	(705)	(727)	(572)	(758)
Net Debt	**$ 491,140**	**$ 514,418**	**$ 532,850**	**$ 536,122**	**$ 564,292**

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, amortization of above-market intangible lease assets and below-market lease intangible liabilities, and amortization of deferred lease incentives. 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				
	September 30, 2023	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
Total revenues	$ 49,076	$ 52,024	$ 50,190	$ 50,294	$ 51,769
Less: total operating expenses	(58,390)	(59,898)	(51,678)	(63,142)	(97,663)
Fee income from unconsolidated joint venture	(200)	(200)	(200)	(197)	(189)
Transaction related	101	150	105	277	194
General and administrative	4,367	4,565	4,309	4,428	4,672
Depreciation and amortization	27,013	27,877	28,166	30,493	32,693
Impairment of real estate	11,403	11,819	3,754	12,198	44,801
NOI	**33,370**	**36,337**	**34,646**	**34,351**	**36,277**
Straight-line rent	(1,369)	(2,275)	(2,684)	2,911	(699)
Amortization of above and below market leases, net	(346)	(274)	(215)	(260)	(312)
Amortization of deferred lease incentives, net	(14)	100	101	80	36
Other non-cash adjustments	47	48	48	51	50
Proportionate share of Unconsolidated Joint Venture Cash NOI	863	861	862	833	848
Cash NOI	**$ 32,551**	**$ 34,797**	**$ 32,758**	**$ 37,966**	**$ 36,200**

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)

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.*