

**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): April 26, 2023

EMPIRE STATE REALTY TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or other Jurisdiction
of Incorporation)

001-36105
(Commission
File Number)

37-1645259
(I.R.S. Employer
Identification No.)

EMPIRE STATE REALTY OP, L.P.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-36106
(Commission
File Number)

45-4685158
(I.R.S. Employer
Identification No.)

**111 West 33rd Street, 12th Floor
New York, New York**
(Address of Principal Executive Offices)

10120
(Zip Code)

Registrant's telephone number, including area code: (212) 687-2600

n/a
(Former name or former address, if changed from 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 Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Empire State Realty Trust, Inc. Class A Common Stock, par value \$0.01 per share | ESRT | The New York Stock Exchange |
| Empire State Realty OP, L.P. Series ES Operating Partnership Units | ESBA | NYSE Arca, Inc. |

Series 60 Operating Partnership Units
Series 250 Operating Partnership Units

OGCP
FISK

NYSE Arca, Inc.
NYSE Arca, Inc.

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 April 26, 2023, Empire State Realty Trust, Inc. (the “Company” or “we”) issued a press release announcing its financial results for the first quarter 2023. The press release referred to certain supplemental information that is available on the Company’s website. The press release and supplemental report are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated by reference herein.

The information in Item 2.02 of this Current Report, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “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. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, unless it is specifically incorporated by reference therein.

Item 7.01. Regulation FD Disclosure**First Quarter 2023 Earnings**

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the first quarter 2023 and made available on its website certain supplemental information relating thereto.

The information in Item 7.01 of this Current Report is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act or the Exchange Act, unless it is specifically incorporated by reference therein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| 99.1 | Press Release announcing financial results for the first quarter 2023 |
| 99.2 | Supplemental report |
| 104 | Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document). |

Non-GAAP Supplemental Financial Measures**Funds From Operations (“FFO”)**

We compute FFO in accordance with the “White Paper” on FFO published by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) (determined in accordance with GAAP), excluding impairment writedowns of investments in depreciable real estate and investments in in-substance real estate investments, gains or losses from debt restructurings and sales of depreciable operating properties, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs), less distributions to non-controlling interests and gains/losses from discontinued operations and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized non-GAAP financial measure for REITs that we believe, when considered with financial statements determined in accordance with GAAP, is useful to investors in understanding financial performance and providing a relevant basis for comparison among REITs. In addition, we believe FFO is useful to investors as it captures features particular to real estate performance by recognizing that real estate has generally appreciated over time or maintains residual value to a much greater extent than do other depreciable assets. Investors should review FFO, along with GAAP net income, when trying to understand an equity REIT’s operating performance. We present FFO because we consider it an important supplemental measure of our operating performance and believe that

it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results of operations, the utility of FFO as a measure of performance is limited. There can be no assurance that FFO presented by us is comparable to similarly titled measures of other REITs. FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Although FFO is a measure used for comparability in assessing the performance of REITs, as the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO may vary from one company to another.

Modified Funds From Operations (“Modified FFO”)

Modified FFO adds back an adjustment for any above or below-market ground lease amortization to traditionally defined FFO. We believe this a useful supplemental measure in evaluating our operating performance due to the non-cash accounting treatment under GAAP, which stems from the third quarter 2014 acquisition of two option properties following our formation transactions as they carry significantly below market ground leases, the amortization of which is material to our overall results. We present Modified FFO because we believe it is an important supplemental measure of our operating performance in that it adds back the non-cash amortization of below-market ground leases. There can be no assurance that Modified FFO presented by us is comparable to similarly titled measures of other REITs. Modified FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Modified FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions.

Core Funds From Operations (“Core FFO”)

Core FFO adds back to Modified FFO the following items: acquisition expenses, loss on early extinguishment of debt, severance expenses and IPO litigation expense. The Company believes Core FFO is an important supplemental measure of its operating performance because it excludes non-recurring items. There can be no assurance that Core FFO presented by the Company is comparable to similarly titled measures of other REITs. Core FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Core FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. In future periods, we may also exclude other items from Core FFO that we believe may help investors compare our results.

Core Funds Available for Distribution (“Core FAD”)

In addition to Core FFO, we present Core FAD by (i) adding to Core FFO non-real estate depreciation and amortization, the amortization of deferred financing costs, amortization of debt discounts and non-cash compensation expense and (ii) deducting straight line rent, recurring second generation leasing commissions, tenant improvements, prebuilts, capital expenditures, furniture, fixtures & equipment purchases, amortization of debt premiums and above/below market rent revenue. Core FAD is presented solely as a supplemental disclosure that management believes provides useful information regarding our ability to fund our dividends. Core FAD does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Core FAD is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. There can be no assurance that Core FAD presented by us is comparable to similarly titled measures of other REITs.

Net Operating Income (“NOI”)

NOI is a non-GAAP financial measure of performance. NOI is used by our management to evaluate and compare the performance of our properties and to determine trends in earnings and to compute the fair value of our properties as it is not affected by: (i) the cost of funds of the property owner, (ii) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP, (iii) acquisition expenses, loss on early extinguishment of debt, impairment charges and loss from derivative financial instruments, or (iv) general and administrative expenses and other gains and losses that are specific to the property owner. The cost of funds is eliminated from NOI because it is specific to the particular financing capabilities and constraints of the owner. The cost of funds is eliminated because it is dependent on historical interest rates and other costs of capital as well as past decisions made by us regarding the appropriate mix of capital which may have changed or may change in the future. Depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets are eliminated because they may not accurately represent the actual change in value in our office or retail properties that result from use of the properties or changes in market conditions. While certain aspects of real property do decline in value over time in a manner that is reasonably captured by depreciation and amortization, the value of the properties as a whole have historically increased or decreased as a result of changes in overall economic conditions instead of from actual use of the property or the passage of time. Gains and losses from the sale of real property vary from property to property and are affected by market conditions at the time of sale which will usually change from period to period. These gains and losses can create distortions when comparing one period to another or when comparing our operating results to the operating results of other real estate companies that have not made similarly-timed purchases or sales. We believe that eliminating these costs from net income is useful to investors because the

resulting measure captures the actual revenue, generated and actual expenses incurred in operating our properties as well as trends in occupancy rates, rental rates and operating costs. However, the usefulness of NOI is limited because it excludes general and administrative costs, interest expense, depreciation and amortization expense and gains or losses from the sale of properties, and other gains and losses as stipulated by GAAP, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, all of which are significant economic costs. NOI may fail to capture significant trends in these components of net income which further limits its usefulness. NOI is a measure of the operating performance of our properties but does not measure our performance as a whole. NOI is therefore not a substitute for net income as computed in accordance with GAAP. This measure should be analyzed in conjunction with net income computed in accordance with. Other companies may use different methods for calculating NOI or similarly titled measures and, accordingly, our NOI may not be comparable to similarly titled measures reported by other companies that do not define the measure exactly as we do.

Same Store Net Operating Income (“SSNOI”)

In addition to NOI, we present Same Store NOI. Our Same Store portfolio includes all of our properties owned and included in our portfolio for all periods presented. It does not include properties held-for-sale or those properties which we otherwise expect to dispose of in the subsequent quarter.

EBITDA and Adjusted EBITDA

We compute EBITDA as net income plus interest expense, income taxes and depreciation and amortization. We present EBITDA because we believe that EBITDA, along with cash flow from operating activities, investing activities and financing activities, provides investors with an additional indicator of its ability to incur and service debt. EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of its liquidity. For Adjusted EBITDA, we add back impairment charges and gain on disposition of property.

SIGNATURE

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

EMPIRE STATE REALTY TRUST, INC.
(Registrant)

Date: April 26, 2023

By: /s/ Christina Chiu
Name: Christina Chiu
Title: Executive Vice President, Chief Operating Officer and Chief Financial Officer

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

EMPIRE STATE REALTY OP, L.P.
(Registrant)

Date: April 26, 2023

By: Empire State Realty Trust, Inc., as general partner
By: /s/ Christina Chiu
Name: Christina Chiu
Title: Executive Vice President, Chief Operating Officer and Chief Financial Officer



EMPIRE STATE REALTY TRUST ANNOUNCES FIRST QUARTER 2023 RESULTS

– Net Income Per Fully Diluted Share of \$0.04 –

– Core FFO Per Fully Diluted Share of \$0.16 –

– \$1.1 Billion of Liquidity, No Floating Rate Debt Exposure, No Debt Maturity Until Nov 2024 –

New York, New York, April 26, 2023 – Empire State Realty Trust, Inc. (NYSE: ESRT) is a NYC-focused REIT that owns and manages a well-positioned property portfolio of office, retail, and multifamily assets in Manhattan and the greater New York metropolitan area. Owner of the Empire State Building – the “World’s Most Famous Building” – ESRT also owns and operates its iconic, newly reimagined Observatory Experience that was named the #1 attraction in the US, and #3 in the world, in Tripadvisor’s 2022 Travelers’ Choice Awards: Best of the Best. Today the Company reported its operational and financial results for the first quarter 2023. All per share amounts are on a fully diluted basis, where applicable.

First Quarter and Recent Highlights

- Net Income of \$0.04 per share.
- Core Funds From Operations (“Core FFO”) of \$0.16 per share, which includes a one-time \$0.024 straight-line rent receivable reserve.
- Manhattan office portfolio occupancy increased by 180bps sequentially and 390bps year-over-year. Commercial portfolio is 89.4% leased and Manhattan office is 90.7% leased as of March 31, 2023.
- Signed 202,057 rentable square feet of new, renewal, and expansion leases.
- Same-Store Property Cash Net Operating Income (“NOI”) excluding lease termination fees declined 11.4% year-over-year, primarily due to low operating expenses in 1Q22 amid lower building utilization, coupled with a number of one-time cash revenue items in 1Q22 that aggregated ~\$3.3 million inclusive of lease modification payments received. Excluding these one-time items in 1Q22, Same-Store Property Cash NOI decline would be 7.0%.
- Empire State Building Observatory generated \$14.3 million of NOI and visitor count increased 65% year-over-year.
- Repurchased \$11.6 million of common stock in the first quarter and through April 25, 2023.
- Completed the dispositions of retail assets located in Westport, CT in the first quarter and office asset at 500 Mamaroneck in Harrison, NY subsequent to quarter-end.

- Recent ESG achievements include the 2023 ENERGY STAR Sustained Excellence Award, certification as a 2023 Great Place to Work®, inclusion into the 2023 Bloomberg Gender-Equality Index, the International WELL Building Institute’s (IWBI) Award for Leadership in Implementation, recognition as a Platinum Green Lease Leader for the second consecutive year, and 2023 Better Project and Better Practice awards by the Department of Energy’s Better Buildings Initiative.

Property Operations

As of March 31, 2023, the Company’s property portfolio contained 8.9 million rentable square feet of office space, 0.7 million rentable square feet of retail space and 721 residential units across three multifamily properties, which were occupied and leased as shown below.

| | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|---|-----------------------|--------------------------|-----------------------|
| Percent occupied: | | | |
| Total commercial portfolio | 86.7% | 85.2% | 83.0% |
| Total office | 86.7% | 85.1% | 82.4% |
| Manhattan office | 87.8% | 86.0% | 83.9% |
| GNYMA office ¹ | 80.6% | 80.2% | 76.2% |
| Total retail ² | 86.7% | 86.5% | 91.1% |
| Percent leased (includes signed leases not commenced): | | | |
| Total commercial portfolio | 89.4% | 88.6% | 87.0% |
| Total office | 89.3% | 88.3% | 86.6% |
| Manhattan office | 90.7% | 89.6% | 88.6% |
| GNYMA office ¹ | 81.6% | 80.9% | 78.5% |
| Total retail ² | 90.6% | 92.2% | 91.5% |
| Total multifamily portfolio | 97.2% | 96.3% | 97.6% |

¹ “GNYMA office” for the periods ending March 31, 2023 and December 31, 2022 reflects the removal of 383 Main Avenue, Norwalk, CT and 10 Bank Street, White Plains, NY. 500 Mamaroneck, Harrison, NY included in all periods shown as the disposition was not completed until April 2023.

² “Total retail” for the periods ending December 31, 2022 and March 31, 2022 includes the Westport, CT retail assets which were sold in February 2023.

Leasing

The tables below summarize leasing activity for the three months ended March 31, 2023.

Total Portfolio

| | <u>Total Leases Executed</u> | <u>Total square footage executed</u> | <u>Average cash rent psf – leases executed</u> | <u>Previously escalated cash rents psf</u> | <u>% of new cash rent over/under previously escalated rents</u> |
|------------------------|------------------------------|--------------------------------------|--|--|---|
| Total Portfolio | | | | | |
| Office | 18 | 201,145 | \$ 57.11 | \$ 54.89 | 4.1% |
| Retail | 1 | 912 | \$ 39.47 | \$ 65.79 | (40.0%) |
| Total Overall | 19 | 202,057 | \$ 57.03 | \$ 54.94 | 3.8% |

Manhattan Office Portfolio

| | <u>Total Leases Executed</u> | <u>Total square footage executed</u> | <u>Average cash rent psf – leases executed</u> | <u>Previously escalated cash rents psf</u> | <u>% of new cash rent over / under previously escalated rents</u> |
|-----------------------------------|------------------------------|--------------------------------------|--|--|---|
| Manhattan Office Portfolio | | | | | |
| New Office | 13 | 168,335 | \$ 57.42 | \$ 54.71 | 4.9% |
| Renewal Office | 2 | 14,929 | \$ 62.44 | \$ 63.90 | (2.3%) |
| Total Office | 15 | 183,264 | \$ 57.83 | \$ 55.46 | 4.3% |

Observatory Results

For the first quarter of 2023, the Observatory hosted approximately 443,000 visitors, a 65% increase compared to 269,000 visitors in the first quarter of 2022. Observatory revenue for the first quarter of 2023 was \$22.2 million and expenses were \$7.9 million. Observatory NOI was \$14.3 million, an increase of \$7.3 million on a year-over-year basis. Notably, first quarter NOI recapture (as % of 2019) was 110%.

Portfolio Transaction Activity

On February 1, 2023, the Company closed on the disposition of its fully leased retail assets located at 69-97 and 103-107 Main Street in Westport, CT at a gross asset valuation of \$40 million. Subsequent to quarter-end, on April 5, 2023, the Company closed on the disposition of its office asset at 500 Mamaroneck Avenue in Harrison, NY at a gross asset valuation of \$53 million. Proceeds from these dispositions were utilized in a 1031 tax deferral transaction into the 298 Mulberry Street acquisition that was executed in December 2022.

Balance Sheet

The Company had \$1.1 billion of total liquidity as of March 31, 2023, which was comprised of \$273 million of cash, plus \$850 million available under its revolving credit facility. Notably, the quarter-end cash balance does not yet reflect the net proceeds from the \$40 million sale of the Westport retail assets and the \$53 million sale of 500 Mamaroneck. At March 31, 2023, the Company had total debt outstanding of approximately \$2.3 billion, no floating rate debt exposure, and a weighted average interest rate of 3.9% per annum. The weighted average term to maturity was 6.2 years and the Company has no debt maturity until November 2024. At March 31, 2023, the Company's ratio of net debt to adjusted EBITDA was 5.7x.

Share Repurchase

The Company repurchased \$5.7 million of common stock at a weighted average price of \$6.10 per share in the first quarter. Subsequent to quarter-end and through April 25, 2023, the Company repurchased \$5.9 million of common stock at a weighted average price of \$6.12 per share. The stock repurchase program began in March 2020 and through April 25, 2023, approximately \$292.2 million has been repurchased at a weighted average price of \$8.20 per share.

Dividend

On March 31, 2023, the Company paid a quarterly dividend of \$0.035 per share or unit, as applicable, for the first quarter of 2023 to holders of the Company's Class A common stock (NYSE: ESRT) and Class B common stock and to holders of the Series ES, Series 250 and Series 60 partnership units (NYSE Arca: ESBA, FISK and OGCP, respectively) and Series PR partnership units of Empire State Realty OP, L.P., the Company's operating partnership (the "Operating Partnership").

On March 31, 2023, the Company paid a quarterly preferred dividend of \$0.15 per unit for the first quarter of 2023 to holders of the Operating Partnership's Series 2014 private perpetual preferred units and a preferred dividend of \$0.175 per unit for the first quarter of 2023 to holders of the Operating Partnership's Series 2019 private perpetual preferred units.

ESG

Subsequent to quarter-end, the Company announced the achievement of the 2023 ENERGY STAR Sustained Excellence Award, and ESRT was selected as a 2023 Platinum Green Lease Leader, for the second year in a row, by the U.S. Department of Energy's (DOE) Better Building Alliance and the Institute for Market Transformation. During the quarter, the Company was certified as a 2023 Great Place to Work® in the first year of participation and was included in the 2023 Bloomberg Gender-Equality Index for the second consecutive year. Additionally during the quarter, the Company earned the IWBI Award for Leadership in Implementation and the Mayor's Office Accelerator Innovator Award and was recognized as a 2023 Better Project and Better Practice awards winner by DOE's Better Buildings Initiative, recognizing our accomplishments in implementing energy, water, and waste projects at the Empire State Building and our innovative and industry-leading playbook, [The Empire Building Playbook: An Owner's Guide to Low Carbon Retrofits](#).

The publicly accessible playbook details the Company's science-based, data driven net zero pathway for the Empire State Building by 2030 and the entire commercial portfolio by 2035 with proven returns on investment. The Empire State Building has reduced carbon emissions by 54% and the commercial portfolio by 43% since 2009. In January 2022, ESRT achieved carbon neutrality through a combination of (i) reduction of operational emissions through building energy-efficiency work, (ii) purchase of wind renewable energy credits for 100% of the commercial portfolio's electrical usage, and (iii) offset of 100% of fossil fuel usage with the preservation of biodiverse forests. As the Company reduces emissions through operational emissions reduction work, ESRT will offset its fossil fuel emissions through accredited sources until the Company reaches its net zero emissions goals.

2023 Earnings Outlook

The Company currently expects 2023 Core FFO to range between \$0.80 to \$0.84 per fully diluted share. We have reduced our 2023 Core FFO guidance range by \$0.02 to reflect a one-time straight-line rent receivable reserve taken in 1Q23 tied to the accounting treatment for Signature Bank. The Company will recognize future rent collection on a cash basis for the balance of the year. The Company's current guidance does not include the impact of any significant future lease termination fee income or any unannounced acquisition, disposition or other capital markets activity. Key assumptions are included in the table below.

| <u>Key Assumptions</u> | <u>2023 Updated Guidance (April 2023)</u> | <u>2023 Initial Guidance (Feb 2023)</u> | <u>2022 Actual</u> | <u>Comments</u> |
|--|---|---|--|---|
| Earnings | | | | |
| Core FFO Per Fully Diluted Share | | | \$ 0.90 <i>(\$0.83 ex-lease term fee)</i> | <ul style="list-style-type: none"> Update includes impact from straight-line rent receivable reserve in 1Q23 Includes \$0.04 from multifamily assets |
| Commercial Property Drivers | | | | |
| Commercial Occupancy at year-end | 85% to 87% | 85% to 87% | 85.2% | |
| SS Cash NOI (excluding lease termination fees) | -4% to -6% from 2022 | -4% to -6% from 2022 | \$ 266M | <ul style="list-style-type: none"> Assumes modest revenue growth Assumes increased building utilization and an ~8% increase in operating expenses and real estate taxes |
| Observatory Drivers | | | | |
| Observatory NOI | \$88M to \$96M | \$88M to \$96M | \$ 75M | <ul style="list-style-type: none"> Reflects average quarterly expenses of ~\$9M |

| | <u>Low</u> | <u>High</u> | <u>2022 Actual</u> |
|---|---------------|---------------|--------------------|
| Net Income (loss) Attributable to Common Stockholders and the Operating Partnership | \$0.15 | \$0.19 | \$ 0.24 |
| <i>Add:</i> | | | |
| Impairment Charge | — | — | |
| Real Estate Depreciation & Amortization | 0.75 | 0.75 | 0.78 |
| <i>Less:</i> | | | |
| Private Perpetual Distributions | 0.02 | 0.02 | 0.02 |
| Gain on Disposal of Real Estate, net | 0.12 | 0.12 | 0.13 |
| FFO Attributable to Common Stockholders and the Operating Partnership | \$0.77 | \$0.81 | \$ 0.87 |
| <i>Add:</i> | | | |
| Amortization of Below Market Ground Lease | 0.03 | 0.03 | 0.03 |
| Core FFO Attributable to Common Stockholders and the Operating Partnership | \$0.80 | \$0.84 | \$ 0.90 |

The estimates set forth above may be subject to fluctuations as a result of several factors, including continued impacts of pandemics on our business and our market, our ability to complete planned capital improvements in line with budget, costs of integration of completed acquisitions, costs associated with future acquisitions or other transactions, straight-line rent adjustments and the amortization of above and below-market leases. There can be no assurance that the Company's actual results will not differ materially from the estimates set forth above.

Investor Presentation Update

The Company has posted on the "Investors" section of [ESRT's website](#) the latest investor presentation, which contains additional information on its businesses, financial condition and results of operations.

Webcast and Conference Call Details

Empire State Realty Trust, Inc. will host a webcast and conference call, open to the general public, on Thursday, April 27, 2023 at 12:00 pm Eastern time.

The webcast will be accessible on the “Investors” section of [ESRT’s website](#). To listen to the live webcast, go to the site at least five minutes prior to the scheduled start time in order to register and download and install any necessary audio software. The conference call can also be accessed by dialing 1-877-407-3982 for domestic callers or 1-201-493-6780.

Starting shortly after the call until May 4, 2023, a replay of the webcast will be available on the Company’s website, and a dial-in replay will be available by dialing 1-844-512-2921 for domestic callers or 1-412-317-6671 for international callers. The passcode for this dial-in replay is 13732462.

The Supplemental Report and Investor Presentation are additional components of the quarterly earnings announcement and are now available on the “Investors” section of [ESRT’s website](#).

The Company uses, and intends to continue to use, the “Investors” page of its website, which can be found at www.esrtreit.com, as a means to disclose material nonpublic information and to comply with its disclosure obligations under Regulation FD, including, without limitation, through the posting of investor presentations that may include material nonpublic information. Accordingly, investors should monitor the “Investors” page, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

About Empire State Realty Trust

Empire State Realty Trust, Inc. (NYSE: ESRT) is a REIT that owns and manages office, retail and multifamily assets in Manhattan and the greater New York metropolitan area. ESRT owns the iconic Empire State Building – “the World’s Most Famous Building” – and the newly reimagined Empire State Building Observatory that was named #1 attraction in the US, and #3 in the world, in Tripadvisor’s 2022 Travelers’

Choice Awards: Best of the Best. The company is a leader in healthy buildings, energy-efficiency, and indoor environmental quality and has the lowest greenhouse gas emissions per square foot of any publicly traded REIT portfolio in New York City. As of March 31, 2023, ESRT's portfolio is comprised of approximately 8.9 million rentable square feet of office space, 718,000 rentable square feet of retail space and 721 residential units across three multifamily properties. More information about Empire State Realty Trust can be found at esrtreit.com and by following ESRT on [Facebook](#), [Instagram](#), [Twitter](#) and [LinkedIn](#).



Forward-Looking Statements

This press release includes “forward looking statements” within the meaning of the federal securities laws. Forward-looking statements may be identified by the use of words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “contemplates,” “aims,” “continues,” “would” or “anticipates” or the negative of these words and phrases or similar words or phrases. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (i) economic, market, political and social impact of, and uncertainty relating to, any pandemic; (ii) a failure of conditions or performance regarding any event or transaction described herein, (iii) resolution of legal proceedings involving the company; (iv) reduced demand for office, multifamily or retail space, including as a result of changes in the use of office space and remote work; (v) changes in our business strategy; (vi) changes in technology and market competition that affect utilization of our office, retail, observatory, broadcast or other facilities; (vii) changes in domestic or international tourism, including due to health crises and pandemics, geopolitical events, including global hostilities, currency exchange rates, and/or competition from recently opened observatories in New York City, any or all of which may cause a decline in Observatory visitors; (viii) defaults on, early terminations of, or non-renewal of, leases by tenants; (ix) increases in the company’s borrowing costs as a result of changes in interest rates and other factors, including the current phasing out of LIBOR; (x) declining real estate valuations and impairment charges; (xi) termination of our ground leases; (xii) changes in our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due and potential limitations on our ability to borrow additional funds in compliance with drawdown conditions and financial covenants; (xiii) decreased rental rates or increased vacancy rates; (xiv) our failure to execute any newly planned capital project successfully or on the anticipated timeline or budget; (xv) difficulties in identifying and completing

acquisitions; (xvi) risks related to any development project (including our Metro Tower potential development site); (xvii) impact of changes in governmental regulations, tax laws and rates and similar matters; (xviii) our failure to qualify as a REIT; (xix) environmental uncertainties and climate-related risks, adverse weather conditions, rising sea levels and natural disasters; (xx) incurrence of taxable capital gain on disposition of an asset due to failure of use or compliance with a 1031 exchange program; and (xxi) accuracy of our methodologies and estimates regarding ESG metrics and goals, tenant willingness and ability to collaborate in reporting ESG metrics and meeting ESG goals, and impact of governmental regulation on our ESG efforts. For a further discussion of these and other factors that could impact the Company's future results, see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.

While forward-looking statements reflect the Company's good faith beliefs, they are not guarantees of future performance. The Company disclaims any obligation to update or revise publicly any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events, or other changes after the date of this press release, except as required by applicable law. Prospective investors should not place undue reliance on any forward-looking statements, which are based only on information currently available to the Company (or to third parties making the forward-looking statements).

Contact: Investors and Media
Empire State Realty Trust Investor Relations
(212) 850-2678
IR@esrtreit.com

Empire State Realty Trust, Inc.
Condensed Consolidated Statements of Operations
(unaudited and amounts in thousands, except per share data)

| | Three Months Ended March 31, | |
|---|-------------------------------------|--------------------|
| | 2023 | 2022 |
| Revenues | | |
| Rental revenue | \$ 140,091 | \$ 147,514 |
| Observatory revenue | 22,154 | 13,241 |
| Lease termination fees | — | 1,173 |
| Third-party management and other fees | 427 | 310 |
| Other revenue and fees | 1,950 | 1,796 |
| Total revenues | 164,622 | 164,034 |
| Operating expenses | | |
| Property operating expenses | 42,044 | 38,644 |
| Ground rent expenses | 2,331 | 2,331 |
| General and administrative expenses | 15,708 | 13,686 |
| Observatory expenses | 7,855 | 6,215 |
| Real estate taxes | 31,788 | 30,004 |
| Depreciation and amortization | 47,408 | 67,106 |
| Total operating expenses | 147,134 | 157,986 |
| Total operating income | 17,488 | 6,048 |
| Other income (expense): | | |
| Interest income | 2,595 | 149 |
| Interest expense | (25,304) | (25,014) |
| Gain on sale of property | 15,696 | — |
| Income (loss) before income taxes | 10,475 | (18,817) |
| Income tax benefit | 1,219 | 1,596 |
| Net income (loss) | 11,694 | (17,221) |
| Net (income) loss attributable to noncontrolling interests: | | |
| Noncontrolling interest in the Operating Partnership | (4,168) | 6,919 |
| Noncontrolling interests in other partnerships | 43 | 63 |
| Preferred unit distributions | (1,050) | (1,050) |
| Net income (loss) attributable to common stockholders | \$ 6,519 | \$ (11,289) |
| Total weighted average shares | | |
| Basic | 161,339 | 169,731 |
| Diluted | 265,197 | 273,759 |
| Earnings per share attributable to common stockholders | | |
| Basic | \$ 0.04 | \$ (0.07) |
| Diluted | \$ 0.04 | \$ (0.07) |

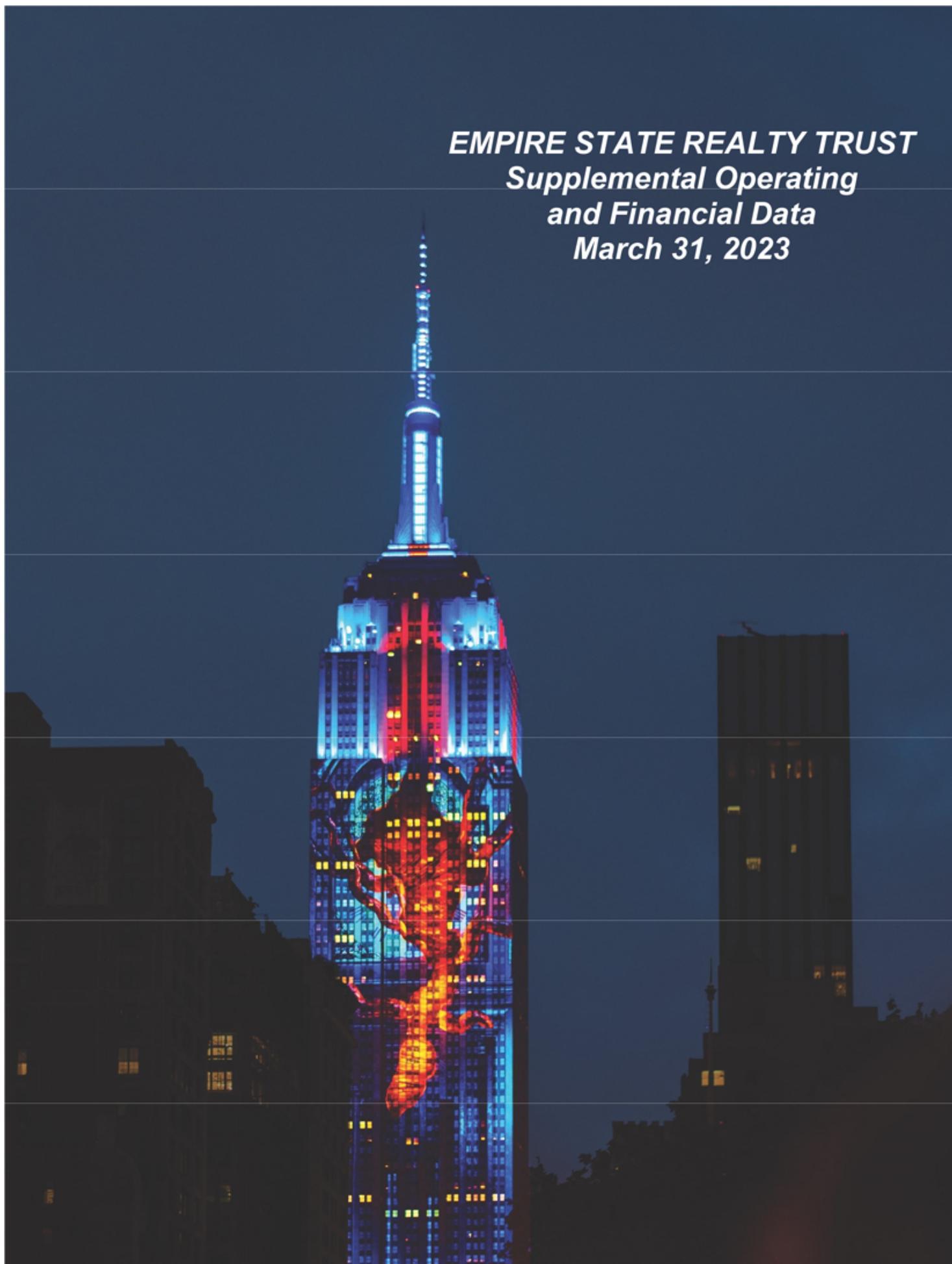
Empire State Realty Trust, Inc.
Reconciliation of Net Income to Funds From Operations (“FFO”),
Modified Funds From Operations (“Modified FFO”) and Core Funds From Operations (“Core FFO”)
(unaudited and amounts in thousands, except per share data)

| | Three Months Ended March 31, | |
|---|-------------------------------------|------------------|
| | 2023 | 2022 |
| Net income (loss) | \$ 11,694 | \$ (17,221) |
| Noncontrolling interests in other partnerships | 43 | 63 |
| Preferred unit distributions | (1,050) | (1,050) |
| Real estate depreciation and amortization | 46,024 | 65,414 |
| Gain on sale of property | (15,696) | — |
| FFO attributable to common stockholders and Operating Partnership units | 41,015 | 47,206 |
| Amortization of below-market ground leases | 1,958 | 1,958 |
| Modified FFO attributable to common stockholders and Operating Partnership units | 42,973 | 49,164 |
| Core FFO attributable to common stockholders and Operating Partnership units | \$ 42,973 | \$ 49,164 |
| Total weighted average shares and Operating Partnership units | | |
| Basic | 264,493 | 273,759 |
| Diluted | 265,197 | 273,759 |
| FFO per share | | |
| Basic | \$ 0.16 | \$ 0.17 |
| Diluted | \$ 0.15 | \$ 0.17 |
| Modified FFO per share | | |
| Basic | \$ 0.16 | \$ 0.18 |
| Diluted | \$ 0.16 | \$ 0.18 |
| Core FFO per share | | |
| Basic | \$ 0.16 | \$ 0.18 |
| Diluted | \$ 0.16 | \$ 0.18 |

Empire State Realty Trust, Inc.
Condensed Consolidated Balance Sheets
(unaudited and amounts in thousands)

| | <u>March 31, 2023</u> | <u>December 31, 2022</u> |
|---|-----------------------|--------------------------|
| Assets | | |
| Commercial real estate properties, at cost | \$ 3,553,290 | \$ 3,551,449 |
| Less: accumulated depreciation | (1,162,923) | (1,137,267) |
| Commercial real estate properties, net | <u>2,390,367</u> | <u>2,414,182</u> |
| Assets held for sale | 35,980 | 35,538 |
| Cash and cash equivalents | 272,648 | 264,434 |
| Restricted cash | 108,183 | 50,244 |
| Tenant and other receivables | 23,879 | 24,102 |
| Deferred rent receivables | 238,842 | 240,188 |
| Prepaid expenses and other assets | 57,891 | 98,114 |
| Deferred costs, net | 182,367 | 187,570 |
| Acquired below market ground leases, net | 327,115 | 329,073 |
| Right of use assets | 28,612 | 28,670 |
| Goodwill | 491,479 | 491,479 |
| Total assets | <u>\$ 4,157,363</u> | <u>\$ 4,163,594</u> |
| Liabilities and equity | | |
| Mortgage notes payable, net | \$ 882,142 | \$ 883,705 |
| Senior unsecured notes, net | 973,714 | 973,659 |
| Unsecured term loan facility, net | 388,901 | 388,773 |
| Accounts payable and accrued expenses | 71,605 | 80,729 |
| Acquired below market leases, net | 16,581 | 17,849 |
| Ground lease liabilities | 28,612 | 28,670 |
| Deferred revenue and other liabilities | 76,769 | 76,091 |
| Tenants' security deposits | 35,111 | 25,084 |
| Liabilities related to assets held for sale | 6,862 | 5,943 |
| Total liabilities | <u>2,480,297</u> | <u>2,480,503</u> |
| Total equity | <u>1,677,066</u> | <u>1,683,091</u> |
| Total liabilities and equity | <u>\$ 4,157,363</u> | <u>\$ 4,163,594</u> |

EMPIRE STATE REALTY TRUST
*Supplemental Operating
and Financial Data
March 31, 2023*



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Forward-looking Statements

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COMPANY PROFILE

Empire State Realty Trust, Inc., or the Company, is a leading real estate investment trust (REIT) that owns and manages a well-positioned property portfolio of office, retail and multifamily assets in Manhattan and the greater New York metropolitan area, including the Empire State Building, the world's most famous building and its iconic, newly reimagined Observatory Experience.

BOARD OF DIRECTORS

| | |
|----------------------|--|
| Anthony E. Malkin | Chairman, President and Chief Executive Officer |
| Thomas J. DeRosa | Director, Chair of the Compensation and Human Capital Committee |
| Steven J. Gilbert | Director, Lead Independent Director |
| S. Michael Giliberto | Director, Chair of the Audit Committee |
| Patricia S. Han | Director |
| Grant H. Hill | Director |
| R. Paige Hood | Director, Chair of the Finance Committee |
| James D. Robinson IV | Director, Chair of the Nominating and Corporate Governance Committee |

EXECUTIVE MANAGEMENT

| | |
|-------------------|---|
| Anthony E. Malkin | Chairman, President and Chief Executive Officer |
| Christina Chiu | Executive Vice President, Chief Operating Officer and Chief Financial Officer |
| Thomas P. Durels | Executive Vice President, Real Estate |

COMPANY INFORMATION

| | | |
|--|---------------------------------------|---|
| Corporate Headquarters 111 West 33rd Street, 12th Floor New York, NY 10120 www.esrtreit.com (212) 850-2600 | Investor Relations IR@esrtreit.com | New York Stock Exchange Trading Symbol: ESRT |
|--|---------------------------------------|---|

RESEARCH COVERAGE

| | | | |
|-------------------------------|-------------------|---------------|------------------------------------|
| Bank of America Merrill Lynch | Camille Bonnel | (416)369-2140 | camille.bonnel@bofa.com |
| BMO Capital Markets Corp. | John Kim | (212)885-4115 | jp.kim@bmo.com |
| BTIG | Thomas Catherwood | (212)738-6140 | tcatherwood@btig.com |
| Citi | Michael Griffin | (212)816-5871 | michael.a.griffin@citi.com |
| Evercore ISI | Steve Sakwa | (212)446-9462 | steve.sakwa@evercoreisi.com |
| Green Street Advisors | Dylan Burzinski | (949)640-8780 | dburzinski@greenstreetadvisors.com |
| KeyBanc Capital Markets | Todd Thomas | (917)368-2286 | tthomas@key.com |
| Wells Fargo Securities, LLC | Blaine Heck | (443)263-6529 | blaine.heck@wellsfargo.com |
| Wolfe Research | Andrew Rosivach | (646)582-9251 | arosivach@wolferesearch.com |

| | Three Months Ended | | | | |
|---|--------------------|----------------------|-----------------------|--------------------|--------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Office and Retail Metrics: | | | | | |
| Total rentable square footage | 9,637,356 | 9,661,065 | 9,882,226 | 9,885,707 | 10,150,384 |
| Percent occupied ⁽¹⁾ | 86.7% | 85.2% | 84.2% | 84.3% | 83.0% |
| Percent leased ⁽²⁾ | 89.4% | 88.6% | 88.5% | 87.8% | 87.0% |
| Same Store Property Cash Net Operating Income (NOI): | | | | | |
| Manhattan office portfolio | \$ 58,227 | \$ 61,913 | \$ 57,257 | \$ 80,367 | \$ 63,799 |
| Greater New York office portfolio | 3,121 | 3,731 | 4,202 | 4,933 | 5,301 |
| Standalone retail portfolio | 512 | 753 | 1,315 | 1,932 | 2,272 |
| Total Same Store Property Cash NOI | <u>\$ 61,860</u> | <u>\$ 66,397</u> | <u>\$ 62,774</u> | <u>\$ 87,232</u> | <u>\$ 71,372</u> |
| Multifamily Metrics: | | | | | |
| Multifamily NOI ⁽⁴⁾ | \$ 3,499 | \$ 2,848 | \$ 2,579 | \$ 2,863 | \$ 3,286 |
| Number of multifamily properties | 3 | 3 | 2 | 2 | 2 |
| Total number of units | 721 | 721 | 625 | 625 | 625 |
| Percent occupied | 97.2% | 96.3% | 98.4% | 98.4% | 97.6% |
| Observatory Metrics: | | | | | |
| Observatory NOI | \$ 14,299 | \$ 23,789 | \$ 24,535 | \$ 19,592 | \$ 7,026 |
| Number of visitors ⁽³⁾ | 443,000 | 660,000 | 687,000 | 573,000 | 269,000 |
| Change in visitors year over year | 64.7% | 83.3% | 169.4% | 253.7% | 427.5% |
| Ratios at ESRT pro-rata share: ⁽⁴⁾ | | | | | |
| Debt to Total Market Capitalization ⁽⁵⁾ | 54.8% | 54.0% | 54.8% | 53.0% | 44.8% |
| Net Debt to Total Market Capitalization ⁽⁵⁾ | 51.6% | 50.9% | 50.2% | 48.7% | 39.8% |
| Debt and Perpetual Preferred Units to Total Market Capitalization ⁽⁵⁾ | 56.9% | 56.1% | 57.0% | 55.1% | 46.5% |
| Net Debt and Perpetual Preferred Units to Total Market Capitalization ⁽⁵⁾ | 53.9% | 53.1% | 52.6% | 51.0% | 41.6% |
| Debt to Adjusted EBITDA ⁽⁶⁾ | 6.6x | 6.5x | 6.7x | 6.9x | 7.7x |
| Net Debt to Adjusted EBITDA ⁽⁶⁾ | 5.7x | 5.7x | 5.6x | 5.8x | 6.3x |
| Interest Coverage Ratio | 2.9x | 3.7x | 3.7x | 5.1x | 3.6x |
| Core FFO Payout Ratio ⁽⁷⁾ | 20% | 16% | 17% | 12% | 20% |
| Core FAD Payout Ratio ⁽⁸⁾ | 97% | 23% | 51% | 23% | 161% |
| Core FFO per share - diluted | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.18 |
| Diluted weighted average shares | 265,197,000 | 265,370,000 | 267,121,000 | 270,085,000 | 273,759,000 |
| Class A common stock price at quarter end | \$ 6.49 | \$ 6.74 | \$ 6.56 | \$ 7.03 | \$ 9.82 |
| Average closing price | \$ 7.33 | \$ 7.05 | \$ 7.42 | \$ 8.12 | \$ 9.41 |
| Dividends declared and paid per share | \$ 0.035 | \$ 0.035 | \$ 0.035 | \$ 0.035 | \$ 0.035 |
| Dividends per share - annualized | \$ 0.14 | \$ 0.14 | \$ 0.14 | \$ 0.14 | \$ 0.14 |
| Dividend yield ⁽⁹⁾ | 2.2% | 2.1% | 2.1% | 2.0% | 1.4% |
| Series 2013 Private Perpetual Preferred Units outstanding (\$16.62 liquidation value) | 1,560,360 | 1,560,360 | 1,560,360 | 1,560,360 | 1,560,360 |
| Series 2019 Private Perpetual Preferred Units outstanding (\$13.52 liquidation value) | 4,664,038 | 4,664,038 | 4,664,038 | 4,664,038 | 4,664,038 |
| Class A common stock | 160,339,762 | 160,140,263 | 160,576,042 | 162,689,535 | 168,731,507 |
| Class B common stock | 988,974 | 989,871 | 993,332 | 994,252 | 994,837 |
| Operating partnership units | <u>110,618,164</u> | <u>109,904,589</u> | <u>110,959,627</u> | <u>111,420,579</u> | <u>111,791,527</u> |
| Total common stock and operating partnership units outstanding ⁽¹⁰⁾ | <u>271,946,900</u> | <u>271,034,723</u> | <u>272,529,001</u> | <u>275,104,366</u> | <u>281,517,871</u> |

Notes:

- (1) Based on leases signed and commenced as of end of period.
- (2) Represents occupancy and includes signed leases not commenced.
- (3) Reflects the number of visitors who pass through the turnstile, excluding visitors who make a second visit on the same ticket at no additional charge.
- (4) Calculated including ESRT's pro-rata 90% share of NOI, debt, interest, EBITDA and FFO at its joint venture properties.
- (5) Market capitalization represents the sum of (i) Company's common stock per share price as of March 31, 2023 multiplied by the total outstanding number of shares of common stock and operating partnership units as of March 31, 2023; (ii) the number of Series 2014 perpetual preferred units at March 31, 2023 multiplied by \$16.62, (iii) the number of Series 2019 perpetual preferred units at March 31, 2023 multiplied by \$13.52, and (iv) our outstanding indebtedness as of March 31, 2023.
- (6) Calculated based on trailing 12 months Adjusted EBITDA.
- (7) Represents the amount of Core FFO paid out in distributions.
- (8) Represents the amount of Core FAD paid out in distributions.

(9) Based on the closing price per share of Class A common stock on March 31, 2023.

(10) Represents fully diluted common stock and operating partnership units as it includes unvested restricted stock and unvested LTIP units.

Property Summary - Same Store ⁽¹⁾ Net Operating Income (“NOI”) by Quarter
(unaudited and dollars in thousands)

| | Three Months Ended | | | | |
|--|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Same Store Portfolio | | | | | |
| Revenues | \$131,565 | \$ 138,097 | \$ 138,981 | \$138,988 | \$135,900 |
| Operating expenses | (70,641) | (67,132) | (71,102) | (63,943) | (64,854) |
| Same store property NOI | 60,924 | 70,965 | 67,879 | 75,045 | 71,046 |
| Straight-line rent | (328) | (5,896) | (7,235) | (8,519) | (2,629) |
| Above/below-market rent revenue amortization | (694) | (630) | (333) | (554) | (540) |
| Below-market ground lease amortization | 1,958 | 1,958 | 1,957 | 1,958 | 1,958 |
| Total same store property cash NOI - excluding lease termination fees | \$ 61,860 | \$ 66,397 | \$ 62,268 | \$ 67,930 | \$ 69,835 |
| Percent change over prior year | (11.4)% | (3.3)% | (6.9)% | (7.2)% | 1.0% |
| Property cash NOI | \$ 61,860 | \$ 66,397 | \$ 62,268 | \$ 67,930 | \$ 69,835 |
| Observatory cash NOI | 14,299 | 23,789 | 24,535 | 19,592 | 7,026 |
| Lease termination fees | — | — | — | 18,859 | 1,173 |
| Total portfolio same store cash NOI | \$ 76,159 | \$ 90,186 | \$ 86,803 | \$106,381 | \$ 78,034 |
| Same Store Manhattan Office Portfolio ⁽²⁾ | | | | | |
| Revenues | \$119,435 | \$ 125,014 | \$ 125,136 | \$125,405 | \$122,017 |
| Operating expenses | (63,708) | (60,332) | (64,220) | (57,403) | (58,471) |
| Same store property NOI | 55,727 | 64,682 | 60,916 | 68,002 | 63,546 |
| Straight-line rent | 1,236 | (4,097) | (5,283) | (7,898) | (2,338) |
| Above/below-market rent revenue amortization | (694) | (630) | (333) | (554) | (540) |
| Below-market ground lease amortization | 1,958 | 1,958 | 1,957 | 1,958 | 1,958 |
| Total same store property cash NOI - excluding lease termination fees | 58,227 | 61,913 | 57,257 | 61,508 | 62,626 |
| Lease termination fees | — | — | — | 18,859 | 1,173 |
| Total same store property cash NOI | \$ 58,227 | \$ 61,913 | \$ 57,257 | \$ 80,367 | \$ 63,799 |
| Same Store Greater New York Metropolitan Area Office Portfolio | | | | | |
| Revenues | \$ 10,079 | \$ 10,617 | \$ 10,610 | \$ 10,632 | \$ 10,574 |
| Operating expenses | (5,428) | (5,196) | (5,370) | (5,056) | (4,876) |
| Same store property NOI | 4,651 | 5,421 | 5,240 | 5,576 | 5,698 |
| Straight-line rent | (1,530) | (1,690) | (1,038) | (643) | (397) |
| Above/below-market rent revenue amortization | — | — | — | — | — |
| Below-market ground lease amortization | — | — | — | — | — |
| Total same store property cash NOI - excluding lease termination fees | 3,121 | 3,731 | 4,202 | 4,933 | 5,301 |
| Lease termination fees | — | — | — | — | — |
| Total same store property cash NOI | \$ 3,121 | \$ 3,731 | \$ 4,202 | \$ 4,933 | \$ 5,301 |
| Same Store Standalone Retail Portfolio | | | | | |
| Revenues | \$ 2,051 | \$ 2,466 | \$ 3,235 | \$ 2,951 | \$ 3,309 |
| Operating expenses | (1,505) | (1,604) | (1,512) | (1,484) | (1,507) |
| Same store property NOI | 546 | 862 | 1,723 | 1,467 | 1,802 |
| Straight-line rent | (34) | (109) | (914) | 22 | 106 |
| Above/below-market rent revenue amortization | — | — | — | — | — |
| Below-market ground lease amortization | — | — | — | — | — |
| Total same store property cash NOI—excluding lease termination fees | 512 | 753 | 809 | 1,489 | 1,908 |
| Lease termination fees | — | — | — | — | — |
| Total same store property cash NOI | \$ 512 | \$ 753 | \$ 809 | \$ 1,489 | \$ 1,908 |

Notes:

- (1) Excludes multifamily properties, 383 Main Avenue, Norwalk CT, which was disposed of in April 2022, 10 Bank Street, White Plains, NY which was sold in December 2022, 69-97 and 103-107 Main Street, Westport, CT which were sold in February 2023 and 500 Mamaroneck Ave, Harrison, NY which was sold in April 2023.
- (2) Includes 498,196 rentable square feet of retail space in the Company’s nine Manhattan office properties.

Same Store Net Operating Income (“NOI”), Initial Cash Rent Contributing to Cash NOI

(unaudited and dollars in thousands)

| | Three Months Ended | | | | |
|---|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Reconciliation of Net Income to Cash NOI and Same Store Cash NOI | | | | | |
| Net income (loss) | \$ 11,694 | \$ 21,620 | \$ 10,118 | \$ 48,695 | \$(17,221) |
| Add: | | | | | |
| General and administrative expenses | 15,708 | 16,478 | 15,725 | 15,876 | 13,686 |
| Depreciation and amortization | 47,408 | 44,500 | 46,984 | 58,304 | 67,106 |
| Interest expense | 25,304 | 25,634 | 25,516 | 25,042 | 25,014 |
| Income tax expense (benefit) | (1,219) | 1,322 | 1,457 | 363 | (1,596) |
| Less: | | | | | |
| Gain on disposition of property | (15,696) | (6,818) | — | (27,170) | — |
| Third-party management and other fees | (427) | (336) | (389) | (326) | (310) |
| Interest income | (2,595) | (2,804) | (1,564) | (431) | (149) |
| Net operating income | 80,177 | 99,596 | 97,847 | 120,353 | 86,530 |
| Straight-line rent | (556) | (6,029) | (7,341) | (8,597) | (2,595) |
| Above/below-market rent revenue amortization | (703) | (622) | (677) | (1,675) | (1,784) |
| Below-market ground lease amortization | 1,958 | 1,958 | 1,957 | 1,958 | 1,958 |
| Total cash NOI - including observatory and lease termination income | 80,876 | 94,903 | 91,786 | 112,039 | 84,109 |
| Less cash NOI from non-Same Store properties | (4,717) | (4,717) | (4,983) | (5,658) | (6,075) |
| Total Same Store cash NOI - including observatory and lease termination income | 76,159 | 90,186 | 86,803 | 106,381 | 78,034 |
| Less: observatory NOI | (14,299) | (23,789) | (24,535) | (19,592) | (7,026) |
| Less: Lease termination income | — | — | — | (18,859) | (1,173) |
| Total Same Store cash NOI - excluding observatory and lease termination income | \$ 61,860 | \$ 66,397 | \$ 62,268 | \$ 67,930 | \$ 69,835 |

Initial Cash Rent Contributing to Cash NOI in the Following Years From Burn-off of Free Rent and Signed Leases not Commenced

| Expected Cash Commencement | Square Feet | Initial Annual Cash Rent | Initial Cash Rent Contributing to Cash NOI in the Following Years | | | | |
|----------------------------|------------------|--------------------------|---|------------------|------------------|------------------|------------------|
| | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| Second quarter 2023 | 208,044 | \$ 11,428 | \$ 7,815 | \$ 11,410 | \$ 11,398 | \$ 11,088 | \$ 10,701 |
| Third quarter 2023 | 345,332 | 19,945 | 7,608 | 19,945 | 19,945 | 19,945 | 19,871 |
| Fourth quarter 2023 | 134,226 | 7,410 | 1,096 | 7,410 | 7,410 | 7,410 | 7,410 |
| First quarter 2024 | 229,986 | 14,578 | — | 13,199 | 14,578 | 14,578 | 14,578 |
| Second quarter 2024 | 87,210 | 5,997 | — | 3,977 | 5,997 | 5,997 | 5,997 |
| Third quarter 2024 | 65,187 | 4,447 | — | 1,607 | 4,447 | 4,447 | 4,447 |
| Fourth quarter 2024 | 27,864 | 62 | — | 10 | 62 | 62 | 62 |
| First quarter 2025 | — | — | — | — | — | — | — |
| Second quarter 2025 | 99,520 | 5,997 | — | — | 4,157 | 5,997 | 5,997 |
| Third quarter 2025 | 21,262 | 1,318 | — | — | 437 | 1,318 | 1,318 |
| | <u>1,218,631</u> | <u>\$ 71,182</u> | <u>\$ 16,519</u> | <u>\$ 57,558</u> | <u>\$ 68,431</u> | <u>\$ 70,842</u> | <u>\$ 70,381</u> |

| IQ 2023 | Incremental Annual Cash Rent (1) | Initial Annual Cash Rent | Initial Cash Rent Contributing to Cash NOI in the Following Years | | | | |
|--------------------------------------|----------------------------------|--------------------------|---|------------------|------------------|------------------|------------------|
| | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| Commenced leases in free rent period | \$ 43,048 | \$ 47,280 | \$ 15,944 | \$ 45,538 | \$ 47,251 | \$ 46,940 | \$ 46,479 |
| Signed leases not commenced | 17,620 | 23,902 | 575 | 12,020 | 21,180 | 23,902 | 23,902 |
| | <u>\$ 60,668</u> | <u>\$ 71,182</u> | <u>\$ 16,519</u> | <u>\$ 57,558</u> | <u>\$ 68,431</u> | <u>\$ 70,842</u> | <u>\$ 70,381</u> |

Notes:

(1) Reflects initial annual cash rent less annual cash rent from existing tenant in the space.

| | Three Months Ended | | | | |
|--|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Total Office and Retail Portfolio | | | | | |
| Total leases executed | 19 | 29 | 34 | 37 | 44 |
| Weighted average lease term | 9.1 years | 5 years | 7.9 years | 10 years | 8.7 years |
| Average free rent period | 8.6 months | 4.6 months | 8.7 months | 8.2 months | 8.4 months |
| Office | | | | | |
| Total square footage executed | 201,145 | 142,828 | 294,016 | 316,949 | 317,633 |
| Average starting cash rent psf - leases executed | \$ 57.11 | \$ 55.46 | \$ 52.35 | \$ 60.28 | \$ 54.75 |
| Previously escalated cash rents psf | \$ 54.89 | \$ 55.10 | \$ 49.67 | \$ 58.25 | \$ 53.35 |
| Percentage of new cash rent over previously escalated rents | 4.1% | 0.7% | 5.0% | 3.5% | 2.6% |
| Retail | | | | | |
| Total square footage executed | 912 | 1,498 | 41,366 | 3,276 | 1,013 |
| Average starting cash rent psf - leases executed | \$ 39.47 | \$ 262.60 | \$ 137.72 | \$ 115.08 | \$ 120.81 |
| Previously escalated cash rents psf | \$ 65.79 | \$ 416.07 | \$ 153.81 | \$ 115.54 | \$ 126.33 |
| Percentage of new cash rent over previously escalated rents | (40.0%) | (36.9%) | (10.5%) | (0.4%) | (4.4%) |
| Total Office and Retail Portfolio | | | | | |
| Total square footage executed | 202,057 | 144,326 | 335,382 | 320,225 | 318,646 |
| Average starting cash rent psf - leases executed | \$ 57.03 | \$ 57.66 | \$ 63.01 | \$ 60.86 | \$ 54.96 |
| Previously escalated cash rents psf | \$ 54.94 | \$ 58.93 | \$ 62.84 | \$ 58.86 | \$ 53.59 |
| Percentage of new cash rent over previously escalated rents | 3.8% | (2.2%) | 0.3% | 3.4% | 2.6% |
| Leasing commission costs per square foot | \$ 20.90 | \$ 13.60 | \$ 19.04 | \$ 24.44 | \$ 19.75 |
| Tenant improvement costs per square foot | 83.02 | 41.12 | 53.67 | 57.43 | 66.05 |
| Total LC and TI per square foot ⁽¹⁾ | \$ 103.92 | \$ 54.72 | \$ 72.71 | \$ 81.87 | \$ 85.80 |
| Occupancy | 86.7% | 85.2% | 84.2% | 84.3% | 83.0% |
| Manhattan Office Portfolio | | | | | |
| Total leases executed | 15 | 22 | 21 | 27 | 29 |
| Office - New Leases | | | | | |
| Total square footage executed | 168,335 | 75,182 | 94,467 | 159,970 | 215,560 |
| Average starting cash rent psf - leases executed | \$ 57.42 | \$ 62.95 | \$ 59.97 | \$ 67.84 | \$ 59.80 |
| Previously escalated cash rents psf | \$ 54.71 | \$ 58.78 | \$ 48.52 | \$ 62.70 | \$ 57.79 |
| Percentage of new cash rent over previously escalated rents | 4.9% | 7.1% | 23.6% | 8.2% | 3.5% |
| Office - Renewal Leases | | | | | |
| Total square footage executed | 14,929 | 17,658 | 84,867 | 99,690 | 40,616 |
| Average starting cash rent psf - leases executed | \$ 62.44 | \$ 63.87 | \$ 57.97 | \$ 58.43 | \$ 55.99 |
| Previously escalated cash rents psf | \$ 63.90 | \$ 65.80 | \$ 59.37 | \$ 58.28 | \$ 54.00 |
| Percentage of new cash rent over previously escalated rents | (2.3%) | (2.9%) | (2.3%) | 0.3% | 3.7% |
| Total Manhattan Office Portfolio | | | | | |
| Total square footage executed | 183,264 | 92,840 | 179,334 | 259,660 | 256,176 |
| Average starting cash rent psf - leases executed | \$ 57.83 | \$ 63.12 | \$ 59.02 | \$ 64.23 | \$ 59.19 |
| Previously escalated cash rents psf | \$ 55.46 | \$ 60.11 | \$ 53.65 | \$ 61.00 | \$ 57.19 |
| Percentage of new cash rent over previously escalated rents | 4.3% | 5.0% | 10.0% | 5.3% | 3.5% |
| Leasing commission costs per square foot | \$ 21.88 | \$ 15.54 | \$ 12.53 | \$ 27.58 | \$ 22.24 |
| Tenant improvement costs per square foot | 81.92 | 48.72 | 47.13 | 63.26 | 68.52 |
| Total LC and TI per square foot ⁽¹⁾ | \$ 103.80 | \$ 64.26 | \$ 59.66 | \$ 90.84 | \$ 90.76 |
| Occupancy | 87.8% | 86.0% | 84.7% | 84.0% | 83.9% |

| | Three Months Ended | | | | |
|---|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Greater New York Metropolitan Area Office Portfolio | | | | | |
| Total leases executed | 3 | 5 | 6 | 7 | 13 |
| Total square footage executed | 17,881 | 49,988 | 114,682 | 57,289 | 61,457 |
| Average starting cash rent psf - leases executed | \$ 43.98 | \$ 40.26 | \$ 41.56 | \$ 38.28 | \$ 33.45 |
| Previously escalated cash rents psf | \$ 44.33 | \$ 45.15 | \$ 43.75 | \$ 42.91 | \$ 34.92 |
| Percentage of new cash rent over previously escalated rents | (0.8%) | (10.8%) | (5.0%) | (10.8%) | (4.2%) |
| Leasing commission costs per square foot | \$ 11.86 | \$ 6.31 | \$ 12.89 | \$ 10.96 | \$ 9.13 |
| Tenant improvement costs per square foot | 98.47 | 25.53 | 61.75 | 34.32 | 56.86 |
| Total LC and TI per square foot ⁽¹⁾ | <u>\$ 110.33</u> | <u>\$ 31.84</u> | <u>\$ 74.64</u> | <u>\$ 45.28</u> | <u>\$ 65.99</u> |
| Occupancy | 80.6% | 80.2% | 80.7% | 82.2% | 76.2% |
| Retail Portfolio | | | | | |
| Total leases executed | 1 | 2 | 7 | 3 | 2 |
| Total square footage executed | 912 | 1,498 | 41,366 | 3,276 | 1,013 |
| Average starting cash rent psf - leases executed | \$ 39.47 | \$ 262.60 | \$ 137.72 | \$115.08 | \$ 120.81 |
| Previously escalated cash rents psf | \$ 65.79 | \$ 416.07 | \$ 153.81 | \$115.54 | \$ 126.33 |
| Percentage of new cash rent over previously escalated rents | (40.0%) | (36.9%) | (10.5%) | (0.4%) | (4.4%) |
| Leasing commission costs per square foot | \$ — | \$ 136.80 | \$ 64.33 | \$ 10.93 | \$ 35.14 |
| Tenant improvement costs per square foot | — | 90.32 | 59.57 | — | — |
| Total LC and TI per square foot ⁽¹⁾ | <u>\$ —</u> | <u>\$ 227.12</u> | <u>\$ 123.90</u> | <u>\$ 10.93</u> | <u>\$ 35.14</u> |
| Occupancy | 86.7% | 86.5% | 86.4% | 92.0% | 90.9% |
| Multifamily Portfolio | | | | | |
| Percent occupied | 97.2% | 96.3% | 98.4% | 98.4% | 97.6% |
| Total number of units | 721 | 721 | 625 | 625 | 625 |

Notes:

- (1) Presents all tenant improvement and leasing commission costs as if they were incurred in the period in which the lease was signed, which may be different than the period in which they were actually paid.

| Property Name | Location or Sub-Market | Rentable Square Feet (1) | Percent Occupied (2) | Percent Leased (3) | Annualized Rent (4) | Annualized Rent per Occupied Square Foot (5) | Number of Leases (6) |
|--|-------------------------------|--------------------------|----------------------|--------------------|----------------------|--|----------------------|
| <u>Manhattan Office Properties - Office</u> | | | | | | | |
| The Empire State Building | Penn Station -Times Sq. South | 2,714,287 | 83.4% | 86.8% | \$143,975,578 | \$ 63.59 | 149 |
| One Grand Central Place | Grand Central | 1,245,431 | 87.9% | 92.5% | 66,701,997 | 60.93 | 157 |
| 1400 Broadway (7) | Penn Station -Times Sq. South | 917,318 | 98.0% | 100.0% | 50,465,737 | 56.11 | 18 |
| 111 West 33rd Street (8) | Penn Station -Times Sq. South | 639,647 | 95.1% | 95.1% | 39,415,277 | 64.80 | 21 |
| 250 West 57th Street | Columbus Circle -West Side | 466,642 | 84.6% | 84.6% | 24,557,272 | 62.21 | 33 |
| 501 Seventh Avenue | Penn Station -Times Sq. South | 461,370 | 90.9% | 90.9% | 21,011,985 | 50.08 | 22 |
| 1359 Broadway | Penn Station -Times Sq. South | 457,077 | 82.2% | 91.6% | 22,407,331 | 59.63 | 30 |
| 1350 Broadway (9) | Penn Station -Times Sq. South | 372,923 | 86.3% | 89.2% | 19,296,244 | 59.93 | 52 |
| 1333 Broadway | Penn Station -Times Sq. South | 296,360 | 90.0% | 90.0% | 15,638,827 | 58.62 | 15 |
| Manhattan Office Properties - Office | | 7,571,055 | 87.8% | 90.7% | 403,470,249 | 60.72 | 497 |
| <u>Greater New York Metropolitan Area Office Properties</u> | | | | | | | |
| First Stamford Place (10) | Stamford, CT | 776,831 | 77.7% | 79.5% | 25,633,206 | 42.48 | 46 |
| Metro Center | Stamford, CT | 284,786 | 81.8% | 81.8% | 13,234,654 | 56.83 | 22 |
| 500 Mamaroneck Avenue (11) | Harrison, NY | 286,278 | 87.4% | 87.4% | 7,465,353 | 29.84 | 32 |
| Sub-Total/Weighted Average Greater New York Metropolitan Area Office Properties | | 1,347,895 | 80.6% | 81.6% | 46,333,212 | 42.64 | 100 |
| <u>Retail - Manhattan Office Properties</u> | | | | | | | |
| The Empire State Building | Penn Station -Times Sq. South | 91,554 | 76.6% | 76.6% | 6,932,678 | 98.80 | 12 |
| One Grand Central Place | Grand Central | 68,733 | 99.4% | 99.4% | 8,943,657 | 130.91 | 13 |
| 1400 Broadway (7) | Penn Station -Times Sq. South | 17,879 | 78.2% | 78.2% | 1,471,265 | 105.24 | 6 |
| 112 West 34th Street (8) | Penn Station -Times Sq. South | 93,057 | 100.0% | 100.0% | 24,825,682 | 266.78 | 4 |
| 250 West 57th Street | Columbus Circle -West Side | 67,231 | 89.1% | 89.1% | 8,896,423 | 148.47 | 7 |
| 501 Seventh Avenue | Penn Station -Times Sq. South | 34,564 | 43.4% | 43.4% | 1,227,620 | 81.75 | 4 |
| 1359 Broadway | Penn Station -Times Sq. South | 27,467 | 88.4% | 88.4% | 1,638,311 | 67.48 | 5 |
| 1350 Broadway (9) | Penn Station -Times Sq. South | 30,710 | 77.8% | 77.8% | 5,975,808 | 250.24 | 5 |
| 1333 Broadway | Penn Station -Times Sq. South | 67,001 | 100.0% | 100.0% | 9,899,557 | 147.75 | 4 |
| Retail - Manhattan Office Properties | | 498,196 | 87.4% | 87.4% | 69,811,001 | 160.26 | 60 |
| <u>Retail - Standalone Properties</u> | | | | | | | |
| 10 Union Square | Union Square | 58,006 | 91.9% | 91.9% | 8,193,064 | 153.71 | 10 |
| 1542 Third Avenue | Upper East Side | 56,250 | 100.0% | 100.0% | 2,558,277 | 45.48 | 4 |
| 1010 Third Avenue | Upper East Side | 38,235 | 26.1% | 100.0% | 412,120 | 41.24 | 1 |
| 77 West 55th Street | Midtown | 25,388 | 100.0% | 100.0% | 1,952,250 | 76.90 | 3 |
| Sub-Total/Weighted Average Retail Standalone Properties | | 177,879 | 81.5% | 97.4% | 13,115,711 | 90.50 | 18 |
| <u>Retail - Multifamily Properties</u> | | | | | | | |
| 561 10th Avenue | Hudson Yards | 28,266 | 100.0% | 100.0% | 1,945,370 | 68.82 | 3 |
| 345 East 94th Street | Upper East Side | 3,700 | 100.0% | 100.0% | 226,870 | 61.32 | 1 |
| 298 Mulberry Street | NoHo | 10,365 | 100.0% | 100.0% | 1,705,000 | 164.50 | 1 |
| Sub-Total/Weighted Average Retail Multifamily Properties | | 42,331 | 100.0% | 100.0% | 3,877,240 | 91.59 | 5 |
| Portfolio Total | | 9,637,356 | 86.7% | 89.4% | \$536,607,414 | \$ 64.23 | 680 |
| Total/Weighted Average Office Properties | | 8,918,950 | 86.7% | 89.3% | \$449,803,462 | \$ 58.18 | 597 |
| Total/Weighted Average Retail Properties | | 718,406 | 86.7% | 90.6% | 86,803,953 | 139.36 | 83 |
| Portfolio Total | | 9,637,356 | 86.7% | 89.4% | \$536,607,414 | \$ 64.23 | 680 |

- Notes:**
- (1) Excludes (i) 201,356 square feet of space across the Company's portfolio attributable to building management use and tenant amenities and (ii) 80,225 square feet of space attributable to the Company's observatory.
 - (2) Based on leases signed and commenced as of March 31, 2023.
 - (3) Based on leases signed but not commenced as of March 31, 2023.
 - (4) Represents annualized base rent and current reimbursement for operating expenses and real estate taxes.
 - (5) Represents annualized rent under leases commenced as of March 31, 2023 divided by occupied square feet.

- (6) Represents the number of leases at each property or on a portfolio basis. If a tenant has more than one lease, whether or not at the same property, but with different expirations, the number of leases is calculated equal to the number of leases with different expirations.
- (7) Denotes a ground leasehold interest in the property with a remaining term, including unilateral extension rights available to the Company, of approximately 40 years (expiring December 31, 2063).
- (8) Denotes a ground leasehold interest in the property with a remaining term, including unilateral extension rights available to the Company, of approximately 54 years (expiring May 31, 2077).
- (9) Denotes a ground leasehold interest in the property with a remaining term, including unilateral extension rights available to the Company, of approximately 27 years (expiring July 31, 2050).
- (10) First Stamford Place consists of three buildings.
- (11) The property was sold in April 2023.

| | Actual | Forecast (1) | | | | Forecast (1) | |
|--|----------------|---------------|--------------------|-------------------|-------------------|----------------|--|
| | March 31, 2023 | June 30, 2023 | September 30, 2023 | December 31, 2023 | Apr. to Dec. 2023 | Full Year 2024 | |
| Total Office and Retail Portfolio (2) | | | | | | | |
| Total expirations | 76,906 | 85,390 | 150,351 | 197,736 | 433,477 | 649,621 | |
| Less: broadcasting | — | (1,215) | (356) | — | (1,571) | (126) | |
| Office and retail expirations | 76,906 | 84,175 | 149,995 | 197,736 | 431,906 | 649,495 | |
| Renewals & relocations (3) | 13,595 | 25,419 | 39,947 | 28,496 | 93,862 | 182,280 | |
| New leases (4) | 21,633 | 15,237 | 7,033 | 50,828 | 73,098 | 11,744 | |
| Vacates (5) | 41,678 | 40,670 | 92,630 | 89,213 | 222,513 | 224,756 | |
| Unknown (6) | — | 2,849 | 10,385 | 29,199 | 42,433 | 230,715 | |
| Total Office and Retail Portfolio expirations and vacates | 76,906 | 84,175 | 149,995 | 197,736 | 431,906 | 649,495 | |
| Manhattan Office Portfolio | | | | | | | |
| Total expirations | 66,187 | 74,450 | 83,041 | 176,859 | 334,350 | 594,396 | |
| Less: broadcasting | — | (1,215) | (356) | — | (1,571) | (126) | |
| Office expirations | 66,187 | 73,235 | 82,685 | 176,859 | 332,779 | 594,270 | |
| Renewals & relocations (3) | 10,448 | 21,283 | 15,526 | 24,691 | 61,500 | 182,280 | |
| New leases (4) | 21,633 | 15,237 | 7,033 | 50,828 | 73,098 | 11,744 | |
| Vacates (5) | 34,106 | 36,715 | 49,741 | 89,213 | 175,669 | 211,125 | |
| Unknown (6) | — | — | 10,385 | 12,127 | 22,512 | 189,121 | |
| Total expirations and vacates | 66,187 | 73,235 | 82,685 | 176,859 | 332,779 | 594,270 | |
| Greater New York Metropolitan Area Office Portfolio | | | | | | | |
| Office expirations | 10,719 | 6,985 | 67,310 | 628 | 74,923 | 39,232 | |
| Renewals & relocations (3) | 3,147 | 4,136 | 24,241 | — | 28,557 | — | |
| New leases (4) | — | — | — | — | — | — | |
| Vacates (5) | 7,572 | — | 42,889 | — | 42,889 | 10,884 | |
| Unknown (6) | — | 2,849 | — | 628 | 3,477 | 28,348 | |
| Total expirations and vacates | 10,719 | 6,985 | 67,130 | 628 | 74,923 | 39,232 | |
| Retail Portfolio (7) | | | | | | | |
| Retail expirations | — | 3,955 | — | 20,249 | 24,204 | 15,993 | |
| Renewals & relocations (3) | — | — | — | 3,805 | 3,805 | — | |
| New leases (4) | — | — | — | — | — | — | |
| Vacates (5) | — | 3,955 | — | — | 3,955 | 2,747 | |
| Unknown (6) | — | — | — | 16,444 | 16,444 | 13,246 | |
| Total expirations and vacates | — | 3,955 | — | 20,249 | 24,204 | 15,993 | |

Notes:

- (1) These forecasts, which are subject to change, are based on management's current expectations, including, among other things, discussions with and other information provided by tenants as well as management's analyses of past historical trends.
- (2) Any lease on month to month or short-term will re-appear in "Actual" in each period until tenant has vacated or renewed, and thus it would be double counted if periods were cumulated. "Forecast" avoids double counting.
- (3) For forecasted periods, "Renewals & relocations" includes the following: tenants renew their existing leases in all or a portion of their current spaces; tenants which signed renewal leases for a term of less than six months and reappear in forecast periods in 2023; and tenants who move within a building or within the Company's portfolio.
- (4) For forecasted periods, "New Leases" represents leases that have been signed with a new tenant, a subtenant who signed a direct lease or a tenant who expanded. There may be downtime between the lease expiration and the new lease commencement.
- (5) For forecasted periods, "Vacates" assumes a tenant elects not to renew at the end of their existing lease or exercises an early termination option; leases that the Company decides not to renew at the end of tenants' existing lease due to anticipated future redevelopment or for other reasons. This also may include early lease terminations.
- (6) For forecasted periods, "Unknown" represents tenants' whose intention is unknown.
- (7) Includes standalone and non-standalone retail.

| | Number of Leases Expiring ⁽¹⁾ | Rentable Square Feet Expiring ⁽²⁾ | Percent of Portfolio Rentable Square Feet Expiring | Annualized Rent ⁽³⁾ | Percent of Annualized Rent | Annualized Rent Per Rentable Square Foot |
|---|--|--|--|--------------------------------|----------------------------|--|
| <u>Total Office and Retail Lease Expirations</u> | | | | | | |
| Available | — | 1,019,872 | 10.6% | \$ — | 0.0% | \$ — |
| Signed leases not commenced | 22 | 262,786 | 2.7% | — | 0.0% | — |
| 1Q 2023 ⁽⁴⁾ | 15 | 52,510 | 0.5% | 2,989,016 | 0.6% | 56.92 |
| 2Q 2023 | 18 | 46,934 | 0.5% | 2,796,251 | 0.5% | 59.58 |
| 3Q 2023 | 25 | 150,351 | 1.6% | 8,669,721 | 1.6% | 57.66 |
| 4Q 2023 | 24 | 197,736 | 2.1% | 12,994,191 | 2.4% | 65.71 |
| Total 2023 | 82 | 447,531 | 4.6% | 27,449,179 | 5.1% | 61.33 |
| 1Q 2024 | 22 | 108,990 | 1.1% | 6,879,683 | 1.3% | 63.12 |
| 2Q 2024 | 16 | 131,349 | 1.4% | 6,954,672 | 1.3% | 52.95 |
| 3Q 2024 | 20 | 144,757 | 1.5% | 8,157,482 | 1.5% | 56.35 |
| 4Q 2024 | 37 | 264,525 | 2.7% | 16,606,703 | 3.1% | 62.78 |
| Total 2024 | 95 | 649,621 | 6.7% | 38,598,540 | 7.2% | 59.42 |
| 2025 | 85 | 537,659 | 5.6% | 35,017,639 | 6.5% | 65.13 |
| 2026 | 74 | 698,048 | 7.2% | 38,574,894 | 7.2% | 55.26 |
| 2027 | 90 | 711,138 | 7.4% | 44,438,132 | 8.3% | 62.49 |
| 2028 | 58 | 959,553 | 10.0% | 50,747,078 | 9.5% | 52.89 |
| 2029 | 48 | 969,154 | 10.1% | 70,611,264 | 13.2% | 72.86 |
| 2030 | 35 | 717,325 | 7.4% | 46,888,446 | 8.7% | 65.37 |
| 2031 | 22 | 169,209 | 1.8% | 20,481,178 | 3.8% | 121.04 |
| 2032 | 30 | 382,931 | 4.0% | 26,757,441 | 5.0% | 69.88 |
| 2033 | 28 | 342,399 | 3.6% | 21,018,355 | 3.9% | 61.39 |
| Thereafter | 34 | 1,770,130 | 18.3% | 116,025,268 | 21.6% | 65.55 |
| Total | 703 | 9,637,356 | 100.0% | \$536,607,414 | 100.0% | \$ 64.23 |

Manhattan Office Properties ⁽⁵⁾

| | | | | | | |
|--|------------|------------------|---------------|----------------------|---------------|-----------------|
| Available | — | 705,048 | 9.3% | \$ — | 0.0% | \$ — |
| Signed leases not commenced | 18 | 220,707 | 2.9% | — | 0.0% | — |
| 1Q 2023 ⁽⁴⁾ | 11 | 48,555 | 0.6% | 2,978,189 | 0.7% | 61.34 |
| 2Q 2023 | 16 | 39,949 | 0.5% | 2,430,315 | 0.6% | 60.84 |
| 3Q 2023 | 19 | 83,041 | 1.1% | 4,837,014 | 1.2% | 58.25 |
| 4Q 2023 | 20 | 176,859 | 2.3% | 11,115,107 | 2.8% | 62.85 |
| Total 2023 | 66 | 348,404 | 4.6% | 21,360,625 | 5.3% | 61.31 |
| 1Q 2024 | 18 | 94,490 | 1.2% | 6,295,845 | 1.6% | 66.63 |
| 2Q 2024 | 16 | 131,349 | 1.7% | 6,954,672 | 1.7% | 52.95 |
| 3Q 2024 | 14 | 118,884 | 1.6% | 7,263,708 | 1.8% | 61.10 |
| 4Q 2024 | 35 | 249,673 | 3.3% | 15,544,447 | 3.9% | 62.26 |
| Total 2024 | 83 | 594,396 | 7.9% | 36,058,672 | 8.9% | 60.66 |
| 2025 | 62 | 386,680 | 5.1% | 25,248,584 | 6.3% | 65.30 |
| 2026 | 53 | 472,149 | 6.2% | 28,221,224 | 7.0% | 59.77 |
| 2027 | 66 | 566,524 | 7.5% | 32,922,736 | 8.2% | 58.11 |
| 2028 | 41 | 828,312 | 10.9% | 44,888,618 | 11.1% | 54.19 |
| 2029 | 34 | 731,525 | 9.7% | 44,118,591 | 10.9% | 60.31 |
| 2030 | 21 | 559,188 | 7.4% | 33,952,204 | 8.4% | 60.72 |
| 2031 | 11 | 82,182 | 1.1% | 5,787,738 | 1.4% | 70.43 |
| 2032 | 22 | 345,276 | 4.6% | 23,649,713 | 5.9% | 68.50 |
| 2033 | 14 | 141,583 | 1.9% | 8,516,243 | 2.1% | 60.15 |
| Thereafter | 24 | 1,589,081 | 20.9% | 98,745,301 | 24.5% | 62.14 |
| Total Manhattan office properties | 515 | 7,571,055 | 100.0% | \$403,470,249 | 100.0% | \$ 60.72 |

| | Number of Leases Expiring ⁽¹⁾ | Rentable Square Feet Expiring ⁽²⁾ | Percent of Portfolio Rentable Square Feet Expiring | Annualized Rent ⁽³⁾ | Percent of Annualized Rent | Annualized Rent Per Rentable Square Foot |
|--|--|--|--|--------------------------------|----------------------------|--|
| Greater New York Metropolitan Area Office Properties ⁽⁶⁾ | | | | | | |
| Available | — | 247,546 | 18.4% | \$ — | 0.0% | \$ — |
| Signed leases not commenced | 2 | 13,836 | 1.0% | — | 0.0% | — |
| 1Q 2023 ⁽⁴⁾ | 3 | — | 0.0% | 10,827 | 0.0% | — |
| 2Q 2023 | 2 | 6,985 | 0.5% | 365,936 | 0.8% | 52.39 |
| 3Q 2023 | 6 | 67,310 | 5.0% | 3,832,707 | 8.3% | 56.94 |
| 4Q 2023 | 1 | 628 | 0.0% | 14,130 | 0.0% | 22.50 |
| Total 2023 | 12 | 74,923 | 5.6% | 4,223,600 | 9.1% | 56.37 |
| 1Q 2024 | 1 | 4,230 | 0.3% | 129,998 | 0.3% | 30.73 |
| 2Q 2024 | — | — | 0.0% | — | 0.0% | — |
| 3Q 2024 | 4 | 24,969 | 1.9% | 836,285 | 1.8% | 33.49 |
| 4Q 2024 | 1 | 10,033 | 0.7% | 487,519 | 1.1% | 48.59 |
| Total 2024 | 6 | 39,232 | 2.9% | 1,453,802 | 3.1% | 37.06 |
| 2025 | 18 | 128,228 | 9.5% | 5,197,567 | 11.2% | 40.53 |
| 2026 | 14 | 154,669 | 11.5% | 6,045,590 | 13.0% | 39.09 |
| 2027 | 17 | 88,575 | 6.6% | 3,709,345 | 8.0% | 41.88 |
| 2028 | 13 | 127,672 | 9.5% | 4,851,161 | 10.5% | 38.00 |
| 2029 | 6 | 130,748 | 9.7% | 5,987,564 | 12.9% | 45.79 |
| 2030 | 6 | 88,430 | 6.6% | 3,850,169 | 8.3% | 43.54 |
| 2031 | 2 | 5,176 | 0.4% | 153,755 | 0.3% | 29.71 |
| 2032 | 2 | 4,718 | 0.4% | 148,733 | 0.3% | 31.52 |
| 2033 | 3 | 164,458 | 12.2% | 7,458,321 | 16.1% | 45.35 |
| Thereafter | 1 | 79,684 | 5.7% | 3,253,605 | 7.2% | 40.83 |
| Total greater New York metropolitan area office properties | 102 | 1,347,895 | 100.0% | \$46,333,212 | 100.0% | \$ 42.64 |
| Retail Properties | | | | | | |
| Available | — | 67,278 | 9.4% | \$ — | 0.0% | \$ — |
| Signed leases not commenced | 2 | 28,243 | 3.9% | — | 0.0% | — |
| 1Q 2023 ⁽⁴⁾ | 1 | 3,955 | 0.6% | — | 0.0% | — |
| 2Q 2023 | — | — | 0.0% | — | 0.0% | — |
| 3Q 2023 | — | — | 0.0% | — | 0.0% | — |
| 4Q 2023 | 3 | 20,249 | 2.8% | 1,864,954 | 2.1% | 92.10 |
| Total 2023 | 4 | 24,204 | 3.4% | 1,864,954 | 2.1% | 77.05 |
| 1Q 2024 | 3 | 10,270 | 1.4% | 453,840 | 0.5% | 44.19 |
| 2Q 2024 | — | — | 0.0% | — | 0.0% | — |
| 3Q 2024 | 2 | 904 | 0.1% | 57,489 | 0.1% | 63.59 |
| 4Q 2024 | 1 | 4,819 | 0.7% | 574,737 | 0.7% | 119.26 |
| Total 2024 | 6 | 15,993 | 2.2% | 1,086,066 | 1.3% | 67.91 |
| 2025 | 5 | 22,751 | 3.2% | 4,571,488 | 5.3% | 200.94 |
| 2026 | 7 | 71,230 | 9.9% | 4,308,079 | 5.0% | 60.48 |
| 2027 | 7 | 56,039 | 7.8% | 7,806,051 | 9.0% | 139.30 |
| 2028 | 4 | 3,569 | 0.5% | 1,007,299 | 1.2% | 282.24 |
| 2029 | 8 | 106,881 | 14.9% | 20,505,109 | 23.6% | 191.35 |
| 2030 | 8 | 69,707 | 9.7% | 9,086,073 | 10.5% | 130.35 |
| 2031 | 9 | 81,851 | 11.4% | 14,539,685 | 16.8% | 177.64 |
| 2032 | 6 | 32,937 | 4.6% | 2,958,995 | 3.4% | 89.84 |
| 2033 | 11 | 36,358 | 5.1% | 5,043,791 | 5.8% | 138.73 |
| Thereafter | 9 | 101,365 | 14.0% | 14,026,363 | 16.0% | 138.37 |
| Total retail properties | 86 | 718,406 | 100.0% | \$86,803,953 | 100.0% | \$ 139.36 |

Notes:

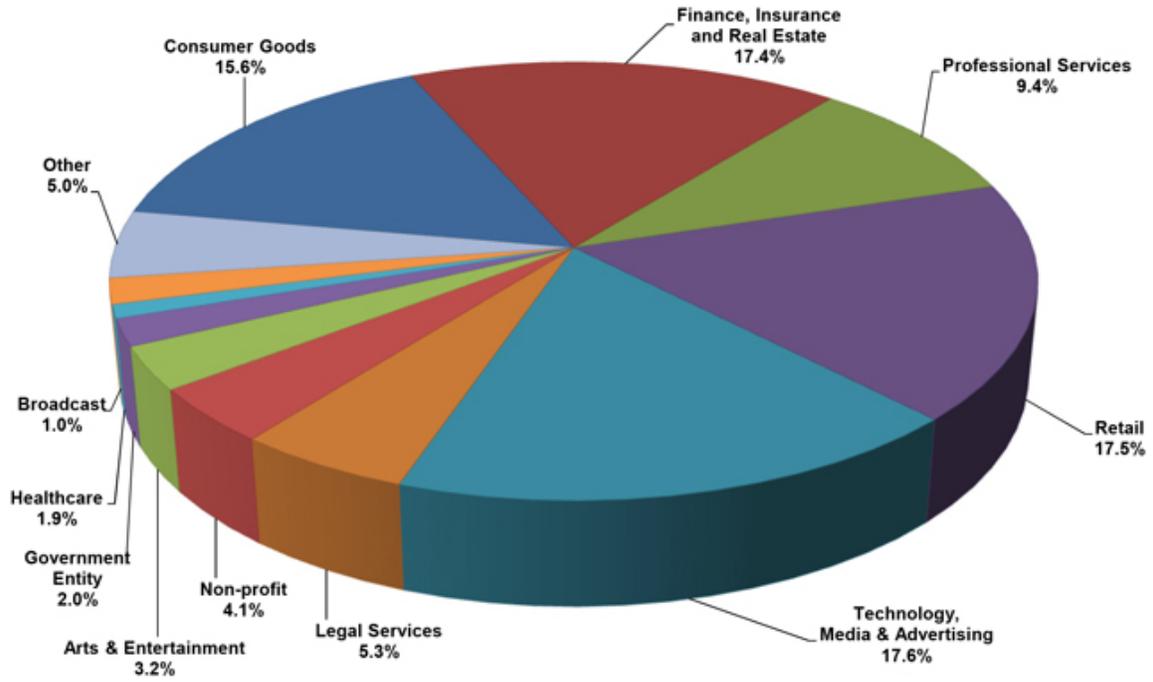
- (1) If a tenant has more than one lease, whether or not at the same property, but with different expirations, the number of leases is calculated equal to the number of leases with different expirations.
- (2) Excludes (i) 201,356 rentable square feet of space across the Company portfolio attributable to building management use and tenant amenities and (ii) 80,225 square feet of space attributable to the Company's observatory.
- (3) Represents annualized base rent and current reimbursement for operating expenses and real estate taxes.
- (4) Represents leases that are included in occupancy as of March 31, 2023 and expire on March 31, 2023.
- (5) Excludes (i) retail space in the Manhattan office and (ii) the Empire State Building broadcasting licenses and observatory operations.
- (6) Includes lease expirations of 500 Mamaroneck Ave, Harrison, NY which was sold in April 2023.

| 20 Largest Tenants | Property | Lease Expiration ⁽¹⁾ | Weighted Average Remaining Lease Term ⁽²⁾ | Total Occupied Square Feet ⁽³⁾ | Percent of Portfolio Rentable Square Feet ⁽⁴⁾ | Annualized Rent ⁽⁵⁾ | Percent of Portfolio Annualized Rent ⁽⁶⁾ |
|---|---------------------------------|---------------------------------|--|---|--|--------------------------------|---|
| 1. LinkedIn | Empire State Building | Aug. 2036 | 13.4 years | 501,409 | 5.2% | \$ 32,772,732 | 6.1% |
| 2. Signature Bank | 1333 & 1400 Broadway | Jul. 2030 - Apr. 2035 | 11.8 years | 308,207 | 3.2% | 18,136,092 | 3.4% |
| 3. PVH Corp. | 501 Seventh Avenue | Oct. 2028 | 5.6 years | 237,281 | 2.5% | 11,524,123 | 2.1% |
| 4. Centric Brands Inc. | Empire State Building | Oct. 2028 | 5.6 years | 221,365 | 2.3% | 11,289,615 | 2.1% |
| 5. Sephora | 112 West 34th Street | Jan. 2029 | 5.8 years | 11,334 | 0.1% | 10,533,628 | 2.0% |
| 6. Target | 112 West 34th St., 10 Union Sq. | Jan 2038 | 14.8 years | 81,340 | 0.8% | 9,341,395 | 1.7% |
| 7. Li & Fung | 1359 Broadway, ESB | Oct. 2023 - Oct. 2028 | 4.6 years | 173,273 | 1.8% | 9,260,886 | 1.7% |
| 8. Macy's | 111 West 33rd Street | May 2030 | 7.2 years | 131,117 | 1.4% | 8,382,100 | 1.6% |
| 9. Urban Outfitters | 1333 Broadway | Sept. 2029 | 6.5 years | 56,730 | 0.6% | 7,955,384 | 1.5% |
| 10. Coty | Empire State Building | Jan. 2030 | 6.8 years | 156,187 | 1.6% | 7,950,113 | 1.5% |
| 11. Footlocker | 112 West 34th Street | Sept. 2031 | 8.5 years | 34,192 | 0.4% | 7,745,959 | 1.4% |
| 12. Federal Deposit Insurance Corp. | Empire State Building | Dec. 2024 | 1.8 years | 119,226 | 1.2% | 7,567,274 | 1.4% |
| 13. HNTB Corporation | Empire State Building | Feb. 2029 | 5.9 years | 105,143 | 1.1% | 6,982,050 | 1.3% |
| 14. Institutional Capital Network, Inc. | One Grand Central Place | Apr 2023 - Oct. 2035 | 10.1 years | 106,759 | 1.1% | 6,770,086 | 1.3% |
| 15. The Michael J. Fox Foundation | 111 West 33rd Street | Nov. 2029 | 6.7 years | 86,492 | 0.9% | 6,219,167 | 1.2% |
| 16. Shutterstock | Empire State Building | Apr. 2029 | 6.1 years | 104,386 | 1.1% | 6,087,598 | 1.1% |
| 17. Fragomen | 1400 Broadway | Feb. 2035 | 11.9 years | 107,680 | 1.1% | 5,922,400 | 1.1% |
| 18. Burlington Merchandising Corp. | 1400 Broadway | Jan 2038 | 14.8 years | 102,898 | 1.1% | 5,910,828 | 1.1% |
| 19. ASCAP | 250 West 57th Street | Aug. 2034 | 11.4 years | 87,943 | 0.9% | 5,344,751 | 1.0% |
| 20. Duane Reade | ESB, 1350 Broadway | May 2025 - Sept. 2027 | 3.3 years | 39,142 | 0.4% | 4,903,003 | 0.9% |
| Total | | | | 2,772,104 | 28.8% | \$190,599,184 | 35.5% |

Notes:

- (1) Expiration dates are per lease and do not assume exercise of renewal or extension options. For tenants with more than two leases, the lease expiration is shown as a range.
- (2) Represents the weighted average lease term based on annualized rent.
- (3) Based on leases signed and commenced as of March 31, 2023.
- (4) Represents the percentage of rentable square feet of the Company's office and retail portfolios in the aggregate.
- (5) Represents annualized base rent and current reimbursement for operating expenses and real estate taxes.
- (6) Represents the percentage of annualized rent of the Company's office and retail portfolios in the aggregate.

Portfolio Tenant Diversification by Industry (based on annualized rent)



| | Three Months Ended | | | | |
|---|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Capital expenditures | | | | | |
| Tenant improvements - first generation | \$ — | \$ 6,024 | \$ 1,493 | \$ 3,502 | \$ 4,096 |
| Tenant improvements - second generation | 23,919 | 8,867 | 20,329 | 23,163 | 24,457 |
| Leasing commissions - second generation | 4,114 | 4,721 | 10,182 | 5,043 | 15,051 |
| Building improvements - first generation | — | 2,530 | 868 | 1,992 | 1,966 |
| Building improvements - second generation | 12,611 | 6,837 | 7,986 | 7,248 | 7,640 |
| Total | \$ 40,644 | \$ 28,979 | \$ 40,858 | \$40,948 | \$53,210 |

Leasing Opportunity - Inventory of Current Vacant Space as of March 31, 2023 (in square feet) ^{(1) (2)}

| | |
|---|------------------|
| Total Portfolio vacant space | 1,283,000 |
| Signed leases not commenced ("SLNC"): | |
| Manhattan Office Properties SLNC | 221,000 |
| Greater New York Office Properties SLNC | 14,000 |
| Retail Properties SLNC | 28,000 |
| Greater New York Office Properties | 248,000 |
| Retail Properties | 67,000 |
| Manhattan Office Properties | 612,000 |
| Manhattan Office Properties off market | 44,000 |
| Manhattan Office Properties other | 49,000 |
| Total | 1,283,000 |

Notes:

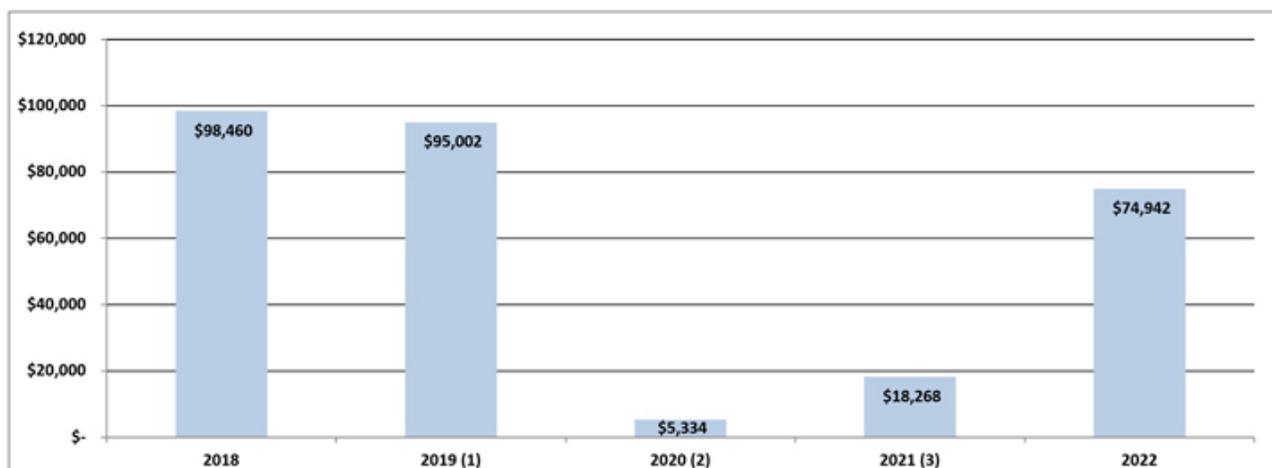
- (1) These estimates are based on the Company's current budgets and are subject to change.
- (2) Redevelopment program is for the Manhattan office assets only. Square footage based on market measurement. Developed space includes space that has been demolished and completed asbestos abatement and available for lease up or ready to be prebuilt. Permanent building use spaces, amenity spaces and broadcasting spaces are excluded.

| | Twelve Months to Date | Three Months Ended | | | | |
|---|-----------------------|--------------------|-------------------|--------------------|-----------------|-------------------|
| | | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Observatory NOI | | | | | | |
| Observatory revenue ⁽¹⁾ | \$114,891 | \$ 22,154 | \$ 32,318 | \$ 33,051 | \$ 27,368 | \$ 13,241 |
| Observatory expenses | 32,676 | 7,855 | 8,529 | 8,516 | 7,776 | 6,215 |
| NOI | 82,215 | 14,299 | 23,789 | 24,535 | 19,592 | 7,026 |
| Intercompany rent expense ⁽²⁾ | 70,299 | 15,914 | 18,204 | 19,072 | 17,109 | 10,620 |
| NOI after intercompany rent | \$ 11,916 | \$ (1,615) | \$ 5,585 | \$ 5,463 | \$ 2,483 | \$ (3,594) |
| Observatory Metrics | | | | | | |
| Number of visitors ⁽³⁾ | | 443,000 | 660,000 | 687,000 | 573,000 | 269,000 |
| Change in visitors year over year | | 64.7% | 83.3% | 169.4% | 253.7% | 427.5% |
| Number of bad weather days ("BWD") ⁽⁴⁾ | | 15 | 20 | 7 | 19 | 17 |

Notes:

- Observatory revenues include the fixed license fee received from WDFG North America, the observatory gift shop operator. For the three months ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022, and March 31, 2022 the fixed license fee was \$1,807, \$1,200, \$1,200, \$1,200 and \$1,200 respectively.
- The observatory pays a market-based rent payment comprised of fixed and percentage rent to the Empire State Building. Intercompany rent is eliminated upon consolidation.
- Reflects the number of visitors who pass through the turnstile, excluding visitors who make a second visit on the same ticket at no additional charge.
- The Company defines a bad weather day as one in which the top of the Empire State Building is obscured from view for more than 50% of the day.

Annual Observatory NOI 2018 to 2022



Notes:

- The 102nd floor observatory was closed for approximately nine months in 2019 for renovations.
- Due to the COVID-19 pandemic, the observatory was closed on March 16, 2020. The 86th floor observatory reopened on July 20, 2020 and the 102nd floor observatory reopened on August 24, 2020.
- The observatory continued to experience a gradual recovery in visitors due to the COVID-19 pandemic.

| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
|---|---------------------|----------------------|-----------------------|---------------------|---------------------|
| Assets | | | | | |
| Commercial real estate properties, at cost: | | | | | |
| Land | \$ 361,497 | \$ 365,540 | \$ 334,598 | \$ 334,598 | \$ 336,278 |
| Development costs | 8,178 | 8,166 | 8,162 | 8,162 | 8,162 |
| Building and improvements | 3,183,615 | 3,177,743 | 3,194,787 | 3,193,137 | 3,190,927 |
| | <u>3,553,290</u> | <u>3,551,449</u> | <u>3,537,547</u> | <u>3,535,897</u> | <u>3,535,367</u> |
| Less: accumulated depreciation | (1,162,923) | (1,137,267) | (1,159,364) | (1,137,231) | (1,124,090) |
| Commercial real estate properties, net | 2,390,367 | 2,414,182 | 2,378,183 | 2,398,666 | 2,411,277 |
| Assets held for sale | 35,980 | 35,538 | — | — | — |
| Cash and cash equivalents | 272,648 | 264,434 | 387,248 | 359,424 | 429,716 |
| Restricted cash | 108,183 | 50,244 | 52,567 | 53,335 | 52,951 |
| Tenant and other receivables | 23,879 | 24,102 | 30,547 | 43,672 | 17,800 |
| Deferred rent receivables | 238,842 | 240,188 | 239,750 | 233,194 | 226,565 |
| Prepaid expenses and other assets | 57,891 | 98,114 | 72,905 | 82,256 | 52,152 |
| Deferred costs, net | 182,367 | 187,570 | 188,706 | 193,436 | 197,602 |
| Acquired below-market ground leases, net | 327,115 | 329,073 | 331,030 | 332,988 | 334,946 |
| Right of use assets | 28,612 | 28,670 | 28,725 | 28,781 | 28,842 |
| Goodwill | 491,479 | 491,479 | 491,479 | 491,479 | 491,479 |
| Total assets | <u>\$ 4,157,363</u> | <u>\$ 4,163,594</u> | <u>\$ 4,201,140</u> | <u>\$ 4,217,231</u> | <u>\$ 4,243,330</u> |
| Liabilities and Equity | | | | | |
| Mortgage notes payable, net | \$ 882,142 | \$ 883,705 | \$ 915,202 | \$ 916,657 | \$ 947,479 |
| Senior unsecured notes, net | 973,714 | 973,659 | 973,607 | 973,555 | 973,426 |
| Unsecured term loan facility, net | 388,901 | 388,773 | 388,645 | 388,507 | 388,365 |
| Unsecured revolving credit facility, net | — | — | — | — | — |
| Accounts payable and accrued expenses | 71,605 | 80,729 | 94,436 | 113,837 | 108,077 |
| Acquired below-market leases, net | 16,581 | 17,849 | 18,897 | 20,178 | 22,459 |
| Ground lease liabilities | 28,612 | 28,670 | 28,725 | 28,781 | 28,842 |
| Deferred revenue and other liabilities | 76,769 | 76,091 | 80,249 | 80,008 | 84,380 |
| Tenants' security deposits | 35,111 | 25,084 | 27,550 | 29,615 | 28,270 |
| Liabilities related to assets held for sale | 6,862 | 5,943 | — | — | — |
| Total liabilities | <u>2,480,297</u> | <u>2,480,503</u> | <u>2,527,311</u> | <u>2,551,138</u> | <u>2,581,298</u> |
| Total equity | <u>1,677,066</u> | <u>1,683,091</u> | <u>1,673,829</u> | <u>1,666,093</u> | <u>1,662,032</u> |
| Total liabilities and equity | <u>\$ 4,157,363</u> | <u>\$ 4,163,594</u> | <u>\$ 4,201,140</u> | <u>\$ 4,217,231</u> | <u>\$ 4,243,330</u> |

| | Three Months Ended | | | | |
|---|--------------------|----------------------|-----------------------|------------------|--------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Revenues | | | | | |
| Rental revenue ⁽¹⁾ | \$140,091 | \$ 145,905 | \$ 148,290 | \$149,339 | \$147,514 |
| Observatory revenue | 22,154 | 32,318 | 33,051 | 27,368 | 13,241 |
| Lease termination fees | — | — | — | 18,859 | 1,173 |
| Third party management and other fees | 427 | 336 | 389 | 326 | 310 |
| Other revenue and fees | 1,950 | 2,714 | 1,982 | 2,130 | 1,796 |
| Total revenues | 164,622 | 181,273 | 183,712 | 198,022 | 164,034 |
| Operating expenses | | | | | |
| Property operating expenses | 42,044 | 39,060 | 42,798 | 37,433 | 38,644 |
| Ground rent expenses | 2,331 | 2,332 | 2,331 | 2,332 | 2,331 |
| General and administrative expenses | 15,708 | 16,478 | 15,725 | 15,876 | 13,686 |
| Observatory expenses | 7,855 | 8,529 | 8,516 | 7,776 | 6,215 |
| Real estate taxes | 31,788 | 31,420 | 31,831 | 29,802 | 30,004 |
| Depreciation and amortization | 47,408 | 44,500 | 46,984 | 58,304 | 67,106 |
| Total operating expenses | 147,134 | 142,319 | 148,185 | 151,523 | 157,986 |
| Total operating income | 17,488 | 38,954 | 35,527 | 46,499 | 6,048 |
| Other income (expense) | | | | | |
| Interest income | 2,595 | 2,804 | 1,564 | 431 | 149 |
| Interest expense | (25,304) | (25,634) | (25,516) | (25,042) | (25,014) |
| Gain on sale of property | 15,696 | 6,818 | — | 27,170 | — |
| Income (loss) before income taxes | 10,475 | 22,942 | 11,575 | 49,058 | (18,817) |
| Income tax (expense) benefit | 1,219 | (1,322) | (1,457) | (363) | 1,596 |
| Net income (loss) | 11,694 | 21,620 | 10,118 | 48,695 | (17,221) |
| Net (income) loss attributable to noncontrolling interests: | | | | | |
| Non-controlling interests in the Operating Partnership | (4,168) | (7,947) | (3,560) | (18,224) | 6,919 |
| Non-controlling interests in other partnerships | 43 | (28) | 49 | 159 | 63 |
| Private perpetual preferred unit distributions | (1,050) | (1,050) | (1,050) | (1,051) | (1,050) |
| Net income (loss) attributable to common stockholders | \$ 6,519 | \$ 12,595 | \$ 5,557 | \$ 29,579 | \$ (11,289) |
| Weighted average common shares outstanding | | | | | |
| Basic | 161,339 | 161,720 | 162,165 | 167,118 | 169,731 |
| Diluted | 265,197 | 265,370 | 267,121 | 270,085 | 273,759 |
| Earnings per share attributable to common stockholders | | | | | |
| Basic and diluted | \$ 0.04 | \$ 0.08 | \$ 0.03 | \$ 0.18 | \$ (0.07) |
| Dividends per share | \$ 0.035 | \$ 0.035 | \$ 0.035 | \$ 0.035 | \$ 0.035 |

Note:

(1) The following table reflects the components of rental revenue.

| | Three Months Ended | | | | |
|-------------------------------------|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Rental Revenue | | | | | |
| Base rent | \$124,782 | \$ 131,745 | \$ 131,800 | \$134,794 | \$133,401 |
| Billed tenant expense reimbursement | 15,309 | 14,160 | 16,490 | 14,545 | 14,113 |
| Total rental revenue | \$140,091 | \$ 145,905 | \$ 148,290 | \$149,339 | \$147,514 |

The preceding table of the components of rental revenue is not, and is not intended to be, a presentation in accordance with GAAP. The Company believes this information is frequently used by management, investors, securities analysts and other interested parties to evaluate the Company's performance.

| | Three Months Ended | | | | |
|--|--------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Reconciliation of Net Income to FFO, Modified FFO and Core FFO | | | | | |
| Net Income (loss) | \$ 11,694 | \$ 21,620 | \$ 10,118 | \$ 48,695 | \$(17,221) |
| Non-controlling interests in other partnerships | 43 | (28) | 49 | 159 | 63 |
| Preferred unit distributions | (1,050) | (1,050) | (1,050) | (1,051) | (1,050) |
| Real estate depreciation and amortization | 46,024 | 43,076 | 45,461 | 56,571 | 65,414 |
| Gain on sale of property | (15,696) | (6,818) | — | (27,170) | — |
| FFO attributable to common stockholders and the Operating Partnership | 41,015 | 56,800 | 54,578 | 77,204 | 47,206 |
| Amortization of below-market ground lease | 1,958 | 1,958 | 1,957 | 1,958 | 1,958 |
| Modified FFO attributable to common stockholders and the Operating Partnership | 42,973 | 58,758 | 56,535 | 79,162 | 49,164 |
| Core FFO attributable to common stockholders and the Operating Partnership | \$ 42,973 | \$ 58,758 | \$ 56,535 | \$ 79,162 | \$ 49,164 |
| Total weighted average shares and Operating Partnership units | | | | | |
| Basic | 264,493 | 263,759 | 266,035 | 270,078 | 273,759 |
| Diluted | 265,197 | 265,370 | 267,121 | 270,085 | 273,759 |
| FFO attributable to common stockholders and the Operating Partnership per share and unit | | | | | |
| Basic | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.17 |
| Diluted | \$ 0.15 | \$ 0.21 | \$ 0.20 | \$ 0.29 | \$ 0.17 |
| Modified FFO attributable to common stockholders and the Operating Partnership per share and unit | | | | | |
| Basic | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.18 |
| Diluted | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.18 |
| Core FFO attributable to common stockholders and the Operating Partnership per share and unit | | | | | |
| Basic | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.18 |
| Diluted | \$ 0.16 | \$ 0.22 | \$ 0.21 | \$ 0.29 | \$ 0.18 |
| Reconciliation of Core FFO to Core FAD | | | | | |
| Core FFO | \$ 42,973 | \$ 58,758 | \$ 56,535 | \$ 79,162 | \$ 49,164 |
| Add: | | | | | |
| Amortization of deferred financing costs | 1,089 | 1,096 | 1,156 | 1,270 | 1,421 |
| Non-real estate depreciation and amortization | 1,237 | 1,285 | 1,303 | 1,285 | 1,264 |
| Amortization of non-cash compensation expense | 4,375 | 5,412 | 5,374 | 5,765 | 4,460 |
| Amortization of loss on interest rate derivative | 1,527 | 1,525 | 1,524 | 1,528 | 1,529 |
| Deduct: | | | | | |
| Straight-line rental revenues | (556) | (6,029) | (7,341) | (8,597) | (2,595) |
| Above/below-market rent revenue amortization | (703) | (622) | (677) | (1,675) | (1,784) |
| Corporate capital expenditures | (270) | (162) | (242) | (302) | (241) |
| Tenant improvements - second generation | (23,919) | (8,867) | (20,329) | (23,163) | (24,457) |
| Building improvements - second generation | (12,611) | (6,837) | (7,986) | (7,248) | (7,640) |
| Leasing commissions - second generation | (4,114) | (4,721) | (10,182) | (5,043) | (15,051) |
| Core FAD | \$ 9,028 | \$ 40,838 | \$ 19,135 | \$ 42,982 | \$ 6,070 |
| Reconciliation of Net Income to EBITDA and Adjusted EBITDA | | | | | |
| Net income (loss) | \$ 11,694 | \$ 21,620 | \$ 10,118 | \$ 48,695 | \$(17,221) |
| Interest expense | 25,304 | 25,634 | 25,516 | 25,042 | 25,014 |
| Income tax expense (benefit) | (1,219) | 1,322 | 1,457 | 363 | (1,596) |
| Depreciation and amortization | 47,408 | 44,500 | 46,984 | 58,304 | 67,106 |
| EBITDA | 83,187 | 93,076 | 84,075 | 132,404 | 73,303 |
| Gain on sale of property | (15,696) | (6,818) | — | (27,170) | — |
| Adjusted EBITDA | \$ 67,491 | \$ 86,258 | \$ 84,075 | \$105,234 | \$ 73,303 |

| Debt Summary | March 31, 2023 | | | | December 31, 2022 | | | |
|---------------------------------------|--------------------|---------------------|---------------|-----------------------------------|--------------------|---------------------|---------------|-----------------------------------|
| | Balance | ESRT Pro-rata Share | Interest Rate | Weighted Average Maturity (Years) | Balance | ESRT Pro-rata Share | Interest Rate | Weighted Average Maturity (Years) |
| Fixed rate mortgage debt | \$ 898,489 | \$ 880,206 | 3.77% | 6.8 | \$ 900,630 | \$ 882,292 | 3.77% | 7.0 |
| Senior unsecured notes | 975,000 | 975,000 | 4.05% | 6.9 | 975,000 | 975,000 | 4.05% | 7.2 |
| Unsecured term loan facilities (1) | 390,000 | 390,000 | 3.93% | 2.8 | 390,000 | 390,000 | 3.93% | 3.0 |
| Total fixed rate debt | 2,263,489 | 2,245,206 | 3.94% | 6.2 | 2,265,630 | 2,247,292 | 3.94% | 6.4 |
| Unsecured term loan facilities (2) | — | — | — | — | — | — | — | — |
| Unsecured revolving credit facilities | — | — | — | 2.0 | — | — | — | 2.3 |
| Total variable rate debt | — | — | — | 2.0 | — | — | — | 2.3 |
| Total debt | 2,263,489 | 2,245,206 | 3.94% | 6.2 | 2,265,630 | 2,247,292 | 3.94% | 6.4 |
| Deferred financing costs, net | (11,182) | | | | (11,748) | | | |
| Debt discount | (7,550) | | | | (7,745) | | | |
| Total | \$2,244,757 | | | | \$2,246,137 | | | |

| Available Capacity | Facility | Outstanding at March 31, 2023 | Letters of Credit | Available Capacity |
|---|-----------|-------------------------------|-------------------|--------------------|
| Unsecured revolving credit facility (3) | \$850,000 | \$ — | \$ — | \$850,000 |

| Covenant Summary | Required | Current Quarter | In Compliance |
|--|----------|-----------------|---------------|
| Maximum Total Leverage (4) | < 60% | 36.9% | Yes |
| Maximum Secured Leverage (4) | < 40% | 14.5% | Yes |
| Minimum Fixed Charge Coverage | > 1.50x | 2.8x | Yes |
| Minimum Unencumbered Interest Coverage | > 1.75x | 5.0x | Yes |
| Maximum Unsecured Leverage (4) | < 60% | 27.0% | Yes |

- Notes:**
- (1) SOFR is fixed at 2.562% for \$175 million and 2.626% for \$215 million under variable to fixed interest rate swap agreements, through debt maturity.
 - (2) As of March 31, 2023, each of our unsecured term loan facilities are fixed under variable to fixed interest rate swap agreements.
 - (3) The unsecured revolving credit and term loan facilities have an accordion feature allowing for an increase in maximum aggregate principal balance to \$1.5 billion under certain circumstances. This unsecured revolving credit facility matures in March 2025 with two additional six-month extension options.
 - (4) Represents the ratio of total indebtedness to total asset value as determined in accordance with the credit facility agreement.

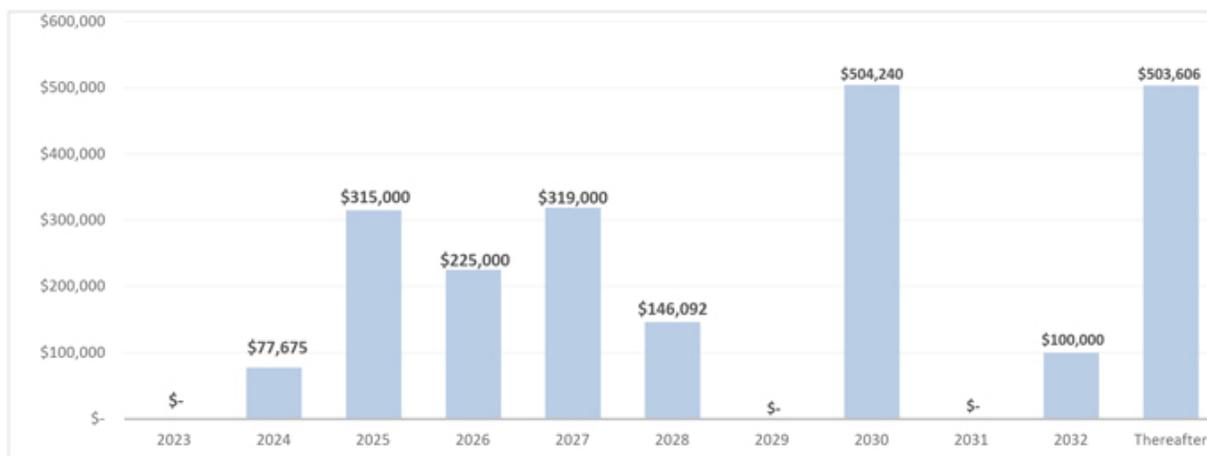
| | Stated Interest Rate (%) | Effective Interest Rate (%) ⁽¹⁾ | Principal Balance | ESRT Pro-rata Share | | Maturity Date | Amortization |
|--|--------------------------|--|--------------------|---------------------|--------------------|---------------|------------------------|
| | | | | Percent | Amount | | |
| Fixed rate mortgage debt: | | | | | | | |
| Metro Center | 3.59% | 3.67% | \$ 81,973 | 100% | \$ 81,973 | 11/5/2024 | 30 years |
| 10 Union Square | 3.70% | 3.97% | 50,000 | 100% | 50,000 | 4/1/2026 | Interest only |
| 1542 Third Avenue | 4.29% | 4.53% | 30,000 | 100% | 30,000 | 5/1/2027 | Interest only |
| First Stamford Place ⁽²⁾ | | | | | | | 5 years interest only; |
| | 4.28% | 4.73% | 178,068 | 100% | 178,068 | 7/1/2027 | 30 years thereafter |
| 1010 Third Avenue & 77 West 55th St. | 4.01% | 4.21% | 35,616 | 100% | 35,616 | 1/5/2028 | 30 years |
| 250 West 57th Street | 2.83% | 3.21% | 180,000 | 100% | 180,000 | 12/1/2030 | Interest only |
| 1333 Broadway | 4.21% | 4.29% | 160,000 | 100% | 160,000 | 2/5/2033 | Interest only |
| 345 East 94th Street - Series A | 70% of LIBOR plus 0.95% | 3.56% | 43,600 | 90% | 39,240 | 11/1/2030 | Interest only |
| 345 East 94th Street - Series B | LIBOR plus 2.24% | 3.56% | 7,707 | 90% | 6,936 | 11/1/2030 | 30 years |
| 561 10th Avenue - Series A | 70% of LIBOR plus 1.07% | 3.85% | 114,500 | 90% | 103,050 | 11/1/2033 | Interest only |
| 561 10th Avenue - Series B | LIBOR plus 2.45% | 3.85% | 17,025 | 90% | 15,323 | 11/1/2033 | 30 years |
| Total fixed rate mortgage debt | | | 898,489 | | 880,206 | | |
| Unsecured term loan facility ⁽³⁾ | SOFR plus 1.20% | 4.22% | 215,000 | 100% | 215,000 | 3/19/2025 | Interest only |
| Unsecured revolving credit facility ⁽³⁾ | SOFR plus 1.30% | — | — | 100% | — | 3/31/2025 | Interest only |
| Unsecured term loan facility ⁽³⁾ | SOFR plus 1.50% | 4.51% | 175,000 | 100% | 175,000 | 12/31/2026 | Interest only |
| Senior unsecured notes: | | | | 100% | — | | |
| Series A | 3.93% | 3.96% | 100,000 | 100% | 100,000 | 3/27/2025 | Interest only |
| Series B | 4.09% | 4.12% | 125,000 | 100% | 125,000 | 3/27/2027 | Interest only |
| Series C | 4.18% | 4.21% | 125,000 | 100% | 125,000 | 3/27/2030 | Interest only |
| Series D | 4.08% | 4.11% | 115,000 | 100% | 115,000 | 1/22/2028 | Interest only |
| Series E | 4.26% | 4.27% | 160,000 | 100% | 160,000 | 3/22/2030 | Interest only |
| Series F | 4.44% | 4.45% | 175,000 | 100% | 175,000 | 3/22/2033 | Interest only |
| Series G | 3.61% | 4.89% | 100,000 | 100% | 100,000 | 3/17/2032 | Interest only |
| Series H | 3.73% | 5.00% | 75,000 | 100% | 75,000 | 3/17/2035 | Interest only |
| Total / weighted average debt | 3.94% | 4.20% | 2,263,489 | | \$2,245,206 | | |
| Deferred financing costs, net | | | (11,182) | | | | |
| Debt discount | | | (7,550) | | | | |
| Total | | | \$2,244,757 | | | | |

Notes:

- (1) The effective interest rate is composed of the stated interest rate, deferred financing cost amortization and interest associated with variable to fixed interest rate swap agreements.
- (2) Represents a \$164 million mortgage loan bearing interest at 4.09% and a \$14.1 million mortgage loan bearing interest at 6.25%.
- (3) As of August 29, 2022, the benchmark index interest rate was converted from LIBOR to SOFR, plus a benchmark adjustment of 10.0 basis points.

| Year | Maturities (1) | Amortization | Total | ESRT Pro-rata Share | Percentage of Total Debt | Weighted Average Interest Rate of Maturing Debt |
|-------------------------------|--------------------|------------------|--------------------|---------------------|--------------------------|---|
| 2023 | \$ — | \$ 6,491 | \$ 6,491 | \$ 6,319 | 0.3% | n/a |
| 2024 | 77,675 | 8,861 | 86,536 | 86,288 | 3.8% | 3.59% |
| 2025 | 315,000 | 6,893 | 321,893 | 321,621 | 14.3% | 3.86% |
| 2026 | 225,000 | 7,330 | 232,330 | 232,033 | 10.3% | 3.98% |
| 2027 | 319,000 | 6,461 | 325,461 | 325,136 | 14.5% | 4.21% |
| 2028 | 146,092 | 3,556 | 149,648 | 149,292 | 6.6% | 4.06% |
| 2029 | — | 3,988 | 3,988 | 3,589 | 0.2% | n/a |
| 2030 | 508,600 | 4,413 | 513,013 | 508,212 | 22.6% | 3.67% |
| 2031 | — | 3,283 | 3,283 | 2,955 | 0.1% | n/a |
| 2032 | 100,000 | 3,591 | 103,591 | 103,232 | 4.6% | 4.05% |
| Thereafter | 514,007 | 3,248 | 517,255 | 506,530 | 22.6% | 4.13% |
| Total debt | <u>\$2,205,374</u> | <u>\$ 58,115</u> | 2,263,489 | <u>\$2,245,206</u> | 100.0% | 3.94% |
| Deferred financing costs, net | | | (11,182) | | | |
| Debt discount | | | (7,550) | | | |
| Total | | | <u>\$2,244,757</u> | | | |

Debt Maturity Profile (2)



Ground Lease Commitments (3)

| Year | 1350 Broadway (4) | 1400 Broadway (5) | 111 West 33rd Street (6) | Total |
|------------|-------------------|-------------------|--------------------------|-----------------|
| 2023 | \$ 81 | \$ 506 | \$ 551 | \$ 1,139 |
| 2024 | 108 | 675 | 735 | 1,518 |
| 2025 | 108 | 675 | 735 | 1,518 |
| 2026 | 93 | 675 | 735 | 1,503 |
| 2027 | 72 | 675 | 735 | 1,482 |
| Thereafter | 1,656 | 24,300 | 36,321 | 62,277 |
| | <u>\$ 2,118</u> | <u>\$ 27,506</u> | <u>\$ 39,812</u> | <u>\$69,437</u> |

Notes:

- (1) Assumes no extension options are exercised.
- (2) The table reflects ESRT's pro-rata share of debt maturities.
- (3) There are no fair value market resets, no step-ups, and no escalations in the three ground lease commitments.
- (4) Expires July 31, 2050 with a remaining term, including unilateral extension rights available to the Company, of approximately 27 years.
- (5) Expires December 31, 2063 with a remaining term, including unilateral extension rights available to the Company, of approximately 40 years.
- (6) Expires May 31, 2077 with a remaining term, including unilateral extension rights available to the Company, of approximately 54 years.

Funds From Operations (“FFO”)

We compute FFO in accordance with the “White Paper” on FFO published by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) (determined in accordance with GAAP), excluding impairment writedowns of investments in depreciable real estate and investments in in-substance real estate investments, gains or losses from debt restructurings and sales of depreciable operating properties, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs), less distributions to non-controlling interests and gains/losses from discontinued operations and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized non-GAAP financial measure for REITs that we believe, when considered with financial statements determined in accordance with GAAP, is useful to investors in understanding financial performance and providing a relevant basis for comparison among REITs. In addition, we believe FFO is useful to investors as it captures features particular to real estate performance by recognizing that real estate has generally appreciated over time or maintains residual value to a much greater extent than do other depreciable assets. Investors should review FFO, along with GAAP net income, when trying to understand an equity REIT’s operating performance. We present FFO because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results of operations, the utility of FFO as a measure of its performance is limited. There can be no assurance that FFO presented by us is comparable to similarly titled measures of other REITs. FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Although FFO is a measure used for comparability in assessing the performance of REITs, as the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO may vary from one company to another.

Modified Funds From Operations (“Modified FFO”)

Modified FFO adds back an adjustment for any above or below-market ground lease amortization to traditionally defined FFO. We believe this a useful supplemental measure in evaluating our operating performance due to the non-cash accounting treatment under GAAP, which stems from the third quarter 2014 acquisition of two option properties following our formation transactions as they carry significantly below market ground leases, the amortization of which is material to our overall results. We present Modified FFO because we believe it is an important supplemental measure of our operating performance in that it adds back the non-cash amortization of below-market ground leases. There can be no assurance that Modified FFO presented by us is comparable to similarly titled measures of other REITs. Modified FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Modified FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions.

Core Funds From Operations (“Core FFO”)

Core FFO adds back to Modified FFO the following items: loss on early extinguishment of debt, acquisition expenses, severance expenses and IPO litigation expense. The Company believes Core FFO is an important supplemental measure of its operating performance because it excludes non-recurring items. There can be no assurance that Core FFO presented by the Company is comparable to similarly titled measures of other REITs. Core FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Core FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. In future periods, we may also exclude other items from Core FFO that we believe may help investors compare our results.

Core Funds Available for Distribution (“Core FAD”)

In addition to Core FFO, we present Core FAD by (i) adding to Core FFO non-real estate depreciation and amortization, the amortization of deferred financing costs, amortization of debt discounts and non-cash compensation expenses and (ii) deducting straight line rent, recurring second generation leasing commissions, tenant improvements, prebuilts, capital expenditures, furniture, fixtures & equipment, amortization of debt premiums and above/below market rent revenue. Core FAD is presented solely as a supplemental disclosure that we believe provides useful information regarding our ability to fund our dividends. Core FAD does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) determined in accordance with GAAP or to cash flow from operating activities determined in accordance with GAAP. Core FAD is not indicative of cash available to fund ongoing cash needs., including the ability to make cash distributions. There can be no assurance that Core FAD presented by us is comparable to similarly titled measures of other REITs.

Net Operating Income (“NOI”)

NOI is a non-GAAP financial measure of performance. NOI is used by our management to evaluate and compare the performance of our properties and to determine trends in earnings and to compute the fair value of our properties as it is not affected by; (i) the cost of funds of the property owner, (ii) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP, (iii) acquisition expenses, impairment charges, loss on early extinguishment of debt and loss from derivative financial instruments or (iv) general and administrative expenses and other gains and losses that are specific to the property owner. The cost of funds is eliminated from net operating income because it is specific to the particular financing capabilities and constraints of the owner. The cost of funds is also eliminated because it is dependent on historical interest rates and other costs of capital as well as past decisions made by us regarding the appropriate mix of capital which may have changed or may change in the future. Depreciation and amortization expenses as well as gains or losses from the sale of

operating real estate assets are eliminated because they may not accurately represent the actual change in value in our office or retail properties that result from use of the properties or changes in market conditions. While certain aspects of real property do decline in value over time in a manner that is reasonably captured by depreciation and amortization, the value of the properties as a whole have historically increased or decreased as a result of changes in overall economic conditions instead of from actual use of the property or the passage of time. Gains and losses from the sale of real property vary from property to property and are affected by market conditions at the time of sale which will usually change from period to period. These gains and losses can create distortions when comparing one period to another or when comparing our operating results to the operating results of other real estate companies that have not made similarly timed, purchases or sales. We believe that eliminating these costs from net income is useful to investors because the resulting measure captures the actual revenue, generated and actual expenses incurred in operating our properties as well as trends in occupancy rates, rental rates and operating costs. However, the usefulness of NOI is limited because it excludes general and administrative costs, interest expense, depreciation and amortization expense and gains or losses from the sale of properties, and other gains and losses as stipulated by GAAP, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, all of which are significant economic costs. NOI may fail to capture significant trends in these components of net income which further limits its usefulness. NOI is a measure of the operating performance of our properties but does not measure our performance as a whole. NOI is therefore not a substitute for net income as computed in accordance with GAAP. This measure should be analyzed in conjunction with net income computed in accordance with GAAP. Other companies may use different methods for calculating NOI or similarly titled measures and, accordingly, our NOI may not be comparable to similarly titled measures reported by other companies that do not define the measure exactly as we do.

Same Store Net Operating Income (“SSNOI”)

In addition to NOI, we present Same Store NOI. Our Same Store portfolio excludes our multifamily assets and includes all of our properties owned and included in our portfolio for all periods presented. It does not include properties held-for-sale or those properties which we otherwise expect to dispose of in the subsequent quarter.

EBITDA and Adjusted EBITDA

We compute EBITDA as net income plus interest expense, income taxes and depreciation. We present EBITDA because we believe that EBITDA, along with cash flow from operating activities, investing activities and financing activities, provides investors with an additional indicator of its ability to incur and service debt. EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of its liquidity. For adjusted EBITDA, we add back impairment charges and gain on disposition of property.