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Sorrento Mesa  
San Diego, CA



# SECOND QUARTER 2020

## SUPPLEMENTAL FINANCIAL INFORMATION

[www.cityofficereit.com](http://www.cityofficereit.com)

# FORWARD – LOOKING STATEMENTS

*This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Certain statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements within the meaning of the federal securities laws and as such are based upon the current beliefs of City Office REIT, Inc. (the “Company”) as to the outcome and timing of future events. There can be no assurance that actual forward-looking statements, including projected capital resources, projected profitability and portfolio performance, estimates or developments affecting the Company or statements regarding the impact of the ongoing COVID-19 pandemic, will be those anticipated by the Company. Examples of forward-looking statements include those pertaining to market rental rates, national or local economic growth, estimated replacement costs of our properties, projected capital improvements, expected sources of financing, expectations as to the timing of closing of acquisitions, dispositions, or other transactions, the expected operating performance of anticipated near-term acquisitions, recently acquired properties and dispositions and descriptions relating to these expectations, including, without limitation, the anticipated net operating income yield. Forward-looking statements presented in this presentation are based on management’s beliefs and assumptions made by, and information currently available to, management.*

*Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “believe,” “could,” “project,” “predict,” “hypothetical,” “continue,” “future” or other similar words or expressions. All forward-looking statements included in this presentation are based upon information available to the Company on the date hereof and the Company is under no duty to update any of the forward-looking statements after the date of this presentation to conform these statements to actual results. The forward-looking statements involve a number of significant risks and uncertainties. Factors that could have a material adverse effect on the Company’s operations and future prospects are set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and subsequent filings with the SEC, including under the heading entitled “Risk Factors”. The factors set forth in the Risk Factors section and otherwise described in the Company’s filings with SEC could cause the Company’s actual results to differ significantly from those contained in any forward-looking statement contained in this presentation. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors. Unless otherwise stated, historical financial information and per share and other data is as of June 30, 2020 or relate to the quarter ended June 30, 2020.*

*Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company’s business, financial condition, liquidity, cash flows and results could differ materially from those expressed in any forward-looking statement. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. Use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends.*

# COMPANY OVERVIEW

**City Office REIT, Inc.** (NYSE: CIO) invests in high-quality office properties in 18-hour cities with strong economic fundamentals, primarily in the Southern and Western United States. At June 30, 2020, CIO owned office complexes comprising 5.8 million square feet of net rentable area (“NRA”).

CIO’s portfolio consists of high-quality assets with favorable attributes including:

- Well-located real estate with excellent access to transportation
- Amenity-rich locations
- Well-managed, high-quality properties
- Stable, long-term tenancy profile with well-staggered expirations
- Contractual rent escalations yielding predictable annual growth in rental income

Our strategy is to continue our growth through a combination of internal cash flow growth initiatives and a focused acquisition strategy. Our acquisition strategy is concentrated on thriving markets with leading economic fundamentals and a purchase price generally between \$25 million and \$100 million.

## MANAGEMENT TEAM

**Jamie Farrar** – CEO & Director

**Greg Tylee** – President & COO

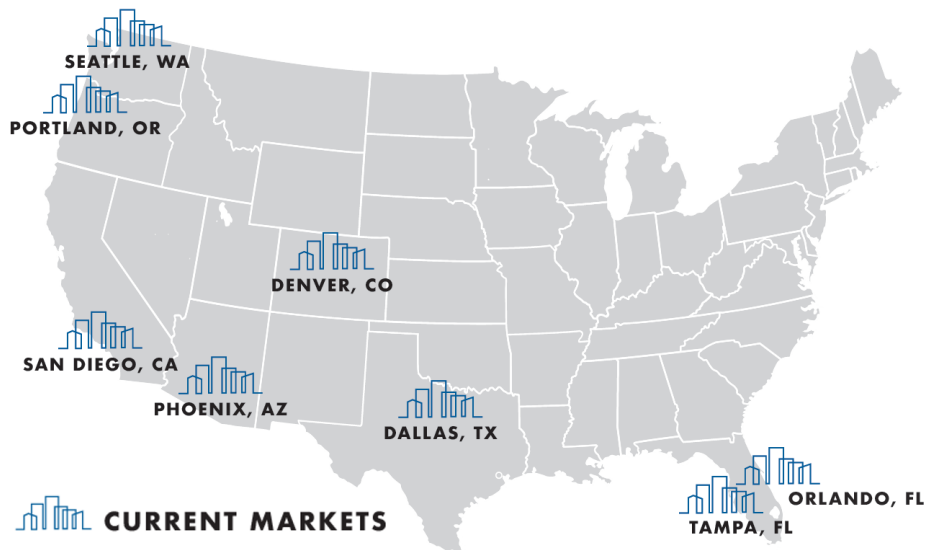
**Tony Maretic** – CFO, Treasurer & Secretary

## INVESTOR RELATIONS

**Tony Maretic**

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# FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>INCOME ITEMS</b>					
Net income/(loss)	\$ 623	\$ 1,006	\$ 2,988	\$ (947)	\$ 1,321
NOI	\$ 25,533	\$ 25,428	\$ 24,499	\$ 24,562	\$ 26,645
Same Store Cash NOI Growth	2.3%	4.1%	3.9%	5.8%	5.9%
Net (loss)/income per share - diluted	\$ (0.03)	\$ (0.02)	\$ 0.02	\$ (0.07)	\$ (0.02)
Core FFO / Share	\$ 0.29	\$ 0.26	\$ 0.25	\$ 0.29	\$ 0.34
AFFO / Share	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.22	\$ 0.26
EBITDA (CIO share)	\$ 23,006	\$ 22,798	\$ 21,919	\$ 21,830	\$ 23,327
<b>CAPITALIZATION</b>					
Common shares	44,511	53,175	54,591	47,647	39,647
Unvested restricted shares	418	545	335	416	408
Total shares	44,929	53,720	54,926	48,063	40,055
Weighted average common shares outstanding - diluted	48,023	54,966	54,416	43,005	40,054
Share price at quarter end	\$ 10.06	\$ 7.23	\$ 13.52	\$ 14.39	\$ 11.99
Market value of common equity	\$ 451,987	\$ 388,393	\$ 742,606	\$ 691,629	\$ 480,262
Total Series A preferred shares outstanding	4,480	4,480	4,480	4,480	4,480
Liquidation preference per preferred share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Aggregate liquidation preference of preferred shares	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000
Net debt - CIO share	\$ 619,316	\$ 539,017	\$ 517,762	\$ 617,518	\$ 677,017
Total enterprise value (including net debt)	\$ 1,183,303	\$ 1,039,410	\$ 1,372,368	\$ 1,421,147	\$ 1,269,279
<b>DEBT STATISTICS AND RATIOS</b>					
Total principal debt (CIO share)	\$ 701,288	\$ 702,846	\$ 604,369	\$ 649,114	\$ 707,047
Weighted average maturity	4.6 years	4.9 years	5.6 years	5.6 years	5.4 years
Weighted average interest rate	3.7%	3.8%	4.0%	4.0%	4.2%
Fixed rate debt as a percentage of total debt <sup>(1)</sup>	85.9%	85.9%	100.0%	93.4%	79.0%
<b>LEASING STATISTICS</b>					
In-Place occupancy	91.9%	92.2%	91.9%	91.2%	93.4%
Weighted average remaining lease term	4.2 years	4.4 years	4.4 years	4.5 years	4.5 years

(1) The fixed rate debt percentage for Q2 2020, Q1 2020, Q4 2019, and Q3 2019 factors in an interest rate swap applied against the \$50 million Term Loan which effectively fixes the 30 day LIBOR rate component of the Term Loan at 1.27% throughout the duration of the loan.

# PROPERTY OVERVIEW

Metropolitan Area	Property	Economic Interest	NRA (000s SF)	In Place Occupancy	Annualized Base Rent per SF	Annualized Gross Rent per SF <sup>1</sup>	Annualized Base Rent <sup>2</sup> (000s)
Phoenix, AZ (20.8% of NRA)	Pima Center	100.0%	272	85.0%	\$27.50	\$27.50	\$6,354
	SanTan	100.0%	267	93.1%	\$28.73	\$28.73	\$7,128
	5090 N 40th St	100.0%	175	89.3%	\$29.51	\$29.51	\$4,614
	Camelback Square	100.0%	174	78.8%	\$29.42	\$29.42	\$4,034
	The Quad	100.0%	163	100.0%	\$29.80	\$30.11	\$4,857
	Papago Tech	100.0%	163	90.9%	\$22.46	\$22.46	\$3,322
Denver, CO (19.9%)	Cherry Creek	100.0%	356	100.0%	\$18.59	\$19.31	\$6,612
	Circle Point	100.0%	272	93.5%	\$18.03	\$32.03	\$4,585
	Denver Tech <sup>3</sup>	100.0%	381	78.0%	\$23.13	\$27.19	\$6,652
	Superior Pointe	100.0%	151	96.5%	\$18.16	\$30.63	\$2,652
Tampa, FL (17.9%)	Park Tower	94.8%	471	91.5%	\$26.15	\$26.15	\$11,281
	City Center	95.0%	242	91.4%	\$26.05	\$26.05	\$5,769
	Intellicenter	100.0%	204	100.0%	\$24.53	\$24.53	\$4,993
	Carillon Point	100.0%	124	97.2%	\$28.65	\$28.65	\$3,457
Orlando, FL (12.4%)	Florida Research Park <sup>4</sup>	96.6%	397	98.5%	\$23.41	\$26.84	\$9,134
	Central Fairwinds	97.0%	168	90.5%	\$25.85	\$25.85	\$3,936
	Greenwood Blvd	100.0%	155	100.0%	\$23.25	\$23.25	\$3,605
San Diego, CA (10.0%)	Sorrento Mesa	100.0%	296	85.3%	\$25.94	\$33.94	\$6,550
	Mission City	100.0%	286	89.7%	\$35.95	\$35.95	\$9,214
Dallas, TX (9.9%)	190 Office Center	100.0%	303	81.2%	\$25.65	\$25.65	\$6,313
	Lake Vista Pointe	100.0%	163	100.0%	\$16.50	\$25.50	\$2,695
	2525 McKinnon	100.0%	111	88.5%	\$28.42	\$45.42	\$2,801
Portland, OR (5.6%)	AmberGlen	76.0%	203	98.4%	\$22.01	\$24.55	\$4,388
	Cascade Station	100.0%	128	100.0%	\$27.04	\$28.41	\$3,448
Seattle, WA (3.5%)	Canyon Park	100.0%	207	100.0%	\$21.84	\$29.84	\$4,515
<b>Total / Weighted Average - June 30, 2020 <sup>5</sup></b>			<b>5,832</b>	<b>91.9%</b>	<b>\$24.83</b>	<b>\$27.77</b>	<b>\$132,909</b>

(1) Annualized gross rent per square foot includes adjustment for estimated expense reimbursements of triple net leases for the year ended June 30, 2020.

(2) Annualized base rent is calculated by multiplying (i) rental payments (defined as cash rents before abatements) for the month ended June 30, 2020 by (ii) 12.

(3) Denver Tech is comprised of 7601 Tech and 7595 Tech (formerly "DTC Crossroads").

(4) Florida Research Park is comprised of FRP Collection and FRP Ingenuity Drive.

(5) Averages weighted based on the property's NRA, adjusted for occupancy.

# NET INCOME

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Rental and other revenues</b>	\$ 39,617	\$ 41,171	\$ 79,739	\$ 78,291
<b>Operating expenses:</b>				
Property operating expenses	14,084	14,526	28,780	28,370
General and administrative	2,697	3,362	5,480	5,660
Depreciation and amortization	15,080	14,604	30,032	29,022
Total operating expenses	31,861	32,492	64,292	63,052
Operating income	7,756	8,679	15,447	15,239
Interest expense:				
Contractual interest expense	(6,792)	(7,502)	(13,153)	(14,645)
Amortization of deferred financing costs and debt fair value	(341)	(334)	(665)	(671)
	(7,133)	(7,836)	(13,818)	(15,316)
Net gain on sale of real estate property	-	478	-	478
<b>Net income</b>	623	1,321	1,629	401
Less:				
Net income attributable to non-controlling interests in properties	(179)	(165)	(361)	(334)
<b>Net income attributable to the Company</b>	444	1,156	1,268	67
Preferred stock distributions	(1,855)	(1,855)	(3,710)	(3,710)
<b>Net loss attributable to common stockholders</b>	\$ (1,411)	\$ (699)	\$ (2,442)	\$ (3,643)
Net loss per common share:				
Basic	\$ (0.03)	\$ (0.02)	\$ (0.05)	\$ (0.09)
Diluted	\$ (0.03)	\$ (0.02)	\$ (0.05)	\$ (0.09)
Weighted average common shares outstanding:				
Basic	47,542	39,640	50,993	39,603
Diluted	47,542	39,640	50,993	39,603
Dividend distributions declared per common share	\$ 0.150	\$ 0.235	\$ 0.300	\$ 0.470

# BALANCE SHEET

(in thousands, except par value and share data)  
(unaudited)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Real estate properties		
Land	\$ 230,034	\$ 230,034
Building and improvement	788,544	784,636
Tenant improvement	104,842	94,218
Furniture, fixtures and equipment	285	285
	<u>1,123,705</u>	<u>1,109,173</u>
Accumulated depreciation	(120,298)	(101,835)
	<u>1,003,407</u>	<u>1,007,338</u>
Cash and cash equivalents	67,039	70,129
Restricted cash	16,104	17,394
Rents receivable, net <sup>1</sup>	33,145	32,112
Deferred leasing costs, net	14,067	12,393
Acquired lease intangible assets, net	56,789	67,533
Other assets	16,817	17,061
Assets held for sale	4,543	4,514
Total Assets	<u>\$ 1,211,911</u>	<u>\$ 1,228,474</u>
<b>Liabilities and Equity</b>		
<b>Liabilities:</b>		
Debt	\$ 704,797	\$ 607,250
Accounts payable and accrued liabilities	28,203	28,786
Deferred rent	7,029	6,593
Tenant rent deposits	5,358	5,658
Acquired lease intangible liabilities, net	7,010	8,194
Other liabilities	18,832	22,794
Liabilities related to assets held for sale	27	67
Total Liabilities	<u>771,256</u>	<u>679,342</u>
<b>Commitments and Contingencies</b>		
<b>Equity:</b>		
6.625% Series A Preferred stock, \$0.01 par value per share, 5,600,000 shares authorized, 4,480,000 issued and outstanding	112,000	112,000
Common stock, \$0.01 par value, 100,000,000 shares authorized, 44,511,313 and 54,591,047 shares issued and outstanding	445	545
Additional paid-in capital	488,820	577,131
Accumulated deficit	(159,390)	(142,383)
Accumulated other comprehensive (loss)/income	(2,324)	715
Total Stockholders' Equity	<u>439,551</u>	<u>548,008</u>
Non-controlling interests in properties	1,104	1,124
Total Equity	<u>440,655</u>	<u>549,132</u>
Total Liabilities and Equity	<u>\$ 1,211,911</u>	<u>\$ 1,228,474</u>

(1) Rents receivable includes \$30.6 million of straight-line rent receivables. CIO pro-rata share of straight-line rents receivable was \$29.8 million.

# STATEMENT OF CASH FLOWS

(in thousands)  
(unaudited)

	Six Months Ended June 30,	
	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 1,629	\$ 401
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,032	29,022
Amortization of deferred financing costs and debt fair value	665	671
Amortization of above and below market leases	(47)	(92)
Increase in straight-line rent/expense	(1,002)	(3,424)
Non-cash stock compensation	1,157	879
Net gain on sale of real estate property	-	(478)
Changes in non-cash working capital:		
Rents receivable, net	6	(1,677)
Other assets	(673)	(1,082)
Accounts payable and accrued liabilities	(567)	(5,241)
Deferred rent	436	53
Tenant rent deposits	(300)	(394)
Net Cash Provided By Operating Activities	<u>31,336</u>	<u>18,638</u>
<b>Cash Flows to Investing Activities:</b>		
Additions to real estate properties	(15,140)	(9,881)
Acquisition of real estate	-	(61,012)
Net proceeds from sale of real estate	-	33,941
Deferred leasing costs	(3,056)	(1,598)
Net Cash Used In Investing Activities	<u>(18,196)</u>	<u>(38,550)</u>
<b>Cash Flows (to)/from Financing Activities:</b>		
Repurchases of common stock	(89,671)	-
Debt issuance and extinguishment costs	-	(648)
Proceeds from borrowings	130,000	95,950
Repayment of borrowings	(33,116)	(54,827)
Shares withheld for payment of taxes on restricted stock unit vesting	(42)	(246)
Contributions from non-controlling interests in properties	3	22
Distributions to non-controlling interests in properties	(384)	(290)
Dividend distributions paid to stockholders	(24,310)	(22,318)
Net Cash (Used In)/Provided By Financing Activities	<u>(17,520)</u>	<u>17,643</u>
<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b>	<b>(4,380)</b>	<b>(2,269)</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Period</b>	<b>87,523</b>	<b>33,145</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Period</b>	<b>\$ <u>83,143</u></b>	<b>\$ <u>30,876</u></b>



# FFO, CORE FFO AND AFFO RECONCILIATION

(in thousands, except per share data)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>Net (loss)/income attributable to common stockholders</b>	\$ (1,411)	\$ (1,031)	\$ 987	\$ (2,966)	\$ (699)
(+) Depreciation and amortization	15,080	14,953	15,102	15,035	14,604
(-) Net gain on sale of real estate property	-	-	(2,934)	-	(478)
	13,669	13,922	13,155	12,069	13,427
Non-controlling interests in properties:					
(+) Share of net income	179	182	146	164	165
(-) Share of FFO	(342)	(342)	(305)	(310)	(312)
<b>Funds from Operations ("FFO")</b>	<b>\$ 13,506</b>	<b>\$ 13,762</b>	<b>\$ 12,996</b>	<b>\$ 11,923</b>	<b>\$ 13,280</b>
(+) Stock based compensation	588	569	432	431	435
<b>Core FFO</b>	<b>\$ 14,094</b>	<b>\$ 14,331</b>	<b>\$ 13,428</b>	<b>\$ 12,354</b>	<b>\$ 13,715</b>
(+) Net recurring straight-line rent/expense adjustment	(77)	(361)	(52)	(127)	(850)
(+) Net amortization of above and below market leases	(59)	16	40	24	(66)
(+) Net amortization of deferred financing costs and debt fair value	339	321	330	318	331
(-) Net recurring tenant improvements and incentives	(6,395)	(2,475)	(3,147)	(1,723)	(1,694)
(-) Net recurring leasing commissions	(472)	(2,464)	(1,521)	(971)	(592)
(-) Net recurring capital expenditures	(836)	(1,455)	(1,221)	(526)	(496)
<b>Adjusted Funds from Operations ("AFFO")</b>	<b>\$ 6,594</b>	<b>\$ 7,913</b>	<b>\$ 7,857</b>	<b>\$ 9,349</b>	<b>\$ 10,348</b>
<b>FFO per common share</b>	<b>\$ 0.28</b>	<b>\$ 0.25</b>	<b>\$ 0.24</b>	<b>\$ 0.28</b>	<b>\$ 0.33</b>
<b>Core FFO per common share</b>	<b>\$ 0.29</b>	<b>\$ 0.26</b>	<b>\$ 0.25</b>	<b>\$ 0.29</b>	<b>\$ 0.34</b>
<b>AFFO per common share</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$ 0.22</b>	<b>\$ 0.26</b>
<b>Dividends declared per common share</b>	<b>\$ 0.150</b>	<b>\$ 0.150</b>	<b>\$ 0.235</b>	<b>\$ 0.235</b>	<b>\$ 0.235</b>
<b>FFO Payout Ratio</b>	<b>53%</b>	<b>60%</b>	<b>98%</b>	<b>85%</b>	<b>71%</b>
<b>Core FFO Payout Ratio</b>	<b>51%</b>	<b>58%</b>	<b>95%</b>	<b>82%</b>	<b>69%</b>
<b>AFFO Payout Ratio</b>	<b>109%</b>	<b>104%</b>	<b>163%</b>	<b>108%</b>	<b>91%</b>
Weighted average common shares outstanding - diluted	48,023	54,966	54,416	43,005	40,054

# NET OPERATING INCOME RECONCILIATION

(in thousands)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>Net income/(loss)</b>	\$ 623	\$ 1,006	\$ 2,988	\$ (947)	\$ 1,321
Adjustments to net income/(loss):					
General and administrative	2,697	2,783	2,631	2,775	3,362
Contractual interest expense	6,792	6,362	6,379	7,378	7,502
Amortization of deferred financing costs and debt fair value	341	324	333	321	334
Depreciation and amortization	15,080	14,953	15,102	15,035	14,604
Net gain on sale of real estate property	-	-	(2,934)	-	(478)
<b>Net Operating Income ("NOI")</b>	<b>\$ 25,533</b>	<b>\$ 25,428</b>	<b>\$ 24,499</b>	<b>\$ 24,562</b>	<b>\$ 26,645</b>
Net recurring straight-line rent/expense adjustment	(77)	(361)	(52)	(127)	(850)
Net amortization of above and below market leases	(59)	16	40	24	(66)
<b>Portfolio Adjusted Cash NOI</b>	<b>\$ 25,397</b>	<b>\$ 25,083</b>	<b>\$ 24,487</b>	<b>\$ 24,459</b>	<b>\$ 25,729</b>
NCI in properties - share in cash NOI	(418)	(416)	(381)	(388)	(391)
<b>Adjusted Cash NOI (CIO share)</b>	<b>\$ 24,979</b>	<b>\$ 24,667</b>	<b>\$ 24,106</b>	<b>\$ 24,071</b>	<b>\$ 25,338</b>

# REVENUE DETAIL

(in thousands)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Rental Income	\$ 33,131	\$ 33,213	\$ 33,029	\$ 32,593	\$ 31,956
Expense Reimbursement	5,692	6,016	5,016	5,439	5,646
Other Income <sup>1</sup>	794	893	1,016	914	3,569
	<b>\$ 39,617</b>	<b>\$ 40,122</b>	<b>\$ 39,061</b>	<b>\$ 38,946</b>	<b>\$ 41,171</b>

(1) Other income in Q2 2019 includes income of \$2.6 million as a result of an assignment by the Company of a purchase contract to a third party.

# SAME STORE ANALYSIS

(in thousands)

THREE MONTHS ENDED	Same Store Portfolio			
	Q2 2020	Q2 2019	Variance	% Change
Rental and other revenues	\$ 36,145	\$ 39,309	\$ (3,164)	(8.0%)
Property operating expenses	13,033	13,821	788	5.7%
<b>Net operating income ("NOI")</b>	<b>\$ 23,112</b>	<b>\$ 25,488</b>	<b>\$ (2,376)</b>	<b>(9.3%)</b>
Less: non-recurring other income	-	(2,625)	2,625	
Less: termination fee income	(483)	(35)	(448)	
Less: straight-line rent/expense adjustment	102	(792)	894	
Less: above and below market leases	(177)	(15)	(162)	
Less: NCI in properties - share in cash NOI	(418)	(391)	(27)	
<b>Same store cash NOI</b>	<b>\$ 22,136</b>	<b>\$ 21,630</b>	<b>\$ 506</b>	<b>2.3%</b>
Number of Properties	23	23		
Square Feet (in thousands)	5,339	5,339		
% of Portfolio NOI Represented	90.4%	95.4%		
Occupancy % (end of period)	92.1%	93.9%		

SIX MONTHS ENDED	Same Store Portfolio			
	Q2 2020	Q2 2019	Variance	% Change
Rental and other revenues	\$ 71,210	\$ 73,746	\$ (2,536)	(3.4%)
Property Operating Expenses	26,070	26,666	596	2.2%
<b>Net operating income ("NOI")</b>	<b>\$ 45,140</b>	<b>\$ 47,080</b>	<b>\$ (1,940)</b>	<b>(4.1%)</b>
Less: non-recurring other income	-	(2,625)	2,625	
Less: termination fee income	(863)	(238)	(625)	
Less: straight-line rent/expense adjustment	46	(1,564)	1,610	
Less: above and below market leases	(272)	13	(285)	
Less: NCI in properties - share in cash NOI	(834)	(785)	(49)	
<b>Same store cash NOI</b>	<b>\$ 43,217</b>	<b>\$ 41,881</b>	<b>\$ 1,336</b>	<b>3.2%</b>
Number of Properties	23	23		
Square Feet (in thousands)	5,339	5,339		
% of Portfolio NOI Represented	88.6%	94.4%		
Occupancy % (end of period)	92.1%	93.9%		

Recently Acquired <sup>(1)</sup>		Repositioning <sup>(2)</sup>		Dispositions <sup>(3)</sup>		All Properties			
Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Variance	% Change
\$ 2,321	\$ 185	\$ 1,151	\$ 1,202	\$ -	\$ 475	\$ 39,617	\$ 41,171	\$ (1,554)	-4%
829	40	222	388	-	277	14,084	14,526	442	3%
<b>\$ 1,492</b>	<b>\$ 145</b>	<b>\$ 929</b>	<b>\$ 814</b>	<b>\$ -</b>	<b>\$ 198</b>	<b>\$ 25,533</b>	<b>\$ 26,645</b>	<b>\$ (1,112)</b>	<b>-4%</b>
-	-	-	-	-	-	-	(2,625)	2,625	
-	-	-	-	-	-	(483)	(35)	(448)	
(67)	(9)	(112)	(24)	-	(25)	(77)	(850)	773	
146	6	(28)	(52)	-	(5)	(59)	(66)	7	
-	-	-	-	-	-	(418)	(391)	(27)	
<b>\$ 1,571</b>	<b>\$ 142</b>	<b>\$ 789</b>	<b>\$ 738</b>	<b>\$ -</b>	<b>\$ 168</b>	<b>\$ 24,496</b>	<b>\$ 22,678</b>	<b>\$ 1,818</b>	<b>8%</b>

(1) Recently acquired assets excluded consist of Cascade Station and 7601 Tech.

(2) Properties undergoing repositioning include Camelback Square

(3) Dispositions include Sorrento Mesa - 10455, and Logan Tower

Recently Acquired <sup>(1)</sup>		Repositioning <sup>(2)</sup>		Dispositions <sup>(3)</sup>		All Properties			
Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Variance	% Change
\$ 6,137	\$ 770	\$ 2,392	\$ 2,437	\$ -	\$ 1,338	\$ 79,739	\$ 78,291	\$ 1,448	2%
2,059	183	651	707	-	814	28,780	28,370	(410)	(1%)
<b>\$ 4,078</b>	<b>\$ 587</b>	<b>\$ 1,741</b>	<b>\$ 1,730</b>	<b>\$ -</b>	<b>\$ 524</b>	<b>\$ 50,959</b>	<b>\$ 49,921</b>	<b>\$ 1,038</b>	<b>2%</b>
-	-	-	-	-	-	-	(2,625)	2,625	-
-	-	-	-	-	-	(863)	(238)	(625)	
(188)	(30)	(296)	(111)	-	(123)	(438)	(1,828)	1,390	
285	3	(56)	(104)	-	(7)	(43)	(95)	52	
-	-	-	-	-	-	(834)	(785)	(49)	
<b>\$ 4,175</b>	<b>\$ 560</b>	<b>\$ 1,389</b>	<b>\$ 1,515</b>	<b>\$ -</b>	<b>\$ 394</b>	<b>\$ 48,781</b>	<b>\$ 44,350</b>	<b>\$ 4,431</b>	<b>10%</b>

(1) Recently acquired assets excluded consist of Canyon Park (Q1), Cascade Station and 7601 Tech.

(2) Properties undergoing repositioning include Camelback Square

(3) Dispositions include Plaza 25, Sorrento Mesa - 10455, and Logan Tower

# EBITDA RECONCILIATION

(in thousands)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>Net income/(loss)<sup>1</sup></b>	\$ 623	\$ 1,006	\$ 2,988	\$ (947)	\$ 1,321
Contractual interest expense	6,792	6,362	6,379	7,378	7,502
Amortization of deferred financing costs and debt fair value	341	324	333	321	334
Depreciation and amortization	15,080	14,953	15,102	15,035	14,604
Stock based compensation	588	569	432	431	435
Net gain on sale of real estate property	-	-	(2,934)	-	(478)
<b>Portfolio EBITDA<sup>1</sup></b>	<b>\$ 23,424</b>	<b>\$ 23,214</b>	<b>\$ 22,300</b>	<b>\$ 22,218</b>	<b>\$ 23,718</b>
NCI in properties interest in EBITDA	(418)	(416)	(381)	(388)	(391)
<b>EBITDA (CIO share)<sup>1</sup></b>	<b>\$ 23,006</b>	<b>\$ 22,798</b>	<b>\$ 21,919</b>	<b>\$ 21,830</b>	<b>\$ 23,327</b>
Sorrento Mesa - 10455 Sale <sup>3</sup>	-	-	-	-	(65)
Cascade Station - Full Quarter Adjustment <sup>2</sup>	-	-	-	-	522
7601 Tech - Full Quarter Adjustment <sup>2</sup>	-	-	-	568	-
Logan Tower Sale <sup>4</sup>	-	-	(72)	-	-
<b>Adjusted EBITDA (adjusted for mid-quarter acquisitions and dispositions)</b>	<b>\$ 23,006</b>	<b>\$ 22,798</b>	<b>\$ 21,847</b>	<b>\$ 22,398</b>	<b>\$ 23,784</b>

(1) Includes Cascade Station results beginning June 13, 2019 and 7601 Tech results beginning September 5, 2019.

(2) Estimated based on the number of days since acquisition, pro-rated for a full quarter.

(3) Adjustment to exclude Sorrento Mesa - 10455 results from April 1, 2019 to May 7, 2019, the date of disposition.

(4) Adjustment to exclude Logan Tower results from October 1, 2019 to December 12, 2019, the date of disposition.

# DEBT SUMMARY AND MATURITY

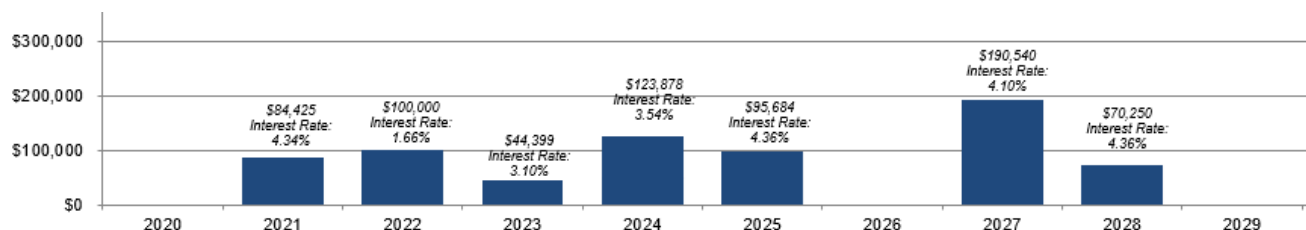
(in thousands)

Property	Ownership	Maturity	Interest Rate		Principal Amount	
			Floating	Fixed	Outstanding	CIO Share
<b>Fixed Rate</b>						
Midland Life Insurance	99%	May-21	n/a	4.34%	\$ 84,425	\$ 83,288
Mission City	100%	Nov-27	n/a	3.78%	47,000	47,000
Canyon Park <sup>(1)</sup>	100%	Mar-27	n/a	4.30%	40,950	40,950
190 Office Center	100%	Oct-25	n/a	4.79%	40,549	40,549
Circle Point	100%	Sep-28	n/a	4.49%	39,650	39,650
SanTan	100%	Mar-27	n/a	4.56%	33,752	33,752
Intellicenter	100%	Oct-25	n/a	4.65%	32,710	32,710
The Quad	100%	Sep-28	n/a	4.20%	30,600	30,600
FRP Collection	95%	Sep-23	n/a	3.10%	28,619	27,188
2525 McKinnon	100%	Apr-27	n/a	4.24%	27,000	27,000
Greenwood Blvd	100%	Dec-25	n/a	3.15%	22,425	22,425
Cascade Station	100%	May-24	n/a	4.55%	22,130	22,130
5090 N 40th St	100%	Jan-27	n/a	3.92%	21,838	21,838
AmberGlen	76%	May-27	n/a	3.69%	20,000	15,200
Lake Vista Pointe	100%	Aug-24	n/a	4.28%	17,547	17,547
Central Fairwinds	97%	Jun-24	n/a	3.15%	17,332	16,812
FRP Ingenuity Drive	100%	Dec-24	n/a	4.44%	16,869	16,869
Carillon Point	100%	Oct-23	n/a	3.10%	15,780	15,780
					559,176	551,288
<b>Floating Rate</b>						
Unsecured Credit Facility	100%	Mar-22	LIBOR + 1.50% <sup>(3)</sup>	n/a	100,000	100,000
Term Loan <sup>(2)</sup>	100%	Sep-24	LIBOR + 1.40% <sup>(3)</sup>	2.67%	50,000	50,000
Total Principal					709,176	701,288
Deferred financing costs, net					(4,926)	(4,877)
Unamortized fair value adjustments					547	547
<b>Total Debt as of June 30, 2020</b>				<b>3.69%</b>	<b>\$ 704,797</b>	<b>\$ 696,958</b>

(1) The mortgage loan anticipated repayment date ("ARD") is March 1, 2027. The final scheduled maturity date can be extended up to 5 years beyond the ARD.

(2) Borrowing under the Term Loan bears interest at a rate equal to the LIBOR rate plus a margin between 125 to 215 basis points depending upon the Company's consolidated leverage ratio. The Company entered into a pay-fixed receive-variable interest rate swap, fixing the LIBOR component of the Term Loan at 1.27% over the five-year duration of the Term Loan.

(3) As of June 30, 2020, the one-month LIBOR rate was 0.16%.



# LEVERAGE AND COVERAGE RATIOS

(in thousands, except percentages, ratios and per share data)

	Q2 2020
<b>Market Capitalization</b>	
CIO share of debt principal	\$ 701,288
CIO share of cash and cash equivalents	(66,056)
CIO share of restricted cash	(15,916)
CIO share of net debt	<u>619,316</u>
Market value of common equity <sup>1</sup>	451,987
Liquidation preference of preferred equity	<u>112,000</u>
Total enterprise value	<u>\$ 1,183,303</u>

**Net Debt to Enterprise Value including Restricted Cash** 52.3%

**Net Debt to Enterprise Value at Last Equity Raise - \$13.85<sup>2</sup>** 45.8%

## Leverage

CIO share of net debt	\$ 619,316
Annualized Adjusted EBITDA <sup>3</sup>	<u>92,024</u>
<b>Net Debt including Restricted Cash / Annualized Adjusted EBITDA</b>	<u><u>6.7x</u></u>

	Q2 2020
<b>Interest Coverage Ratio</b>	
Cash interest expense	\$ 6,792
Non-controlling interest in properties - cash interest expense	(73)
CIO share of cash interest expense	<u>6,719</u>
CIO share of annualized cash interest expense	26,876
Annualized Adjusted EBITDA <sup>3</sup>	<u>92,024</u>
<b>Adjusted Interest Coverage Ratio</b>	<u><u>3.4x</u></u>

<b>Fixed Charge Coverage Ratio</b>	
CIO share of cash interest expense	\$ 6,719
CIO share of secured debt principal amortization	1,557
Preferred stock dividends	<u>1,855</u>
CIO share of fixed charges	10,131
CIO share of annualized fixed charges	40,524
Annualized Adjusted EBITDA <sup>3</sup>	<u>92,024</u>

**Fixed Charge Coverage Ratio** 2.3x

(1) Based on the June 30, 2020 closing stock price of \$10.06 per share of common stock.

(2) For the purpose of calculating market value of common equity. The last public offering of common stock closed on October 7, 2019.

(3) Calculated by multiplying Adjusted EBITDA by 4.

# TENANT PROFILE

Top Ten Tenants	Property	Credit Rating (S&P / Moody's) <sup>1</sup>	Tenant Since	NRA (000s)	Percentage of Portfolio NRA
State of Colorado Department of Health	Cherry Creek	AA+	1993	319	5.5%
Seattle Genetics Inc.	Canyon Park	--	2019	207	3.5%
United Healthcare Services, Inc.	190 Office Center	A+	2008	173	3.0%
Ally Financial Inc.	Lake Vista Pointe	BBB-	2008	163	2.8%
HF Management Services LLC	Greenwood Blvd	--	2012	155	2.7%
H. Lee Moffitt Cancer Center	Intellicenter	A2	2008	155	2.7%
Toyota Motor Credit	SanTan	A+	2011	133	2.3%
Kaplan, Inc. <sup>2</sup>	Florida Research Park	BB	2008	125	2.1%
Jackson National Life Insurance Company	Denver Tech	A+	2007	122	2.1%
GSA US Attorneys Office <sup>3</sup>	Park Tower	AA+	1998	108	1.9%
<b>Total</b>				<b>1,660</b>	<b>28.6%</b>

(1) As of June 30 2020, rating of the tenant or its parent entity.

(2) Parent entity is Graham Holding Company.

(3) Credit rating indicated is for the United States Government.

	# of Tenants	NRA (000s)	Avg SF (000s)	% of Occ SF	Rent Relief Granted <sup>1</sup>	
					% of SF Abatement	% of SF Deferral
<b>Breakdown by Size</b>						
Top 20	20	2,351	117	43.8%	0.0%	0.0%
Tenants 21-40	20	815	41	15.2%	0.0%	0.0%
Remaining	296	2,196	7	41.0%	0.2%	0.9%
<b>Total</b>	<b>336</b>	<b>5,362</b>	<b>16</b>	<b>100.0%</b>	<b>0.2%</b>	<b>0.9%</b>
<b>Select Industry Exposure</b>						
Total Coworking	4	58	15	1.1%	0.0%	0.0%
Total Retail Related	6	49	8	0.9%	0.0%	0.6%
Total Restaurant & Café	10	29	3	0.5%	0.2%	0.0%
Total Live Event Related	3	24	8	0.4%	0.0%	0.1%
Total Travel & Accommodation	4	10	3	0.2%	0.0%	0.0%
Total Energy	-	-	-	0.0%	0.0%	0.0%
<b>Total Select Industries</b>	<b>27</b>	<b>170</b>	<b>6</b>	<b>3.1%</b>	<b>0.2%</b>	<b>0.7%</b>

(1) As of June 30 2020, we have granted partial rent relief to tenants representing 1.1% of occupied NRA which equated to 0.6% of Q2 contractual base rent.

# LEASING ACTIVITY

	Square Feet (000's)	% Occupancy
<b>Occupied - March 31, 2020</b>	<b>5,377</b>	<b>92.2%</b>
Leases Commenced	44	
Vacated	(59)	
<b>Occupied - June 30, 2020</b>	<b>5,362</b>	<b>91.9%</b>
Leases not commenced - signed in Q2 2020	17	
Leases not commenced - signed prior to Q2 2020	90	
<b>Committed and Occupied - June 30, 2020</b>	<b>5,469</b>	<b>93.8%</b>

Q2 2020 Leasing Activity	New Leasing	Renewal Leasing	Total Leasing
Square Feet (000's) <sup>(1)</sup>	60	266	326
GAAP Rents	\$ 21.98	\$ 21.99	\$ 21.99
Tenant Improvement	\$ 15.92	\$ 0.60	\$ 3.44
Tenant Improvement per Year of Lease Term	\$ 3.35	\$ 0.79	\$ 2.29
Leasing Commissions	\$ 5.06	\$ 0.64	\$ 1.46
Leasing Commissions per Year of Lease Term	\$ 1.07	\$ 0.84	\$ 0.97
Weighted Average Lease Term	4.8 y	0.8 y	1.5 y
% Change in Renewal Cash Rent vs. Expiring Retention Rate %		2.8%	82%

Last Twelve Months Leasing Activity	New Leasing	Renewal Leasing	Total Leasing
Square Feet (000's) <sup>(1)</sup>	248	774	1,022
GAAP Rents	\$ 26.58	\$ 25.53	\$ 25.79
Tenant Improvement	\$ 35.20	\$ 5.13	\$ 12.43
Tenant Improvement per Year of Lease Term	\$ 5.09	\$ 1.64	\$ 2.48
Leasing Commissions	\$ 9.07	\$ 3.82	\$ 5.10
Leasing Commissions per Year of Lease Term	\$ 1.38	\$ 1.54	\$ 1.50
Weighted Average Lease Term	6.5 y	2.3 y	3.3 y
% Change in Renewal Cash Rent vs. Expiring Retention Rate %		6.1%	75%

(1) 291,820 SF will commence or has commenced subsequent to quarter end.

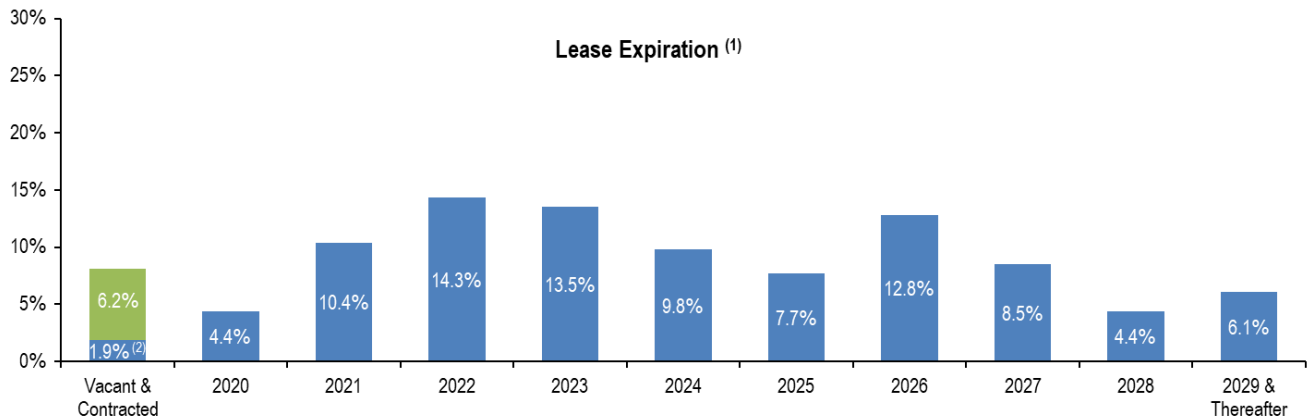


# LEASING EXPIRATIONS

Year of Lease Expiration	Number of Leases Expiring	NRA of Expiring Leases (000s)	Percentage of NRA	Annualized Base Rent <sup>(1)</sup> (000s)	Percentage of Total Properties Rent	Annualized Base Rent per Leased Square Foot Expiring <sup>(2)</sup>	Annualized Base Rent (including Rent Abatement at Jun 30, 2020)	Annualized Base Rent per Leased Square Foot Expiring (Including Rent Abatement at Jun 30, 2020)
Vacant	-	363	6.2%	-	-	-	-	-
Contracted	-	107	1.9%	-	-	-	-	-
2020	29	259	4.4%	5,309	4.0%	20.50	5,309	20.50
2021	69	608	10.4%	18,162	13.7%	29.87	18,162	29.87
2022	54	835	14.3%	20,848	15.7%	24.97	20,838	24.96
2023	60	787	13.5%	21,352	16.1%	27.13	21,352	27.13
2024	50	570	9.8%	14,785	11.1%	25.94	14,453	25.36
2025	34	451	7.7%	12,050	9.1%	26.72	10,513	23.31
2026	17	744	12.8%	16,552	12.5%	22.25	16,530	22.22
2027	7	494	8.5%	9,592	7.2%	19.42	9,415	19.06
2028	10	257	4.4%	5,981	4.5%	23.27	5,981	23.27
2029 & Thereafter	6	357	6.1%	8,278	6.1%	23.19	6,202	17.37
<b>Total / Weighted Average</b>	<b>336</b>	<b>5,832</b>	<b>100.0%</b>	<b>\$132,909</b>	<b>100.0%</b>	<b>\$24.83</b>	<b>\$128,755</b>	<b>\$24.01</b>

(1) Annualized rent is calculated by multiplying (i) rental payments (defined as cash rents before abatements) for the month of June 30, 2020, by (ii) 12

(2) Annualized rent per leased square foot expiring reflects rental payments for the month of June 30, 2020, multiplied by 12 and divided by the NRA of expiring lease



(1) Percentage represents the NRA of the leases divided by the total NRA of the portfolio, as of June 30, 2020

(2) 1.9% represents the leases under contract but not yet in-occupancy as of June 30, 2020

# LEASING AND CAPITAL EXPENDITURES

(in thousands)

	For the 3 months ended June 30, 2020		
	Consolidated	Non-controlling interests	CIO Share <sup>2</sup>
<b>Recurring</b>			
Tenant Improvements and incentives	\$ 6,451	\$ (56)	\$ 6,395
Leasing Commissions	481	(9)	472
Capital Expenditures	837	(1)	836
<b>Total Recurring</b>	<b>\$ 7,769</b>	<b>\$ (66)</b>	<b>\$ 7,703</b>
<b>Non-Recurring</b>			
Tenant Improvements and incentives <sup>1</sup>	1,597	-	1,597
Leasing Commissions	45	-	45
Capital Expenditures	768	-	768
<b>Total Non-Recurring<sup>2</sup></b>	<b>\$ 2,410</b>	<b>\$ -</b>	<b>\$ 2,410</b>
<b>Total</b>	<b>\$ 10,179</b>	<b>\$ (66)</b>	<b>\$ 10,113</b>

(1) We exclude leasing costs including free rent amounts embedded within straight-line rent for first generation leases, planned at acquisition or paid by a seller. Free rent for the three months ended June 30, 2020 include Canyon Park (\$239).

(2) Non-Recurring tenant improvements, incentives, leasing commissions and capital expenditures for the three months ended June 30, 2020 include the following for Camelback Square (\$1,309), Canyon Park (\$528), Circle Point (\$282), Greenwood Blvd (\$169), 7601 Tech (\$48), Pima Center (\$39), and Cascade Station (\$35).

# DEFINITIONS

**Funds from Operations (“FFO”)** – The National Association of Real Estate Investment Trusts (“NAREIT”) states FFO should represent net income or loss (computed in accordance with GAAP) plus real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments of unconsolidated partnerships and joint ventures, gains or losses on the sale of property and impairments to real estate.

**Core Funds from Operations (“Core FFO”)** – We calculate Core FFO by using FFO as defined by NAREIT and adjusting for certain other non-core items. We also exclude from our Core FFO calculation acquisition costs, loss on early extinguishment of debt, changes in the fair value of the earn-out, changes in the fair value of contingent consideration and the amortization of stock based compensation.

**Adjusted Funds From Operations (“AFFO”)** – We compute AFFO by adding to Core FFO the non-cash amortization of deferred financing fees and non-real estate depreciation, and then subtracting cash paid for recurring tenant improvements, leasing commissions, and capital expenditures, and eliminating the net effect of straight-line rent / expense, deferred market rent and debt fair value amortization. Recurring capital expenditures exclude development / redevelopment activities, capital expenditures planned at acquisition and costs to reposition a property. We exclude first generation leasing costs within the first two years of our initial public offering or acquisition, which are generally to fill vacant space in properties we acquire or were planned at acquisition. We have further excluded all costs associated with tenant improvements, leasing commissions and capital expenditures which were funded by the entity contributing the properties at closing.

**Net Operating Income (“NOI”), Adjusted Cash NOI** – We define NOI as rental and other revenues less property operating expenses. We define Adjusted Cash NOI as NOI less the effect of recurring straight-line rents / expense, deferred market rent, and any amounts which are funded by the selling entities.

**Same Store Net Operating Income (“Same Store NOI”) and Same Store Cash Net Operating Income (“Same Store Cash NOI”)** – Same Store NOI and Same Store Cash NOI are calculated as the NOI attributable to the properties continuously owned and operated for the entirety of the reporting periods presented. The Company’s definition of Same Store NOI and Same Store Cash NOI excludes properties that were not stabilized during both of the applicable reporting periods. These exclusions may include, but are not limited to, acquisitions, dispositions and properties undergoing repositioning or significant renovations.

**EBITDA** – EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

**Adjusted EBITDA** – Management believes that Adjusted EBITDA is a useful measure of our operating performance. Adjusted EBITDA is defined as EBITDA plus the impact of any acquisitions and dispositions as if they had occurred at the beginning of the period.