

Franklin Street Properties



2025 Annual Report



Franklin Street Properties Corp.

Franklin Street Properties Corp. (FSP) (NYSE American: FSP) is a real estate investment trust (REIT) focused on infill and central business district (CBD) office properties in the U.S. Sunbelt and Mountain West, as well as select opportunistic markets. FSP seeks value-oriented investments with an eye towards long-term growth and appreciation. FSP's principal revenue sources from real estate operations include rental income from tenants, property dispositions and fee income from asset/property management and development. As of December 31, 2025, FSP's directly owned real estate portfolio of 14 owned properties was approximately 68.9% leased.

This Annual Report contains "forward-looking statements" within the meaning of federal securities laws, including Section 21E of the Securities Exchange Act of 1934, as amended. For more information, please refer to the discussion in the first paragraph of Part II, Item 7 in the attached Annual Report on Form 10-K for the year ended December 31, 2025.

COVER PROPERTY: ELDRIDGE GREEN – HOUSTON, TX
ABOVE PROPERTY: LIBERTY PLAZA – ADDISON, TX



Fellow Stockholders

The year 2025 was dominated by the Company's review of potential strategic alternatives to explore ways to maximize shareholder value. The review of potential strategic alternatives remains ongoing in 2026 and includes a full range of possibilities.

On February 26, 2026, after considering a number of different potential strategic alternatives in consultation with our professional advisors, we concluded that refinancing our outstanding indebtedness was the best alternative available to us at this time. Our new credit facility with an affiliate of TPG Credit allowed us to repay all of our outstanding indebtedness, which would otherwise have come due in April 2026. In addition, the delayed draw term loan feature of the facility provides additional flexibility to allow us to lease additional space in our existing portfolio, which could enhance future value. We are pleased to have TPG as a strategic lending partner and look forward to building a long-term relationship with them.

However, now that our near-term debt maturity has been addressed, we are continuing our review of potential strategic alternatives. Our Board of Directors and management team remain deeply committed to continuing to explore ways to maximize shareholder value. We believe that successfully addressing the near-term debt maturities has reduced a significant source of near-term uncertainty and allowed us to avoid having to make forced or suboptimal decisions, enabling us to focus on executing property-level initiatives in what continues to be an uneven office market environment. We believe this approach best positions the Company to navigate current market conditions while preserving maximum strategic flexibility.

We look forward to the balance of 2026 and beyond.

Thank you for your continued support.

A handwritten signature in black ink that reads "George J. Carter". The signature is written in a cursive, flowing style.

George J. Carter

Chairman and Chief Executive Officer



**Following is the Annual Report on Form 10-K
for the fiscal year ended December 31, 2025**

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2025**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. **001-32470**

FRANKLIN STREET PROPERTIES CORP.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

04-3578653

(I.R.S. Employer
Identification No.)

401 Edgewater Place, Suite 200, Wakefield, Massachusetts

(Address of principal executive offices)

01880

(Zip Code)

Registrant's telephone number, including area code: **(781) 557-1300**

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, \$.0001 par value per share	FSP	NYSE American

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No .

The aggregate market value of the voting and non-voting common equity held by non-affiliates based on the closing sale price as reported on NYSE American, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2025, was approximately \$155,302,675.

There were 103,690,340 shares of common stock of the registrant outstanding as of March 5, 2026.

Documents incorporated by reference: The registrant intends to file a definitive proxy statement pursuant to Regulation 14A, promulgated under the Securities Exchange Act of 1934, as amended, to be used in connection with the registrant's Annual Meeting of Stockholders to be held on May 14, 2026 (the "Proxy Statement"). The information required in response to Items 10 — 14 of Part III of this Form 10-K, other than that contained in Part I under the caption, "Information about our Executive Officers," is hereby incorporated by reference to the Proxy Statement.

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PART I

Item 1. Business

History

Our company, Franklin Street Properties Corp., which we refer to as FSP Corp., the Company, we or our, is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust, or REIT, for federal income tax purposes. Our common stock is traded on the NYSE American under the symbol “FSP”. FSP Corp. is the successor to Franklin Street Partners Limited Partnership, or the FSP Partnership, which was originally formed as a Massachusetts general partnership in January 1997 as the successor to a Massachusetts general partnership that was formed in 1981. On January 1, 2002, the FSP Partnership converted into FSP Corp., which we refer to as the conversion. As a result of this conversion, the FSP Partnership ceased to exist and we succeeded to the business of the FSP Partnership. In the conversion, each unit of both general and limited partnership interests in the FSP Partnership was converted into one share of our common stock. As a result of the conversion, we hold, directly and indirectly, 100% of the interest in three former subsidiaries of the FSP Partnership: FSP Investments LLC, FSP Property Management LLC, and FSP Holdings LLC. We operate some of our business through these subsidiaries.

Our Business

We are a REIT focused on commercial real estate investments primarily in office markets and currently operate in only one segment: real estate operations. The principal revenue sources for our real estate operations include rental income from real estate leasing, property dispositions and fee income from asset/property management and development.

Our current strategy is to focus on infill and central business district office properties in the United States sunbelt and mountain west regions as well as select opportunistic markets. We believe that the United States sunbelt and mountain west regions have macro-economic drivers that have the potential to increase occupancies and rents. We are focused on long-term growth and appreciation.

Previously we also operated in an investment banking segment, which was discontinued in December 2011. Our investment banking segment generated brokerage commissions, loan origination fees, development services and other fees related to the organization of single-purpose REITs that own real estate and the private placement of equity in those entities.

From time-to-time we may acquire real estate or invest in real estate by making secured loans on real estate. We may also pursue on a selective basis the sale of our properties to take advantage of the value creation and demand for our properties, or for geographic or property specific reasons.

Real Estate

As of December 31, 2025, we owned and operated a portfolio of real estate consisting of 14 properties, which we refer to as our owned properties. We derive rental revenue from income paid to us by tenants of these properties. See Item 2 of this Annual Report on Form 10-K for more information about our properties. From time-to-time we dispose of properties generating gains or losses in an ongoing effort to improve and upgrade our portfolio and/or to repay a portion of our debt.

We provide asset management, property management, property accounting, investor and/or development services to our portfolio and our Sponsored REIT through our subsidiaries FSP Investments LLC and FSP Property Management LLC. Neither FSP Investments LLC nor FSP Property Management LLC receives any rental income.

We had a non-controlling common stock interest in the corporation that was the sole member of FSP Monument Circle LLC, which we refer to as the Sponsored REIT or Monument Circle. The Sponsored REIT was organized to operate as a real estate investment trust and was consolidated in our financial statements effective January 1, 2023. The

property held by the Sponsored REIT was sold on June 6, 2025 and Monument Circle and the corporation that had been its sole member were dissolved on December 9, 2025.

Sustainability

As an owner of commercial real estate, a sector with significant environmental, social and governance, or ESG, impact, we strive to maximize shareholder value through the prudent application of sound ESG strategies. Our efforts have been awarded recognition from various third party review entities, such as GRESB, ENERGY STAR and LEED.

Long-Term Impact of COVID-19 Pandemic

Uncertainty still surrounds the long-term impact of the COVID-19 pandemic on the commercial real estate market and our business. Many of our tenants still do not fully occupy the space that they lease. The impact of the COVID-19 pandemic continues to present material uncertainty and risk with respect to the performance of our properties and our financial results, such as the potential negative impact to the businesses of our tenants, the impact of work-from-home and return-to-work policies, the potential negative impact to leasing efforts and occupancy at our properties, the occurrence of a default under any of our debt agreements, the potential for increased borrowing costs, negative impacts on our ability to refinance existing indebtedness or to secure new sources of capital on favorable terms, decreases in values of our real estate assets, and uncertainty regarding government and regulatory policy. We are unable to estimate the full extent of the long-term impact that the COVID-19 pandemic has had and will have on our future financial results at this time. See “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional information.

Investment Objectives

Our investment objectives are to increase shareholder value by increasing revenue from rental, interest and fee income and net gains from sales of properties. We expect that we will continue to derive real estate revenue from owned properties.

Although our property portfolio is focused on properties in the central business districts of Dallas, Denver, Houston and Minneapolis, we may acquire, and have acquired in the past, real properties in any geographic area of the United States and of any property type. Our 14 owned office properties are located in three different states as of December 31, 2025. See Item 2 of this Annual Report on Form 10-K for more information about our properties. Our investment objectives are to create shareholder value by increasing revenue from rental, interest and fee income and net gains from sales of properties. We expect that we will continue to derive real estate revenue from owned properties and property management services. We may also acquire additional real properties.

As a result, from time to time, as market conditions warrant, we expect to sell properties owned by us. On June 6, 2025, we sold an office property located in Indianapolis, Indiana for a gross sale price of \$6 million, at a loss of \$12.9 million. On January 26, 2024, we sold an office property located in Richardson, Texas for a gross sales price of \$35.0 million, at a loss of approximately \$2.1 million. On July 8, 2024, we sold a property in Glen Allen, Virginia for a gross sales price of \$31.0 million, at a loss of \$13.2 million. On October 23, 2024, we sold an office property located in Atlanta, Georgia for a gross sales price of \$34.0 million at a loss of \$27.2 million. On March 10, 2023, we sold an office property located in Elk Grove, Illinois for a gross sales price of \$29.1 million, at a gain of approximately \$8.4 million. On August 9, 2023, we sold a property in Charlotte, North Carolina for a gross sales price of \$9.2 million at a loss of \$0.8 million. On October 26, 2023, we sold an office property located in Plano, Texas for a gross sales price of \$48 million at a gain of \$10.6 million. On December 6, 2023, we sold an office property located in Miami, Florida for a gross sales price of \$68.0 million at a loss of approximately \$18.9 million.

Historically, we relied on the following general principles in selecting real properties for acquisition:

- we sought to buy or develop investment properties at a price which produces value for investors and avoid overpaying for real estate merely to outbid competitors;

- we sought to buy or develop properties in excellent locations with substantial infrastructure in place around them and avoid investing in locations where the future construction of such infrastructure is speculative; and
- we sought to buy or develop properties that are well-constructed and designed to appeal to a broad base of users and avoid properties where quality has been sacrificed for cost savings in construction or which appeal only to a narrow group of users.

Generally, in managing real properties after acquisition, we rely on the following principles:

- we aggressively manage, maintain and upgrade our properties and refuse to neglect or undercapitalize management, maintenance and capital improvement programs; and

Strategic Review Process

In May 2025, we announced that our Board of Directors had initiated a review of strategic alternatives in order to explore ways to maximize shareholder value.

Throughout the strategic review process, the Board of Directors and management directed its financial advisors to evaluate a broad range of strategic alternatives, including:

- Portfolio-level transactions
- Individual asset dispositions
- Joint venture structures
- Corporate-level transactions
- Liquidation scenarios
- Refinancing alternatives

During the period from the commencement of the strategic review process to the date of this Annual Report:

- Transaction volume across many of our primary submarkets remained historically low.
- Where transactions occurred, activity was frequently concentrated in lender-controlled or distressed situations and at pricing levels not reflective of stabilized intrinsic valuations.
- Institutional capital in the office sector remained highly selective nationally, primarily targeting trophy or newly delivered assets in select gateway markets, or deeply discounted properties in distress scenarios. As a result, reported transaction pricing may be influenced by a limited number of transactions that are not necessarily reflective of actual achievable values on our assets.
- Lending liquidity for office assets in similar markets and with comparable occupancy profiles and lease maturities has been significantly constrained relative to historical norms, further limiting the ability to execute transactions at pricing levels consistent with long-term asset values.

On February 26, 2026, we closed a \$320 million secured credit facility with an affiliate of TPG Credit. We repaid in full all of our then outstanding approximately \$249 million aggregate principal amount of indebtedness with borrowings under the facility. The facility has an original stated maturity of February 26, 2029, subject to potential extension of up to one year at our option, subject to certain conditions. The facility includes up to \$45 million of delayed draw term loans, which, subject to certain conditions, may be used to fund tenant improvements, leasing commissions, building improvements and other uses approved by the lender. See Note 12, Subsequent Events, of the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for further information on the facility.

We continue to believe that the intrinsic value of our real estate portfolio exceeds our current public market valuation. However, our ability to realize that value is dependent upon transaction and financing liquidity in the relevant capital markets and property submarkets, including for assets of similar quality, occupancy levels, and weighted average lease terms. Based on market evidence, transaction comparables, and discussions with potential counterparties, we, in consultation with our professional advisors, have determined that, to date, market conditions have not been supportive of transactions at pricing levels that would reasonably reflect the intrinsic value of our assets. Accordingly, we believe that

pursuing asset sales or liquidation under such market conditions would likely not maximize value for our shareholders. We believe that current transaction activity in many office markets continues to reflect limited capital availability and highly selective buyer demand rather than the underlying long-term value of institutional quality assets.

Our review of potential strategic alternatives remains ongoing and continues to include evaluation of a range of alternatives, including asset sales.

Competition

With respect to our real estate investments, we face competition in each of the markets where our properties are located. In order to establish, maintain or increase the rental revenues for a property, it must be competitive on location, cost and amenities with other buildings of similar use. Some of our competitors may have significantly more resources than we do and may be able to offer more attractive rental rates or services. On the other hand, some of our competitors may be smaller or have less fixed overhead costs, less cash or other resources that make them willing or able to accept lower rents in order to maintain a certain occupancy level. In markets where there is not currently significant existing property competition, our competitors may decide to enter the market and build new buildings to compete with our existing projects or those in a development stage. Our competition is not only with other developers, but also with property users who choose to own their building or a portion of the building in the form of an office condominium. Competitive conditions are affected by larger market forces beyond our control, such as general economic conditions, which may increase competition among landlords for quality tenants, and individual decisions by tenants that are beyond our control.

Governmental Regulations

Under various federal, state and local laws, ordinances and regulations, we, as an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property. Such laws may impose liability without regard to whether the owner or operator knew of, or caused, the release of such hazardous substances. The presence of hazardous substances on a property may adversely affect the owner's ability to sell such property or to borrow using such property as collateral, and it may cause the owner of the property to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in the owner incurring substantial liabilities as a result of a claim by a private party for personal injury or a claim by an adjacent property owner for property damage.

All of our properties are required to comply with the Americans With Disabilities Act, or ADA, and the regulations, rules and orders that may be issued thereunder. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to persons with disabilities. Compliance with ADA requirements might require, among other things, removal of access barriers. Noncompliance with such requirements could result in the imposition of fines by the U.S. government or an award of damages to private litigants.

In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. Compliance with such requirements may require us to make substantial capital expenditures, which expenditures would reduce cash otherwise available for distribution to our stockholders.

The provisions of the tax code governing the taxation of REITs are very technical and complex, and although we expect that we will be organized and will operate in a manner that will enable us to meet such requirements, no assurance can be given that we will always succeed in doing so. If in any taxable year we do not qualify as a REIT, we would be taxed as a corporation and distributions to our stockholders would not be deductible by us in computing our taxable income. In addition, if we were to fail to qualify as a REIT, we could be disqualified from treatment as a REIT in the year in which such failure occurred and for the next four taxable years and, consequently, we would be taxed as a regular corporation during such years. Failure to qualify for even one taxable year could result in a significant reduction of our cash available for distribution to our stockholders or could require us to incur indebtedness or liquidate investments in order to generate sufficient funds to pay the resulting federal income tax liabilities.

See “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional information.

Human Capital

We had 28 employees as of both March 5, 2026 and December 31, 2025. Women represent 46.4% of our employees, of which 38.5% hold management level/leadership roles. We endeavor to maintain a workplace that is free from discrimination or harassment on the basis of color, race, sex, national origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression or any other status protected by applicable law. We regularly conduct training to prevent harassment and discrimination. The Company’s basis for recruitment, hiring, development, training, compensation and advancement of employees is qualifications, performance, skills and experience. Many of our employees have a long tenure with the Company. Our employees are compensated without regard to gender, race and ethnicity, and our compensation program is designed to attract and retain talent.

Available Information

We make available, free of charge through our website <http://www.fspreit.com> our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended as soon as reasonably practicable after we electronically file such material with the Securities and Exchange Commission, or SEC.

We will voluntarily provide paper copies of our filings and code of ethics upon written request received at the address on the cover of this Annual Report on Form 10-K, free of charge.

Information about our Directors

The following table sets forth the names, ages and positions of all our directors as of March 5, 2026.

<u>Name</u>	<u>Age</u>	<u>Position</u>
George J. Carter	77	Chief Executive Officer and Chairman of the Board
John N. Burke (1) (2) (3) (4)	64	Director
Dennis J. McGillicuddy (1) (3) (6)	84	Director
Georgia Murray (2) (3) (7)	75	Director
Jennifer Bitterman (1) (2)	42	Director
Milton P. Wilkins, Jr. (1) (2) (5)	78	Director

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Nominating and Corporate Governance Committee
- (4) Chair of the Audit Committee
- (5) Chair of the Compensation Committee
- (6) Chair of the Nominating and Corporate Governance Committee
- (7) Lead Independent Director

George J. Carter, age 77, is Chief Executive Officer and has been Chairman of the Board of Directors of FSP Corp. since 2002. Mr. Carter also was the President of FSP Corp. from 2002 to May 2016. Mr. Carter is responsible for all aspects of the business of FSP Corp. and its affiliates, with special emphasis on the evaluation, acquisition and structuring of real estate investments. Prior to the conversion, he was President of the general partner of the FSP Partnership and was responsible for all aspects of the business of the FSP Partnership and its affiliates. From 1992 through 1996 he was President of Boston Financial Securities, Inc. (“Boston Financial”). Prior to joining Boston Financial, Mr. Carter was owner and developer of Gloucester Dry Dock, a commercial shipyard in Gloucester, Massachusetts. From 1979 to 1988, Mr. Carter served as Managing Director in charge of marketing at First Winthrop Corporation, a national real estate and investment banking firm headquartered in Boston, Massachusetts. Prior to that, he

held a number of positions in the brokerage industry including those with Merrill Lynch & Co. and Loeb Rhodes & Co. Mr. Carter is a graduate of the University of Miami (B.S.).

John N. Burke, age 64, has been a Director of FSP Corp. since 2004 and Chair of the Audit Committee since June 2004. Mr. Burke is a certified public accountant with over 35 years of experience in the practice of public accounting working with both private and publicly traded companies with extensive experience serving clients in the real estate and REIT industry. His experience includes analysis and evaluation of financial reporting, accounting systems, internal controls and audit matters. Mr. Burke has been involved as an advisor on several public offerings, private equity and debt financings and merger and acquisition transactions. Mr. Burke's consulting experience includes a wide range of accounting, tax and business planning matters. Prior to starting his own firm, BA, Inc., in 2003, where he currently practices, Mr. Burke was an Audit Partner in the Boston office of BDO USA, LLP. Mr. Burke is a member of the American Institute of Certified Public Accountants and the Massachusetts Society of CPAs. Mr. Burke earned an M.S. in Taxation and studied undergraduate accounting at Bentley University.

Dennis J. McGillicuddy, age 84, has been a Director of FSP Corp. since 2002 and Chair of the Nominating and Corporate Governance Committee since May 2025. Mr. McGillicuddy graduated from the University of Florida with a B.A. degree and from the University of Florida Law School with a J.D. degree. In 1968, Mr. McGillicuddy joined Barry Silverstein in founding Coaxial Communications, a cable television company. In 1998 and 1999, Coaxial sold its cable systems. Mr. McGillicuddy has served on the boards of various charitable organizations. He is currently President of the Board of Trustees of Florida Studio Theater, a professional non-profit theater organization, and is a Director of All-Star Children's Foundation, an organization engaged in creating a new paradigm for foster care.

Georgia Murray, age 75, has been a Director of FSP Corp. since April 2005 and Lead Independent Director since February 2014. Ms. Murray is retired from Lend Lease Real Estate Investments, Inc., where she served as a Principal from November 1999 until May 2000. From 1973 through October 1999, Ms. Murray worked at The Boston Financial Group, Inc., serving as Senior Vice President and a Director at times during her tenure. Boston Financial was an affiliate of the Boston Financial Group, Inc. She is a past Trustee of the Urban Land Institute and a past President of the Multifamily Housing Institute. Ms. Murray previously served on the Board of Directors of Capital Crossing Bank. She also serves on the boards of numerous non-profit entities. Ms. Murray is a graduate of Newton College.

Jennifer Bitterman, age 42, has been a Director of FSP Corp. since October 2025. Ms. Bitterman has served as the Chief Financial Officer at GSA Group, a global leader in real estate asset and funds management in the student housing sector, since June 2025 and on the Executive Leadership Team of The Dot Group, a global leader in student living, since June 2025. Ms. Bitterman has two decades of experience spanning asset management, transaction, capital markets and compliance. Before joining GSA Group, Ms. Bitterman was Chief Financial Officer at Andover Properties, one of the largest private owner-operators of self-storage facilities in the United States, from July 2023 to May 2025. Prior to Andover Properties, Ms. Bitterman worked for over a decade at Cedar Realty Trust, a NYSE publicly traded real estate investment trust, where she held various positions, including the position of Chief Financial Officer. Prior to Cedar Realty Trust, Ms. Bitterman held roles at Morgan Stanley within its Asset Management Team, Credit Suisse covering equity REITs and at PwC. Ms. Bitterman also serves as an Advisory Board Member for the Weiser Center for Real Estate at the Stephen M. Ross School of Business at the University of Michigan and at the Cold Spring Harbor Laboratory. Ms. Bitterman previously served on the Board and was Audit Committee Chairperson of the Dreamscape Companies. Ms. Bitterman has a BBA with high distinction from the Stephen M. Ross School of Business at the University of Michigan.

Milton P. Wilkins, Jr., age 78, has been a Director of FSP Corp. since 2022 and Chair of the Compensation Committee since January 2025. Mr. Wilkins served as an investment advisor with RBF Wealth Advisors in St. Louis, Missouri, from 1997 to 2024. Concurrently, from 2003 to 2015, Mr. Wilkins served with Hammond Associates/Mercer Investment Consulting as a senior investment consultant to institutional clients. From 1976 to 1986 and from 1989 to 1997, Mr. Wilkins served in various positions at Monsanto Corporation, including as Vice President of Corporate Development in the corporate mergers and acquisition group, as Vice President of the Plant Sciences Division and as Regional Director of Latin America. Mr. Wilkins currently serves as Chairman of the St. Louis County Employees Retirement Board (pension plan), a member of the Investment Committee of the Archdiocese of St. Louis, and as a member of the Board of Directors of the Nine PBS public television station in St. Louis. Mr. Wilkins holds a M.B.A.

degree from the Harvard Graduate School of Business Administration and a Bachelor of Arts degree from Morehouse College.

Information about our Executive Officers

The following table sets forth the names, ages and positions of all our executive officers as of March 5, 2026.

Name	Age	Position
George J. Carter (1)	77	Chief Executive Officer and Chairman of the Board
Jeffrey B. Carter	54	President and Chief Investment Officer
Scott H. Carter	54	Executive Vice President, General Counsel and Secretary
John G. Demeritt	65	Executive Vice President, Chief Financial Officer and Treasurer
John F. Donahue	59	Executive Vice President
Eriel Anchondo	48	Executive Vice President and Chief Operating Officer

(1) Information about George J. Carter is set forth above. See “Directors of FSP Corp.”

Jeffrey B. Carter, age 54, is President and Chief Investment Officer of FSP Corp. Mr. Carter served as Executive Vice President and Chief Investment Officer from February 2012 until May 2016, when he was appointed as President in addition to his position as Chief Investment Officer. Previously, Mr. Carter served as Senior Vice President and Director of Acquisitions of FSP Corp. from 2005 to 2012 and as Vice President - Acquisitions from 2003 to 2005. Mr. Carter oversees the day-to-day execution of the Company’s strategic objectives and business plan. In addition, Mr. Carter is primarily responsible for developing and implementing the Company’s investment strategy, including coordination of acquisitions and dispositions. Prior to joining FSP Corp., Mr. Carter worked in Trust Administration for Northern Trust Bank in Miami, Florida. Mr. Carter is a graduate of Arizona State University (B.A.), The George Washington University (M.A.) and Cornell University (M.B.A.). Mr. Carter’s father, George J. Carter, serves as Chief Executive Officer and Chairman of the Board of Directors of FSP Corp. and Mr. Carter’s brother, Scott H. Carter, serves as Executive Vice President, General Counsel and Secretary of FSP Corp.

Scott H. Carter, age 54, is Executive Vice President, General Counsel and Secretary of FSP Corp. Mr. Carter has served as General Counsel since February 2008. Mr. Carter joined FSP Corp. in October 2005 as Senior Vice President and In-house Counsel. Mr. Carter is primarily responsible for the management of all of the legal affairs of FSP Corp. and its affiliates. Prior to joining FSP Corp. in October 2005, Mr. Carter was associated with the law firm of Nixon Peabody LLP, which he originally joined in 1999. At Nixon Peabody LLP, Mr. Carter concentrated his practice on the areas of real estate syndication, acquisitions and finance. Mr. Carter received a Bachelor of Business Administration (B.B.A.) degree in Finance and Marketing and a Juris Doctor (J.D.) degree from the University of Miami. Mr. Carter is admitted to practice law in the Commonwealth of Massachusetts. Mr. Carter’s father, George J. Carter, serves as Chief Executive Officer and Chairman of the Board of Directors of FSP Corp. and Mr. Carter’s brother, Jeffrey B. Carter, serves as President and Chief Investment Officer of FSP Corp.

John G. Demeritt, age 65, is Executive Vice President, Chief Financial Officer and Treasurer of FSP Corp. and has been Chief Financial Officer since March 2005. Mr. Demeritt previously served as Senior Vice President, Finance and Principal Accounting Officer from September 2004 to March 2005. Prior to September 2004, Mr. Demeritt was a Manager with Caturano & Company, an independent accounting firm (which later merged with McGladrey) where he focused on Sarbanes Oxley compliance. Previously, from March 2002 to March 2004 he provided consulting services to public and private companies where he focused on SEC filings, evaluation of business processes and acquisition integration. During 2001 and 2002 he was Vice President of Financial Planning & Analysis at Cabot Industrial Trust, a publicly traded real estate investment trust, which was acquired by CalWest in December 2001. From October 1995 to December 2000 he was Controller and Officer of The Meditrust Companies, a publicly traded real estate investment trust (formerly known as The La Quinta Companies, which was then acquired by the Blackstone Group), where he was involved with a number of merger and financing transactions. Prior to that, from 1986 to 1995 he had financial and accounting responsibilities at three other public companies, and was previously associated with Laventhol & Horwath, an independent accounting firm from 1983 to 1986. Mr. Demeritt is a Certified Public Accountant and holds a Bachelor of Science degree from Babson College.

John F. Donahue, age 59, is Executive Vice President of FSP Corp. and President of FSP Property Management LLC and has held those positions since May 2016. Mr. Donahue is primarily responsible for the oversight of the management of all of the real estate assets of FSP Corp. and its affiliates. Mr. Donahue joined FSP Corp. in August 2001 as Vice President of FSP Property Management LLC. From 2001 to May 2016, Mr. Donahue was responsible for the management of real estate assets of FSP Corp. and its affiliates. From 1992 to 2001, Mr. Donahue worked in the pension fund advisory business for GE Capital and AEW Capital Management with oversight of office, research and development, industrial and land investments. From 1989 to 1992, Mr. Donahue worked for Krupp Realty in various accounting and finance roles. Mr. Donahue holds a Bachelor of Science in Business Administration degree from Bryant College.

Eriel Anchondo, age 48, is Executive Vice President and Chief Operating Officer of FSP Corp. and has held those positions since May 2016. Mr. Anchondo joined FSP Corp. in 2015 as Senior Vice President of Operations. Mr. Anchondo is responsible for ensuring that the Company has the proper operational controls, administrative and reporting procedures, and people systems and infrastructure in place to effectively grow the organization and maintain financial strength and operating efficiency. Prior to joining FSP Corp., from July 2014 to December 2014, Mr. Anchondo provided consulting services to the retail banking division of ISBAN, which is part of the Technology and Operations division of the Santander Group of financial institutions. From May 2007 to July 2013, Mr. Anchondo was employed by Mercer, a global consulting leader in talent, health, retirement, and investments, as an Employee Education Manager across all lines of Mercer's business. From May 2005 to May 2007, Mr. Anchondo was a Communications Consultant at New York Life Investment Management. From December 2002 to May 2005, Mr. Anchondo worked in the Preferred Client Services Group at Putnam Investments. Mr. Anchondo is a graduate of Boston University (B.A.) and Cornell University (M.B.A.).

Each of the above executive officers has been a full-time employee of FSP Corp. for the past five fiscal years.

Item 1A. Risk Factors

The following material factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by management from time-to-time.

Risks Related to our Operations and Properties

The long-term impact of the COVID-19 pandemic may continue to have an adverse impact on our financial condition and results of operations. This impact could be materially adverse to the extent that the long-term impact of the COVID-19 pandemic, or future pandemics, cause tenants to be unable to pay their rent or reduce the demand for commercial real estate, or cause other impacts described below.

The COVID-19 pandemic has adversely impacted our properties and operating results and continues to present material uncertainty and risk with respect to the performance of our properties and our financial results. Uncertainty still surrounds the long-term impact of the COVID-19 pandemic, on the commercial real estate market and our business. Many of our tenants still do not fully occupy the space that they lease. Any ongoing negative impacts from the COVID-19 pandemic could adversely affect us and/or our tenants due to, among other factors: the potential negative impact to the businesses of our tenants, the impact of work-from-home and return-to-work policies, the potential negative impact to leasing efforts and occupancy at our properties, the occurrence of a default under any of our debt agreements, the potential for increased borrowing costs, negative impacts on our ability to refinance existing indebtedness or to secure new sources of capital on favorable terms, decreases in values of our real estate assets, and uncertainty regarding government and regulatory policy.

Some of our existing tenants and potential tenants operate in businesses and industries that continue to be adversely affected by continuing effects of the COVID-19 pandemic. These effects could lead to increased rent delinquencies and/or defaults under leases, a lower demand for rentable space leading to increased concessions or lower occupancy, increased tenant improvement capital expenditures, or reduced rental rates to maintain occupancies. For example, on December 21, 2020, the parent company of a tenant that leased approximately 130,000 square feet filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, resulting in a writeoff charge of \$3.1 million. Our operations could be materially negatively affected as a result, which could adversely affect our operating results, our ability to pay dividends, our ability to repay or refinance our existing indebtedness, and the price of our common stock.

Economic conditions in the United States could have a material adverse impact on our earnings and financial condition.

The global economy continues to experience significant disruptions and uncertainty as a result of various factors, including changes in U.S. trade or other policies or those policies of other nations, geopolitical events such as the wars and conflicts in Iran and other countries in the Middle East and Ukraine, increasing tensions with China and Venezuela, tensions between the U.S. and Europe related to the sovereignty of Greenland, major political shifts domestically or internationally and continuing supply chain difficulties. Because economic conditions directly affect the demand for office space, our primary income producing asset, broad economic market conditions in the United States, including uncertainty over interest rates, inflation, tariffs, slower growth, stock market volatility or recession fears, could have a material adverse effect on our earnings and financial condition. Economic conditions may be affected by numerous other factors, including but not limited to, inflation and employment levels, energy prices, uncertainty about government fiscal, monetary, trade and tax policies, changes in currency exchange rates, the regulatory environment and the availability of credit. Future economic factors also may negatively affect the demand for office space, real estate values, occupancy levels and property income.

If we are not able to collect sufficient rents from each of our owned real properties, we may suffer significant operating losses.

A substantial portion of our revenue is generated by the rental income of our real properties. If our properties do not provide us with a steady rental income, our revenues will decrease, which may cause us to incur operating losses in the future.

We may not be able to dispose of properties on acceptable terms or within the time periods we anticipate pursuant to our disposition strategy.

We have adopted a strategy seeking to increase shareholder value by pursuing the sale of select properties where we believe that short to intermediate term valuation potential has been reached and striving to lease vacant space. As we execute this strategy, our revenue, Funds From Operations, and capital expenditures may decrease in the short term. Under the Credit Agreement, certain proceeds from dispositions are required to be used for the repayment of debt. We may not be able to dispose of properties at acceptable prices or otherwise on anticipated terms and conditions within the time periods contemplated by our disposition strategy, which would adversely affect our ability to use the proceeds as intended and impair our financial flexibility.

We are dependent on key personnel and if our Chief Executive Officer and Chairman of the Board of Directors ceases to serve in such position, we may be obligated to pay all outstanding obligations under the Credit Agreement.

We depend on the efforts of George J. Carter, our Chief Executive Officer and Chairman of the Board of Directors; Jeffrey B. Carter, our President and Chief Investment Officer; Scott H. Carter, our General Counsel, Secretary and an Executive Vice President; John G. Demeritt, our Chief Financial Officer, Treasurer and an Executive Vice President; John F. Donahue, our President of FSP Property Management LLC and an Executive Vice President; and Eriel

Anchondo, our Chief Operating Officer and an Executive Vice President. If any of our executive officers were to resign, our operations could be adversely affected. We do not have employment agreements with any of our executive officers.

The Credit Agreement provides that if George J. Carter ceases to serve in the position of our Chief Executive Officer and Chairman of the Board of Directors or devote substantially all of his business time and attention to FSP Corp., whether as a result of resignation, death, disability or otherwise, and we do not use commercially reasonable efforts to find a permanent replacement to replace Mr. Carter that is reasonably satisfactory to the Required Lenders (as defined in the Credit Agreement) following such cessation, such event will constitute an event of default under the Credit Agreement and would entitle the lenders to terminate their lending commitments, and to accelerate all outstanding obligations under the Credit Agreement. Whether Mr. Carter remains our Chief Executive Officer and Chairman of the Board of Directors is not entirely under our control. Although we intend to find an appropriate replacement satisfactory to the Required Lenders if Mr. Carter leaves his current position, there is no assurance that we will be able to find a replacement acceptable to the Required Lenders. If there is an event of default under the Credit Agreement, there can be no assurance that we will be able to repay all outstanding obligations or be able to find alternative financing, which could materially adversely affect our business, financial condition and results of operations.

We face risks from tenant defaults or bankruptcies.

If any of our tenants defaults on its lease, we may experience delays in enforcing our rights as a landlord and may incur substantial costs in protecting our investment. In addition, at any time, a tenant of one of our properties may seek the protection of bankruptcy laws, which could result in the rejection and termination of such tenant's lease and thereby cause a reduction in cash available for distribution to our stockholders. For example, in December 2020, the parent company of a tenant that leased approximately 130,000 square feet filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, resulting in a write-off charge of \$3.1 million.

New acquisitions may fail to perform as expected.

We may fund acquisitions of new properties, if any, with cash, by assuming existing indebtedness, by entering into new indebtedness, by issuing debt securities, by issuing shares of our stock or by other means. Our acquisition activities are subject to the following risks:

- acquired properties may fail to perform as expected;
- the actual costs of repositioning, redeveloping or maintaining acquired properties may be greater than our estimates; and
- we may be unable to quickly and efficiently integrate new acquisitions into our existing operations, and this could have an adverse effect on our results of operations and financial condition.

We face risks in owning, developing, redeveloping and operating real property.

An investment in us is subject to the risks incidental to the ownership, development, redevelopment and operation of real estate-related assets. These risks include the fact that real estate investments are generally illiquid, which may affect our ability to vary our portfolio in response to changes in economic and other conditions, as well as the risks normally associated with:

- changes in general and local economic conditions;
- the supply or demand for particular types of properties in particular markets;
- changes in market rental rates;
- the impact of environmental protection laws;
- changes in tax, real estate and zoning laws; and
- the impact of obligations and restrictions contained in title-related documents.

Certain significant costs, such as real estate taxes, utilities, insurance and maintenance costs, generally are not reduced even when a property's rental income is reduced. In addition, environmental and tax laws, interest rate levels,

the availability of financing and other factors may affect real estate values and property income. Furthermore, the supply of commercial space fluctuates with market conditions.

We may encounter significant delays in reletting vacant space, resulting in losses of income.

When leases expire, we may incur expenses and may not be able to re-lease the space on the same terms. While we cannot predict when existing vacant space in properties will be leased, if existing tenants with expiring leases will renew their leases or what the terms and conditions of the lease renewals will be, we expect to renew or sign new leases at current market rates for locations in which the buildings are located, which in some cases may be below the expiring rates. Certain leases provide tenants the right to terminate early if they pay a fee. If we are unable to re-lease space promptly, if the terms are significantly less favorable than anticipated or if the costs are higher, we may have to reduce distributions to our stockholders. Typical lease terms range from five to ten years, so up to approximately 20% of our rental revenue from commercial properties could be expected to expire each year.

We face risks of tenant-type concentration.

As of December 31, 2025, approximately 25% and 10% of our tenants as a percentage of the total rentable square feet operated in the energy services industry and the professional services industry, respectively. An economic downturn in these or any industry in which a high concentration of our tenants operate or in which a significant number of our tenants currently or may in the future operate, could negatively impact the financial condition of such tenants and cause them to fail to make timely rental payments or default on lease obligations, fail to renew their leases or renew their leases on terms less favorable to us, become bankrupt or insolvent, or otherwise become unable to satisfy their obligations to us, which could adversely affect our financial condition and results of operations.

We face risks from geographic concentration.

The properties in our portfolio as of December 31, 2025, by aggregate square footage, are distributed geographically as follows: West — 44.5%, South — 39.7% and Midwest — 15.8%. However, within certain of those regions, we hold a larger concentration of our properties in Denver, Colorado — 44.5%, Houston, Texas — 24.8%, Minneapolis, Minnesota — 15.8%, and Dallas, Texas — 14.9%. We are likely to face risks to the extent that any of these areas in which we hold a larger concentration of our properties suffer deteriorating economic conditions. As the Dallas, Denver and Houston metropolitan areas have a significant presence in the energy sector, a prolonged period of low oil or natural gas prices, or other factors negatively impacting the energy industry, could have an adverse impact on our ability to maintain the occupancy of our properties in those areas or could cause us to lease space at rates below current in-place rents, or at rates below the rates we have leased space in those areas in the prior year. In addition, factors negatively impacting the energy industry could reduce the market values of our properties in those areas, which could reduce our net asset value and adversely affect our financial condition and results of operations, or cause a decline in the value of our common stock.

We compete with national, regional and local real estate operators and developers, which could adversely affect our cash flow.

Competition exists in every market in which our properties are currently located and in every market in which properties we may acquire in the future will be located. We compete with, among others, national, regional and numerous local real estate operators and developers. Such competition may adversely affect the percentage of leased space and the rental revenues of our properties, which could adversely affect our cash flow from operations and our ability to make expected distributions to our stockholders. Some of our competitors may have more resources than we do or other competitive advantages. Competition may be accelerated by any increase in availability of funds for investment in real estate. For example, decreases in interest rates tend to increase the availability of funds and therefore can increase competition. To the extent that our properties continue to operate profitably, this will likely stimulate new development of competing properties. The extent to which we are affected by competition will depend in significant part on both local market conditions and national and global economic conditions.

We face possible risks associated with the physical effects of climate change.

The physical effects of climate change could have a material adverse effect on our properties, operations and business. For example, climate change could increase utility and other costs of operating our properties, including increased costs for energy, water, insurance, regulatory compliance and other supply chain materials, which if not offset by rising rental income and/or paid by tenants, could have a material adverse effect on our properties, operations and business. We are also subject to climate change induced severe storm hazards, which to the extent not covered by insurance, could result in significant capital expenditures. Over time, the physical effects of climate change could result in declining demand for office space in our buildings or our inability to operate the buildings at all.

Security breaches and other disruptions could compromise our information and expose us to liability, which could cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data concerning tenants and vendors. Although we have taken steps to protect the security of our information technology systems and the data maintained in those systems, such systems and infrastructure may be vulnerable to attacks by hackers, computer viruses or ransomware, or breaches due to employee error, malfeasance, impersonation of authorized users or other disruptions. Any such breach or attack could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and continuously become more sophisticated, often are not recognized until launched against a target and may be difficult to detect for a long time, we may be unable to anticipate these techniques or to implement adequate preventive or detective measures. Any unauthorized access, disclosure or other loss of information could result in significant financial exposure, including significant costs to remediate possible injury to the affected parties. We may also be subject to sanctions and civil or criminal penalties if we are found to be in violation of the privacy or security rules under laws protecting confidential information. Any failure to maintain proper functionality and security of our information systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Actual or threatened terrorist attacks may adversely affect our ability to generate revenues and the value of our properties.

We have significant investments in markets that may be the targets of actual or threatened terrorism attacks in the future. As a result, some tenants in these markets may choose to relocate their businesses to other markets or to lower-profile office buildings within these markets that may be perceived to be less likely targets of future terrorist activity. This could result in an overall decrease in the demand for office space in these markets generally or in our properties in particular, which could increase vacancies in our properties or necessitate that we lease our properties on less favorable terms or both. In addition, future terrorist attacks in these markets could directly or indirectly damage our properties, both physically and financially, or cause losses that materially exceed our insurance coverage. As a result of the foregoing, our ability to generate revenues and the value of our properties could decline materially. See also “*We may lose capital investment or anticipated profits if an uninsured event occurs.*”

We may lose capital investment or anticipated profits if an uninsured event occurs.

We carry, or our tenants carry, comprehensive liability, fire and extended coverage with respect to each of our properties, with policy specification and insured limits customarily carried for similar properties. There are, however, certain types of losses that may be either uninsurable or not economically insurable. Should an uninsured material loss occur, we could lose both capital invested in the property and anticipated profits.

Risks Related to our Indebtedness

Failure to comply with covenants in the Credit Agreement could adversely affect our financial condition.

On February 26, 2026, we entered into a Credit Agreement with Alter Domus (US) LLC, as administrative agent, and the lenders from time to time party thereto, which provides for a secured credit facility for aggregate principal commitments of up to \$320 million, consisting of (i) initial term loans in an aggregate principal amount of \$275 million, and (ii) delayed draw term loans available upon the approval of the lenders party thereto in an aggregate principal amount of up to \$45 million. The Credit Agreement contains customary affirmative and negative covenants, including without limitation and subject to certain exceptions, restrictions on indebtedness, liens, investments, mergers, consolidations and other fundamental changes, dispositions of assets (including real property), capital expenditures, changes in business, certain restricted payments, transactions with affiliates, burdensome agreements, sale leaseback transactions, prepayments of other debt, corporate operating expenses and severance and retention payments. The Credit Agreement also contains minimum tangible net worth and minimum liquidity financial covenants.

Failure to comply with the covenants in the Credit Agreement would entitle the lenders to terminate their lending commitments, and to accelerate all outstanding obligations under the Credit Agreement. Under those circumstances, other sources of capital may not be available to us, or be available only on unattractive terms. A default under the Credit Agreement could result in difficulty financing growth in our business. A default under the Credit Agreement could materially and adversely affect our financial condition and results of operations.

Risks Related to Legal and Regulatory Matters

We are subject to risks from changes in trade policies and tariffs

Changes in the financial condition of our tenants or prospective tenants directly or indirectly resulting from geopolitical developments that could negatively affect important supply chains and international trade, the termination or threatened termination of existing international trade agreements, or the implementation of tariffs or retaliatory tariffs on imported or exported goods could adversely affect the financial condition and results of operations of our tenants or prospective tenants. The uncertainty regarding the ultimate impact of any changes in trade policies or tariffs could also impact tenants or prospective tenants as they continue to determine changes needed to their businesses. Such changes in trade policy or the imposition of tariffs could accordingly adversely affect our ability to lease our properties which in turn could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to possible liability relating to environmental matters, and we cannot assure you that we have identified all possible liabilities.

Under various federal, state and local laws, ordinances and regulations, we, as an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property. Such laws may impose liability without regard to whether the owner or operator knew of, or caused, the release of such hazardous substances. The presence of hazardous substances on a property may adversely affect the owner's ability to sell such property or to borrow using such property as collateral, and it may cause the owner of the property to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in the owner incurring substantial liabilities as a result of a claim by a private party for personal injury or a claim by an adjacent property owner for property damage.

In addition, we cannot assure you that:

- future laws, ordinances or regulations will not impose any material environmental liability;
- the current environmental conditions of our properties will not be affected by the condition of properties in the vicinity of such properties (such as the presence of leaking underground storage tanks) or by third parties unrelated to us;
- tenants will not violate their leases by introducing hazardous or toxic substances into our properties that could expose us to liability under federal or state environmental laws; or

- environmental conditions, such as the growth of bacteria and toxic mold in heating and ventilation systems or on walls, will not occur at our properties and pose a threat to human health.

We are subject to compliance with the Americans With Disabilities Act and fire and safety regulations, any of which could require us to make significant capital expenditures.

All of our properties are required to comply with the Americans With Disabilities Act, or ADA, and the regulations, rules and orders that may be issued thereunder. The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to persons with disabilities. Compliance with ADA requirements might require, among other things, removal of access barriers. Noncompliance with such requirements could result in the imposition of fines by the U.S. government or an award of damages to private litigants.

In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. Compliance with such requirements may require us to make substantial capital expenditures, which expenditures would reduce cash otherwise available for distribution to our stockholders.

We face risks associated with our tenants being designated “Prohibited Persons” by the Office of Foreign Assets Control.

Pursuant to Executive Order 13224 and other laws, the Office of Foreign Assets Control of the United States Department of the Treasury, or OFAC, maintains a list of persons designated as terrorists or who are otherwise blocked or banned, which we refer to as Prohibited Persons. OFAC regulations and other laws prohibit conducting business or engaging in transactions with Prohibited Persons, or collectively, the “OFAC Requirements”. Our current leases and certain other agreements require the other party to comply with the OFAC Requirements. If a tenant or other party with whom we contract is placed on the OFAC list, we may be required by the OFAC Requirements to terminate the lease or other agreement. Any such termination could result in a loss of revenue or a damage claim by the other party that the termination was wrongful.

Risks Related to our Common Stock

We have suspended quarterly dividends and may not resume paying dividends on our common stock, and may not elect to resume paying dividends in the foreseeable future or at all.

In March 2026, our Board of Directors determined to suspend quarterly cash dividends to reduce operating expenses and to redeploy that capital into leasing efforts intended to enhance the value of our portfolio. In addition, the Credit Agreement provides that we may not declare dividends in excess of the greater of \$0.01 per share or such amount as is required to maintain our status as a REIT. Any future declaration and payment of dividends will be determined from time to time by our Board of Directors and will depend on, among other things, our results of operations, cash flows, liquidity, financial condition, capital requirements and other factors the Board of Directors deems relevant. There can be no assurance that we will resume paying dividends in the foreseeable future or at all, which could adversely affect the market price of our common stock.

The real properties held by us may significantly decrease in value.

As of December 31, 2025, we owned 14 properties. Some or all of these properties may decline in value. To the extent our real properties decline in value, our stockholders could lose some or all of the value of their investments. The value of our common stock may be adversely affected if the real properties held by us decline in value since these real properties represent the majority of the tangible assets held by us. Moreover, if we are forced to sell or lease the real property held by us below its initial purchase price or its carrying costs, respectively, or if we are forced to lease real property at below market rates because of the condition of the property or general economic or local market conditions, our results of operations would be adversely affected.

Further issuances of equity securities may be dilutive to current stockholders.

The interests of our existing stockholders could be diluted if we issue additional equity securities to finance future acquisitions, repay indebtedness or to fund other general corporate purposes. Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing.

The price of our common stock may vary.

The market prices for our common stock may fluctuate with changes in market and economic conditions, including the market perception of real estate investment trusts, or REITs, in general, and changes in our financial condition and results of operations. Such fluctuations may depress the market price of our common stock independent of the financial performance of FSP Corp. The market conditions for REIT stocks generally could affect the market price of our common stock.

If we fail to comply with the continued listing requirements of the NYSE American stock exchange, our common stock may be delisted and the price of our common stock and our ability to access capital markets could be negatively impacted.

We must satisfy the NYSE American stock exchange's continued listing requirements, including, among other things, a requirement that the price of our common stock may not sell for a substantial period of time at a low price per share. If our common stock sells for a substantial period of time at a low price per share, the NYSE American may require us to effect a reverse split of such shares within a reasonable time after being notified that the NYSE American deems such action to be appropriate under all the circumstances. A reverse split of our common stock could have an adverse effect on the value of a stockholder's investment in our common stock if our stock price continued to fall after the reverse split is effected. In addition, if we fail to maintain compliance with any of the NYSE American's continued listing requirements, it could affect our ability to raise capital on acceptable terms, or at all. In the event our common stock is delisted from the NYSE American, the only established trading market for our common stock would be eliminated, and we would be forced to list our shares on the OTC Markets or another quotation medium, depending on our ability to meet the specific listing requirements of those quotation systems. As a result, an investor would likely find it more difficult to trade or obtain accurate price quotations for our shares. Delisting would likely also reduce the visibility, liquidity, and value of our common stock, reduce institutional investor interest in us, and may increase the volatility of our common stock. Delisting could also cause a loss of confidence of potential lessees, lenders, and employees, which could further harm our business and our future prospects.

Risks Related to our Organization and Structure

Our employee retention plan may prevent changes in control.

During February 2006, our Board of Directors approved a change in control plan, which included a form of retention agreement and discretionary payment plan. Payments under the discretionary plan are capped at 1% of the market capitalization of FSP Corp. as reduced by the amount paid under the retention plan. The costs associated with these two components of the plan may have the effect of discouraging a third party from making an acquisition proposal for us and may thereby inhibit a change in control under circumstances that could otherwise give the holders of our common stock the opportunity to realize a greater premium over the then-prevailing market prices.

We would incur adverse tax consequences if we failed to qualify as a REIT.

The provisions of the tax code governing the taxation of REITs are very technical and complex, and although we expect that we will be organized and will operate in a manner that will enable us to meet such requirements, no assurance can be given that we will always succeed in doing so. In addition, as a result of our past acquisition of certain sponsored REITs by merger, which we refer to as target REITs, we might no longer qualify as a REIT. We could lose our ability to so qualify for a variety of reasons relating to the nature of the assets acquired from the target REITs, the identity of the stockholders of the target REITs who become our stockholders or the failure of one or more of the target

REITs to have previously qualified as a REIT. Moreover, if one or more of the target REITs that we acquired in May 2008, April 2006, April 2005 or June 2003 did not qualify as a REIT immediately prior to the consummation of its acquisition, we could be disqualified as a REIT as a result of such acquisition.

If in any taxable year we do not qualify as a REIT, we would be taxed as a corporation and distributions to our stockholders would not be deductible by us in computing our taxable income. In addition, if we were to fail to qualify as a REIT, we could be disqualified from treatment as a REIT in the year in which such failure occurred and for the next four taxable years and, consequently, we would be taxed as a regular corporation during such years. Failure to qualify for even one taxable year could result in a significant reduction of our cash available for distribution to our stockholders or could require us to incur indebtedness or liquidate investments in order to generate sufficient funds to pay the resulting federal income tax liabilities.

Provisions in our organizational documents may prevent changes in control.

Our Articles of Incorporation and Bylaws contain provisions, described below, which may have the effect of discouraging a third party from making an acquisition proposal for us and may thereby inhibit a change of control under circumstances that could otherwise give the holders of our common stock the opportunity to realize a premium over the then-prevailing market prices.

Ownership Limits. In order for us to maintain our qualification as a REIT, the holders of our common stock may be limited to owning, either directly or under applicable attribution rules of the Internal Revenue Code, no more than 9.8% of the lesser of the value or the number of our equity shares, and no holder of common stock may acquire or transfer shares that would result in our shares of common stock being beneficially owned by fewer than 100 persons. Such ownership limit may have the effect of preventing an acquisition of control of us without the approval of our board of directors. Our Articles of Incorporation give our board of directors the right to refuse to give effect to the acquisition or transfer of shares by a stockholder in violation of these provisions.

Preferred Stock. Our Articles of Incorporation authorize our board of directors to issue up to 20,000,000 shares of preferred stock, par value \$.0001 per share, and to establish the preferences and rights of any such shares issued. The issuance of preferred stock could have the effect of delaying or preventing a change in control even if a change in control may be in our stockholders' best interest.

Increase of Authorized Stock. Our board of directors, without any vote or consent of the stockholders, may increase the number of authorized shares of any class or series of stock or the aggregate number of authorized shares we have authority to issue. The ability to increase the number of authorized shares and issue such shares could have the effect of delaying or preventing a change in control even if a change in control may be in our stockholders' best interest.

Amendment of Bylaws. Our board of directors has the power to amend our Bylaws. This power could have the effect of delaying or preventing a change in control even if a change in control may be in our stockholders' best interests.

Stockholder Meetings. Our Bylaws require advance notice for stockholder proposals to be considered at annual and special meetings of stockholders and for stockholder nominations for election of directors at annual and special meetings of stockholders. The advance notice provisions require a proponent to provide us with detailed information about the proponent and/or nominee. Our Bylaws also provide that stockholders entitled to cast more than 50% of all the votes entitled to be cast at a meeting must join in a request by stockholders to call a special meeting of stockholders and that a specific process for the meeting request must be followed. These provisions could have the effect of delaying or preventing a change in control even if a change in control may be in the best interests of our stockholders.

Supermajority Votes Required. Our Articles of Incorporation require the affirmative vote of the holders of no less than 80% of the shares of capital stock outstanding and entitled to vote in order (i) to amend the provisions of our Articles of Incorporation relating to the removal of directors, limitation of liability of officers and directors or indemnification of officers and directors or (ii) to amend our Articles of Incorporation to impose cumulative voting in the election of directors. These provisions could have the effect of delaying or preventing a change in control even if a change in control may be in our stockholders' best interest.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

We have certain processes for assessing, identifying and managing cybersecurity risks, which are built into our overall risk management program/information technology function and are designed to help protect our information assets and operations from internal and external cyber threats, protect employee information from unauthorized access or attack, as well as secure our networks and systems. Such processes include physical, procedural and technical safeguards, response plans, regular tests on our systems, and routine review of our policies and procedures to identify risks and enhance our practices. We engage certain external parties to enhance our cybersecurity oversight. We consider the internal risk oversight programs of third-party service providers before engaging them in order to help protect us from any related vulnerabilities.

We do not believe that there are any risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us or our business strategy, results of operations or financial condition. See “Security breaches and other disruptions could compromise our information and expose us to liability, which could cause our business and reputation to suffer.” in “Item 1A. Risk Factors” for additional information.

The Audit Committee of our Board of Directors provides direct oversight over cybersecurity risk and provides updates to the Board of Directors regarding such oversight. The Audit Committee receives quarterly updates from management regarding cybersecurity matters and is notified between such updates regarding significant new cybersecurity threats or incidents.

Our Vice President and Director of Information Technology leads the operational oversight of company-wide cybersecurity strategy, policy, standards and processes and works across relevant departments to assess and help prepare us and our employees to address cybersecurity risks. Prior to his approximately 15 years overseeing and securing our information technology operations, our Vice President and Director of Information Technology held various roles during his approximately 9 years of tenure at USI New England, most recently overseeing and securing their information technology operations as Regional IT Manager. This experience is reinforced with regular cybersecurity training from industry leading organizations such as the SANS Institute and ISC2.

In an effort to protect our resources from cyber threats, we employ a multi-layered cyber risk management strategy that is designed to govern, identify, protect, detect, respond and recover from these threats. Our security program includes, but is not limited to, continuous vulnerability assessment and remediation, annual penetration testing conducted by a third party, security and monitoring tools that are monitored by a 24x7 SOC (Security Operations Center) and Incident Response Planning. Additionally, all employees are required to take annual cyber security training that aligns with our risks and current cyber trends such as ransomware, BEC (business email compromise), phishing, and social engineering.

Item 2. Properties

Set forth below is information regarding our properties as of December 31, 2025:

<u>Property Location</u>	<u>Date of Purchase (1)</u>	<u>Approx. Square Feet</u>	<u>Percent Leased as of 12/31/25</u>	<u>Approx. Number of Tenants</u>	<u>Major Tenants (2)</u>
<u>Office</u>					
16285 Park Ten Place Houston, TX 77084	6/27/02	157,609	86.8 %	10	Blade Energy Partners, Ltd. Baytex Energy USA, Inc. Edge Engineering & Science, LLC Liberty Lift Solutions, LLC
15601 Dallas Parkway Addison, TX 75001	9/30/02	289,333	67.7 %	11	Cyxtera Management Inc. WDT Acquisition Corporation CarOffer, LLC
1293 Eldridge Parkway Houston, TX 77077	1/16/04	248,399	100.0 %	1	CITGO Petroleum Corporation
6550 & 6560 Greenwood Plaza Englewood, CO 80111	2/24/05	196,236	65.0 %	2	Kaiser Foundation Health Plan, Inc.
16290 Katy Freeway Houston, TX 77094	9/28/05	156,746	76.3 %	5	Olin Corporation
5055 & 5057 Keller Springs Rd. Addison, TX 75001	2/24/06	217,841	66.9 %	19	See Footnote 3
121 South Eighth Street Minneapolis, MN 55402	6/29/10	297,744	80.4 %	34	Schwegman, Lundberg & Woessner
801 Marquette Ave. South Minneapolis, MN 55402	6/29/10	129,691	91.8 %	3	Workbox Marquette MN, LLC Greater Minneapolis Convention & Visitor Association Deluxe Corporation
5100 & 5160 Tennyson Parkway Plano, TX 75024	3/10/11	209,562	60.9 %	6	ARK-LA-TEX Financial Services, LLC Moss, Luse & Womble, LLC
10370 & 10350 Richmond Ave. Houston, TX 77042	11/1/12	629,025	66.2 %	45	See Footnote 3
1999 Broadway Denver, CO 80202	5/22/13	682,639	50.7 %	25	United States Government
1001 17th Street Denver CO, 80202	8/28/13	650,607	76.4 %	18	Permian Resources Operating, LLC Hall and Evans, LLC Ping Identity Corp.

<u>Property Location</u>	<u>Date of Purchase (1)</u>	<u>Approx. Square Feet</u>	<u>Percent Leased as of 12/31/25</u>	<u>Approx. Number of Tenants</u>	<u>Major Tenants (2)</u>
45 South Seventh Street Minneapolis, MN 55402	6/6/16	330,096	51.0 %	15	PwC US Group
600 17th Street Denver, CO 80202	12/1/16	612,135	69.1 %	25	EOG Resources, Inc.
Total Owned Portfolio		<u>4,807,663</u>	<u>68.9 %</u>		

- (1) Date of purchase or merged entity date of purchase.
(2) Major tenants that occupy 10% or more of the space in an individual property.
(3) No tenant occupies more than 10% of the space.

All of the properties listed above are owned, directly or indirectly, by us. None of our owned properties are subject to any mortgage loans as of December 31, 2025. We have no other material undeveloped or unimproved properties, or proposed programs for material renovation or development of any of our properties in 2026. We believe that our properties are adequately covered by insurance as of December 31, 2025.

The information presented below provides the weighted average GAAP rent per square foot for the year ended December 31, 2025 for our owned properties and weighted occupancy square feet and percentages. GAAP rent includes the impact of tenant concessions and reimbursements.

Property Name	City	State	Year Built or Renovated	Net Rentable Square Feet	Weighted Occupied Sq. Ft.	Weighted Occupied Percentage as of December 31, 2025 (a)	Weighted Average Rent per Occupied Square Feet (b)
121 South 8th Street	Minneapolis	MN	1974	297,744	228,697	76.8 %	\$ 22.96
801 Marquette Ave	Minneapolis	MN	1923/2017	129,691	119,108	91.8 %	25.97
Plaza Seven	Minneapolis	MN	1987	330,096	167,029	50.6 %	29.30
Midwest Total				757,531	514,834	68.0 %	25.71
Park Ten	Houston	TX	1999	157,609	132,518	84.1 %	27.45
Addison Circle	Addison	TX	1999	289,333	197,267	68.2 %	35.43
Eldridge Green	Houston	TX	1999	248,399	248,399	100.0 %	27.93
Park Ten Phase II	Houston	TX	2006	156,746	111,556	71.2 %	29.26
Liberty Plaza	Addison	TX	1985	217,841	147,980	67.9 %	26.43
Legacy Tennyson Center	Plano	TX	1999/2008	209,562	109,978	52.5 %	32.13
Westchase I & II	Houston	TX	1983/2008	629,025	396,789	63.1 %	26.44
South Total				1,908,515	1,344,487	70.4 %	28.83
1999 Broadway	Denver	CO	1986	682,639	333,060	48.8 %	34.74
1001 17th Street	Denver	CO	1977/2006	650,607	479,562	73.7 %	36.64
600 17th Street	Denver	CO	1982	612,135	439,084	71.7 %	33.85
Greenwood Plaza	Englewood	CO	2000	196,236	127,573	65.0 %	30.96
West Total				2,141,617	1,379,279	64.4 %	34.77
Total Owned Properties				4,807,663	3,238,600	67.4 %	\$ 30.86

- (a) Based on weighted occupied square feet for the year ended December 31, 2025, including month-to-month tenants, divided by the property's net rentable square footage.
- (b) Represents annualized GAAP rental revenue for the year ended December 31, 2025 per weighted occupied square foot.

The information presented below is a lease expiration table for ten years and thereafter, stating (i) the number of tenants whose leases will expire, (ii) the total area in square feet covered by such leases, (iii) the annual rental represented by such leases in dollars and by square feet, and (iv) the percentage of gross annual rental represented by such leases.

Year of Lease Expiration December 31,	Number of Leases Expiring Within the Year (a)	Rentable Square Footage Subject to Expiring Leases	Annualized Rent Under Expiring Leases (b)	Annualized Rent Per Square Foot Under Expiring Leases	Percentage of Total Annualized Rent Under Expiring Leases	Cumulative Total
2026	34 (c)	365,916	\$ 12,569,114	\$ 34.35	12.0 %	12.0 %
2027	35	500,108	18,191,656	36.38	17.4 %	29.4 %
2028	25	242,046	7,957,724	32.88	7.6 %	37.0 %
2029	40	561,561	18,213,553	32.43	17.4 %	54.4 %
2030	20	268,950	8,662,656	32.21	8.2 %	62.6 %
2031	21	346,964	11,496,581	33.13	11.0 %	73.6 %
2032	8	77,324	1,733,552	22.42	1.7 %	75.3 %
2033	10	383,978	11,685,696	30.43	11.2 %	86.5 %
2034	8	90,757	1,724,368	19.00	1.6 %	88.1 %
2035	7	173,219	5,667,946	32.72	5.4 %	93.5 %
2036 and thereafter	22	300,199 (d)	6,827,766	22.74	6.5 %	100.0 %
Leased total	230	3,311,022	\$ 104,730,612	\$ 31.63	100.0 %	
Vacancies as of 12/31/25		1,496,641				
Total Portfolio Square Footage		<u>4,807,663</u>				

- (a) The number of leases approximates the number of tenants. Tenants with lease maturities in different years are included in annual totals for each lease. Tenants may have multiple leases in the same year.
- (b) Annualized rent represents the monthly rent charged, including tenant reimbursements, for each lease in effect at December 31, 2025 multiplied by 12. Tenant reimbursements generally include payment of real estate taxes, operating expenses and common area maintenance and utility charges.
- (c) Includes 2 leases that are month-to-month.
- (d) Includes 52,202 square feet that are non-revenue producing building amenities.

Item 3. Legal Proceedings

From time to time, we may be subject to legal proceedings and claims that arise in the ordinary course of our business. Although occasional adverse decisions (or settlements) may occur, we believe that the final disposition of such matters will not have a material adverse effect on our financial position, cash flows or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

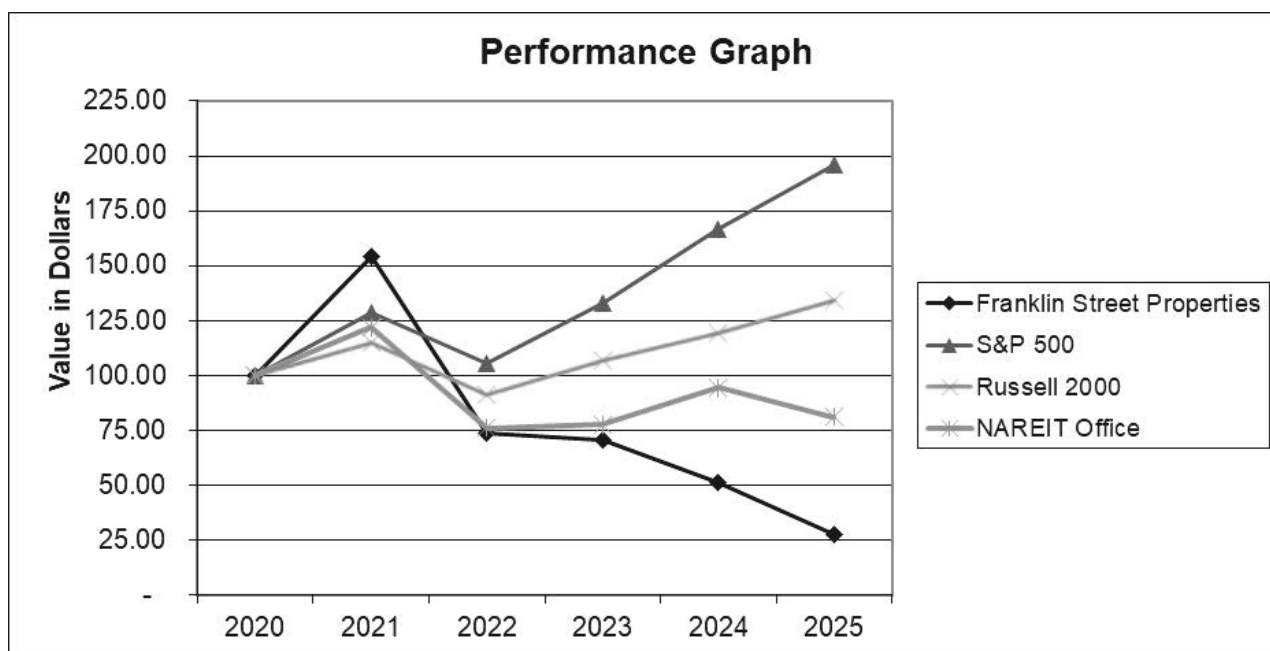
Our common stock is listed on the NYSE American under the symbol “FSP”.

As of March 3, 2026, there were 13,946 holders of our common stock, including both holders of record and participants in securities position listings.

In March 2026, our Board of Directors suspended quarterly cash dividend to reduce operating expenses and to redeploy that capital into leasing efforts intended to enhance the value of our portfolio See Part I, Item 1A, Risk Factors, “We have suspended quarterly dividends and may not resume paying dividends on our common stock, and may not elect to resume paying dividends in the foreseeable future or at all.” for additional information.

STOCK PERFORMANCE GRAPH

In accordance with SEC regulations, the following graph compares the cumulative total stockholder return on the Company’s common stock between December 31, 2020 and December 31, 2025 with the cumulative total return of (1) the FTSE NAREIT Equity Office Index (“NAREIT Office”), (2) the Standard & Poor’s 500 Composite Stock Price Index (“S&P 500”), and (3) the Russell 2000 Total Return Index (“Russell 2000”) over the same period. This graph assumes the investment of \$100.00 on December 31, 2020 and assumes that any distributions are reinvested.



	As of December 31,					
	2020	2021	2022	2023	2024	2025
FSP	\$ 100	\$ 154	\$ 74	\$ 71	\$ 52	\$ 27
S&P 500	100	129	105	133	166	196
Russell 2000	100	115	91	107	119	134
NAREIT Office	100	122	76	78	94	81

Notes to Graph:

The above performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing

under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated financial statements, including trends which might appear, should not be taken as necessarily indicative of future operations. The following discussion and other parts of this Annual Report on Form 10-K may also contain forward-looking statements based on current judgments and current knowledge of management, which are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Investors are cautioned that our forward-looking statements involve risks and uncertainty, including without limitation, adverse changes in general economic or local market conditions, including as a result of the long-term effects of the COVID-19 pandemic, wars, terrorist attacks or other acts of violence, which may negatively affect the markets in which we and our tenants operate, impacts of changes in tariffs that the United States and other countries have announced or implemented, as well as any additional new tariffs, trade restrictions or export regulations that may be implemented or reversed in the future, inflation rates, interest rates, disruptions in the debt markets, economic conditions in the markets in which we own properties, risks of a lessening of demand for the types of real estate owned by us, adverse changes in energy prices, which if sustained, could negatively impact occupancy and rental rates in the markets in which we own properties, including energy-influenced markets such as Dallas, Denver and Houston, expectations for future potential property dispositions, expectations for future potential leasing activity, changes in government regulations and regulatory uncertainty, uncertainty about governmental fiscal policy, geopolitical events and expenditures that cannot be anticipated, such as utility rate and usage increases, delays in construction schedules, unanticipated increases in construction costs, unanticipated repairs, increases in the level of general and administrative costs as a percentage of revenues as revenues decrease as a result of property dispositions, additional staffing, insurance increases and real estate tax valuation reassessments. See "Risk Factors" in Part I, Item 1A, of this Annual Report on Form 10-K. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, acquisitions, dispositions, performance or achievements. We may not update any of the forward-looking statements after the date this Annual Report on Form 10-K is filed to conform them to actual results or to changes in our expectations that occur after such date, other than as required by law.

Overview

FSP Corp., or we or the Company, operates in a single reportable segment: real estate operations. The real estate operations market involves real estate rental operations, leasing, secured financing of real estate and services provided for asset management, property management, property acquisitions, dispositions and development. Our current strategy is to focus on infill and central business district office properties in the United States sunbelt and mountain west regions as well as select opportunistic markets. We believe that the United States sunbelt and mountain west regions have macro-economic drivers that have the potential to increase occupancies and rents. We are focused on long-term growth and appreciation.

As of December 31, 2025, all of our total owned portfolio, consisting of approximately 4.8 million square feet, was located in Dallas, Denver, Houston and Minneapolis.

The main factor that affects our real estate operations is the broad economic market conditions in the United States. These market conditions affect the occupancy levels and the rent levels on both a national and local level. We have no influence on broader economic market conditions. We may look to acquire and/or develop quality properties in good locations in order to lessen the impact of downturns in the market and to take advantage of upturns when they occur.

In May 2025, we announced that our Board of Directors had initiated a review of strategic alternatives in order to explore ways to maximize shareholder value.

Throughout the strategic review process, the Board of Directors and management directed its financial advisors to evaluate a broad range of strategic alternatives, including:

- Portfolio-level transactions
- Individual asset dispositions
- Joint venture structures
- Corporate-level transactions
- Liquidation scenarios
- Refinancing alternatives

During the period from the commencement of the strategic review process to the date of this Annual Report:

- Transaction volume across many of our primary submarkets remained historically low.
- Where transactions occurred, activity was frequently concentrated in lender-controlled or distressed situations and at pricing levels not reflective of stabilized intrinsic valuations.
- Institutional capital in the office sector remained highly selective nationally, primarily targeting trophy or newly delivered assets in select gateway markets, or deeply discounted properties in distress scenarios. As a result, reported transaction pricing may be influenced by a limited number of transactions that are not necessarily reflective of actual achievable values on our assets.
- Lending liquidity for office assets in similar markets and with comparable occupancy profiles and lease maturities has been significantly constrained relative to historical norms, further limiting the ability to execute transactions at pricing levels consistent with long-term asset values.

On February 26, 2026, we closed a \$320 million secured credit facility with an affiliate of TPG Credit. We repaid in full all of our then outstanding approximately \$249 million aggregate principal amount of indebtedness with borrowings under the facility. The facility has an original stated maturity of February 26, 2029, subject to potential extension of up to one year at our option, subject to certain conditions. The facility consists of (i) initial term loans in an aggregate principal amount of \$275 million, and (ii) delayed draw term loans available upon the approval of the lenders party thereto in an aggregate principal amount of up to \$45 million. The delayed draw term loans may be used, subject to certain conditions, to fund tenant improvements, leasing commissions, building improvements and other uses approved by the lender. See Note 12, Subsequent Events, of the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for further information on the Credit Agreement.

We continue to believe that the intrinsic value of our real estate portfolio exceeds our current public market valuation. However, our ability to realize that value is dependent upon transaction and financing liquidity in the relevant capital markets and property submarkets, including for assets of similar quality, occupancy levels, and weighted average lease terms. Based on market evidence, transaction comparables, and discussions with potential counterparties, we, in consultation with our professional advisors, have determined that, to date, market conditions have not been supportive of transactions at pricing levels that would reasonably reflect the intrinsic value of our assets. Accordingly, we believe that pursuing asset sales or liquidation under such market conditions would likely not maximize value for our shareholders. We believe that current transaction activity in many office markets continues to reflect limited capital availability and highly selective buyer demand rather than the underlying long-term value of institutional quality assets.

Our review of potential strategic alternatives remains ongoing and continues to include evaluation of a range of alternatives, including asset sales.

During the year ended December 31, 2024, our disposition strategy resulted in aggregate gross sale proceeds of \$100.0 million, and we repaid an aggregate amount of \$154.7 million of our debt previously outstanding under the BofA Term Loan, BMO Term Loan, Series A Notes and Series B Notes (each as defined in Liquidity and Capital Resources below). During the year ended December 31, 2025, we used disposition proceeds of \$1.4 million received from escrow proceeds relating to dispositions in 2024, to repay outstanding debt.

In March 2026, our Board of Directors determined to suspend quarterly cash dividends to reduce operating expenses and to redeploy that capital into leasing efforts intended to enhance the value of our portfolio. In addition, the Credit Agreement provides that we may not declare dividends in excess of the greater of \$0.01 per share or such amount as is required to maintain our status as a REIT. Any future declaration and payment of dividends will be determined from time to time by our Board of Directors and will depend on, among other things, our results of operations, cash flows, liquidity, financial condition, capital requirements and other factors the Board of Directors deems relevant.

Trends and Uncertainties

Long-Term Impact of COVID-19 Pandemic

Uncertainty still surrounds the long-term impact of the COVID-19 pandemic on the commercial real estate market and our business. Many of our tenants still do not fully occupy the space that they lease. The impact of the COVID-19 pandemic continues to present material uncertainty and risk with respect to the performance of our properties and our financial results, such as the potential negative impact to the businesses of our tenants, the impact of work-from-home and return-to-work policies, the potential negative impact to leasing efforts and occupancy at our properties, uncertainty regarding future rent collection levels or requests for rent concessions from our tenants, the occurrence of a default under any of our debt agreements, the potential for increased borrowing costs, negative impacts on our ability to refinance existing indebtedness or to secure new sources of capital on favorable terms decreases in values of our real estate assets, and uncertainty regarding government and regulatory policy. We are unable to estimate the full extent of the long-term impact that the COVID-19 pandemic has had and will have on our future financial results at this time. See “The long-term impact of the COVID-19 pandemic has had and may continue to have an adverse impact on our financial condition and results of operations. This impact could be materially adverse to the extent that the long-term impact of the COVID-19 pandemic, or future pandemics, cause tenants to be unable to pay their rent or reduce the demand for commercial real estate, or cause other impacts described below.” in Item 1A. “Risk Factors”.

Economic Conditions

The global economy continues to experience significant disruptions as a result of various factors, including changes in U.S. trade or other policies or those policies of other nations, geopolitical events such as the conflicts in Ukraine and the Middle East, increasing tensions with China and Iran, tensions between the U.S. and Europe related to the sovereignty of Greenland, major political shifts domestically or internationally and continuing supply chain difficulties. In addition, various economic factors, including but not limited to, impacts of changes in tariffs that the United States and other countries have announced or implemented, as well as any additional new tariffs, trade restrictions or export regulations that may be implemented or reversed in the future, inflation and interest rates, may adversely affect the economy of the United States. Economic conditions directly affect the demand for office space, our primary income producing asset. In addition, the broad economic market conditions in the United States are typically affected by numerous other factors, including but not limited to, employment levels, energy prices, uncertainty about government fiscal, monetary, trade and tax policies, changes in currency exchange rates, the regulatory environment and the availability of credit. If interest rates increase, then the interest costs on our unhedged variable rate debt would be adversely affected, which could in turn adversely affect our cash flow, our ability to pay principal and interest on our debt and our ability to make distributions to stockholders. As of December 31, 2025, approximately 50.6% of our total debt constituted unhedged variable rate debt. Increased interest rates could also decrease the amount third parties are willing to pay for our assets and limit our ability to incur new debt or refinance existing debt when it matures. As of the date of this report, the impact of current economic conditions and geopolitical events and the long-term impact of the COVID-19 pandemic are adversely affecting the demand for office space in the United States.

Real Estate Operations

As of December 31, 2025, our real estate portfolio was comprised of 14 owned properties, which we refer to as our owned properties. Our owned properties were approximately 68.9% leased as of December 31, 2025, a decrease from 70.3% leased as of December 31, 2024. The 1.4% decrease in leased space was primarily a result of lease expirations exceeding new executed leases during the year ended December 31, 2025. As of December 31, 2025, we had

approximately 1,497,000 square feet of vacancy in our owned properties compared to approximately 1,428,000 square feet of vacancy at December 31, 2024. During the year ended December 31, 2025, we leased approximately 413,000 square feet of office space in our owned properties, of which approximately 320,000 square feet were with existing tenants, at a weighted average term of 5.7 years. On average, tenant improvements for such leases were \$23.02 per square foot, lease commissions were \$9.24 per square foot and rent concessions were approximately four months of free rent. Average GAAP base rents under such leases were \$32.42 per square foot, or 5.7% higher than average rents in the respective properties as applicable compared to the year ended December 31, 2024.

As of December 31, 2025, leases for approximately 7.6% and 10.4% of the square footage in our owned portfolio are scheduled to expire during 2026 and 2027, respectively. As the first quarter of 2026 begins, we believe that:

- approximately half of our operating properties are stabilized with leased occupancy of 75% or more; and
- our remaining operating properties are value-add in nature with leased occupancy of less than 75%.

Existing vacancy is being actively marketed to numerous potential tenants. While leasing activity at our properties has continued, we believe that the impact of geopolitical events, current economic conditions and the long-term impact of the COVID-19 pandemic may limit or delay new tenant leasing during at least the first quarter of 2026 and potentially in future periods.

While we cannot generally predict when an existing vacancy in our owned properties will be leased or if existing tenants with expiring leases will renew their leases or what the terms and conditions of the lease renewals will be, we expect to renew or sign new leases at then-current market rates for locations in which the buildings are located, which could be above or below the expiring rates. Also, we believe the potential exists for any of our tenants to default on its lease or to seek the protection of bankruptcy. If any of our tenants defaults on its lease, we may experience delays in enforcing our rights as a landlord and may incur substantial costs in protecting our investment. In addition, at any time, a tenant of one of our properties may seek the protection of bankruptcy laws, which could result in the rejection and termination of such tenant's lease and thereby cause a reduction in cash available for distribution to our stockholders.

Real Estate Acquisition and Investment Activity

During 2025:

- we continued to explore additional potential real estate investment opportunities.

During 2024:

- on September 27, 2024, we agreed to extend the maturity date of our loan to Monument Circle that was secured by a mortgage on real estate owned by Monument Circle, which we refer to as the Sponsored REIT Loan, to September 30, 2025.

During 2023:

- on September 26, 2023, we agreed to extend the maturity date of the Sponsored REIT Loan, to September 30, 2024.

Property Dispositions and Assets Held for Sale

During 2025, we sold an office property located in Indianapolis, Indiana on June 6, 2025, for a gross sale price of \$6 million, at a loss of \$12.9 million.

During 2024, we sold an office property located in Richardson, Texas on January 26, 2024, for a gross sales price of \$35 million. The property was classified as held for sale as of December 31, 2023, and an impairment of \$2.1 million had been recorded during the year ended December 31, 2023. An additional \$5,000 of costs related to the sale were recorded during the three months ended March 31, 2024. During the three months ended June 30, 2024, the Company entered into an agreement to sell a property in Glen Allen, Virginia for a gross sales price of approximately

\$31.0 million at an expected loss of \$13.2 million, which was recorded as an impairment. The property was sold on July 8, 2024, at the expected loss. During the three months ended September 30, 2024, we entered into a new agreement to sell a property in Atlanta, Georgia, which was previously classified as an asset held for sale during 2023 pursuant to a previous agreement that was terminated on November 15, 2023. We increased the expected loss on this property by \$6.6 million to \$27.2 million when we entered into this new agreement to sell the property for a gross sales price of \$34.0 million. The property was sold on October 23, 2024, with a \$0.4 million increase to loss from final sales adjustments on the date of sale.

During 2023, we sold an office property located in Elk Grove, Illinois on March 10, 2023, for a gross sales price of \$29.1 million, at a gain of approximately \$8.4 million. During the three months ended June 30, 2023, we entered into an agreement to sell a property in Charlotte, North Carolina at an expected loss of \$0.8 million, which was recorded as an impairment, and we classified the property as an asset held for sale as of June 30, 2023. The property was sold on August 9, 2023, for a gross sales price of \$9.2 million, at a loss of \$0.8 million, which had been our expected loss. During the three months ended September 30, 2023, we recorded a gain on sale of \$53,000 as a result of conveying approximately 7,826 square feet of land at our Addison, Texas property to the Town of Addison as part of a road revitalization project. In addition, during the three months ended September 30, 2023, we executed purchase and sale agreements with four different unrelated purchasers for the potential sale of four properties. Three of these potential dispositions were classified as assets held for sale as of September 30, 2023. On October 26, 2023, we completed the sale of one of the assets held for sale as of September 30, 2023, an office building located in Plano, Texas for a gross sales price of \$48.0 million at a gain of approximately \$10.6 million. On December 6, 2023, we sold another of the assets held for sale, an office property located in Miami, Florida for a gross sales price of \$68.0 million at a loss of approximately \$18.9 million. The one remaining asset held for sale was expected to sell for a gross sales price of \$40.0 million at a loss of approximately \$20.5 million, which was recorded as an impairment as of September 30, 2023; however, on November 15, 2023, we received notice from the buyer indicating that the buyer was terminating the transaction and directing the deposit and interest be disbursed to us.

We used, or intend to use, the proceeds of the dispositions primarily to repay outstanding indebtedness.

The dispositions of these properties did not represent a strategic shift that has a major effect on our operations and financial results. Our current strategy is to continue to invest in the sunbelt and mountain west regions of the United States. Accordingly, the properties sold remained classified within continuing operations for all periods presented.

We continue to believe that the current price of our common stock does not accurately reflect the intrinsic value of our underlying real estate assets, and we will seek to increase shareholder value by (1) pursuing the sale of select properties where we believe that short to intermediate term valuation potential has been reached and (2) striving to lease vacant space. As we continue to execute this strategy, our revenue, Funds From Operations, and capital expenditures may decrease in the short term. Proceeds from dispositions are intended to be used primarily for the repayment of debt.

Critical Accounting Estimates

We have certain critical accounting policies that are subject to judgments and estimates by our management and uncertainties of outcome that affect the application of these policies. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances. On an on-going basis, we evaluate our estimates. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. The accounting policies that we believe are most critical to the understanding of our financial position and results of operations, and that require significant management estimates and judgments, are discussed below. Significant estimates in the consolidated financial statements include purchase price allocations and impairment considerations.

Critical accounting policies are those that have the most impact on the reporting of our financial condition and results of operations and those requiring significant judgments and estimates. We believe that our judgments and estimates are consistently applied and produce financial information that fairly presents our results of operations. Our

most critical accounting policies involve our investments in sponsored REITs and our investments in real property. These policies affect our:

- allocation of purchase price; and
- assessment of the carrying values and impairments of long lived assets;

These policies involve significant judgments made based upon our experience, including judgments about current valuations, ultimate realizable value, current and future economic conditions and competitive factors in the markets in which our properties are located. Competition, economic conditions and other factors may cause occupancy declines in the future. In the future we may need to revise our carrying value assessments to incorporate information which is not now known and such revisions could decrease the carrying values of our assets.

Allocation of Purchase Price

We allocate the value of real estate acquired among land, buildings, improvements and identified intangible assets and liabilities, which may consist of the value of above market and below market leases, the value of in-place leases, and the value of tenant relationships. Purchase price allocations and the determination of the useful lives are based on management's estimates. Under some circumstances we may rely upon studies commissioned from independent real estate appraisal firms in determining the purchase price allocations.

Purchase price allocated to land and building and improvements is based on management's determination of the relative fair values of these assets assuming the property was vacant. Management determines the fair value of a property using methods similar to those used by independent appraisers. Purchase price allocated to above or below market leases is based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases including consideration of potential lease renewals and (ii) our estimate of fair market lease rates for the corresponding leases, measured over a period equal to the remaining non-cancelable terms of the respective leases. This aggregate value is allocated between in-place lease values and tenant relationships based on management's evaluation of the specific characteristics of each tenant's lease; however, the value of tenant relationships has not been separated from in-place lease value because such value and its consequence to amortization expense is immaterial for acquisitions reflected in our financial statements. Factors considered by us in performing these analyses include (i) an estimate of carrying costs during the expected lease-up periods, including real estate taxes, insurance and other operating income and expenses, and (ii) costs to execute similar leases in current market conditions, such as leasing commissions, legal and other related costs. If future acquisitions result in our allocating material amounts to the value of tenant relationships, those amounts would be separately allocated and amortized over the estimated life of the relationships.

Impairment

We periodically evaluate our real estate properties for impairment indicators. These indicators may include lower or declining tenant occupancy, weak or declining tenant profitability, cash flow or liquidity, our decision to dispose of an asset before the end of its estimated useful life or legislative, economic or market changes that permanently reduce the value of our investments. If indicators of impairment are present, we evaluate the carrying value of the property by comparing it to its expected future undiscounted cash flows. A property's value is impaired only if management's estimate of future undiscounted cash flows to be generated by the property over its estimated holding period is less than the carrying value of the property. If there are different potential outcomes for a property, we will take a probability weighted approach to estimating future cash flows. If we determine that impairment has occurred, the affected assets are reduced to their fair value. This analysis requires us to judge whether indicators of impairment exist and to estimate likely future cash flows. If we misjudge or estimate incorrectly or if future tenant profitability, market or industry factors differ from our expectations, we may record an impairment charge which is inappropriate or fail to record a charge when we should have done so, or the amount of such charges may be inaccurate.

Results of Operations

The following table shows financial results for the years ended December 31, 2025 and 2024.

(in thousands)	Year ended December 31,		
	2025	2024	Change
Revenues:			
Rental	\$ 107,162	\$ 120,080	\$ (12,918)
Other	—	32	(32)
Total revenues	107,162	120,112	(12,950)
Expenses:			
Real estate operating expenses	42,040	45,043	(3,003)
Real estate taxes and insurance	18,211	22,716	(4,505)
Depreciation and amortization	42,609	44,774	(2,165)
General and administrative	12,427	13,884	(1,457)
Interest	24,718	26,424	(1,706)
Total expenses	140,005	152,841	(12,836)
Loss on extinguishment of debt	(12)	(1,042)	1,030
Loss on sale of properties and impairment of assets held for sale, net	(12,902)	(20,826)	7,924
Interest income	986	2,090	(1,104)
Loss before taxes	(44,771)	(52,507)	7,736
Tax expense	189	216	(27)
Net loss	\$ (44,960)	\$ (52,723)	\$ 7,763

Comparison of the year ended December 31, 2025 to the year ended December 31, 2024

Revenues

Total revenues decreased by \$12.9 million to \$107.2 million for the year ended December 31, 2025, as compared to the year ended December 31, 2024. The decrease was primarily a result of:

- A decrease in rental revenue of approximately \$12.9 million arising primarily from the sale of one property in 2025 and three properties in 2024 and other losses of rental income from lease expirations during the periods presented. These decreases were partially offset by rental income earned from leases commencing after December 31, 2024. Our leased space in our owned properties was 68.9% as of December 31, 2025 and 70.3% as of December 31, 2024.

Expenses

Total expenses decreased by \$12.8 million to \$140.0 million for the year ended December 31, 2025, as compared to the year ended December 31, 2024. The decrease was primarily a result of:

- A decrease in real estate operating expenses and real estate taxes and insurance of approximately \$7.5 million, which was primarily attributable to the property dispositions noted above.
- A decrease in depreciation and amortization of approximately \$2.2 million, which was primarily attributable to the property dispositions noted above.
- A decrease in general and administrative expenses of \$1.5 million, which was primarily attributable to lower professional fees and public company expenses of \$0.9 million and lower personnel costs of \$0.6 million during 2025 and higher fees and costs incurred from the loan amendment we entered into on February 21, 2024 during the year ended December 31, 2024.
- A decrease in interest expense of approximately \$1.7 million. The decrease was primarily due to a lower principal amount of debt outstanding during the year ended December 31, 2025 compared to

the year ended December 31, 2024 and was partially offset by higher interest rates that went into effect on April 1, 2025 under the loan amendment we entered into on February 21, 2024.

Loss on extinguishment of debt

During the years ended December 31, 2025 and December 31, 2024, we repaid debt and incurred a loss on extinguishment of debt of approximately \$12,000 and \$1,042,000, respectively, related to unamortized deferred financing costs on the dates of the repayments.

Loss on sale of properties and impairment of assets held for sale, net

On April 7, 2025, Monument Circle entered into a purchase and sale agreement to sell its property located in Indianapolis, Indiana for a gross sales price of \$6.0 million. We estimated the fair value of this property, less estimated costs to sell, based on the purchase price set forth in the letter of intent to purchase the property that Monument Circle entered into with the third party, which resulted in recording an impairment charge of \$13.3 million during the three months ended March 31, 2025 that was decreased by \$0.4 million during the three months ended June 30, 2025 for final sale adjustments after the sale was completed on June 6, 2025.

During the three months ended September 30, 2023, we entered into an agreement to sell a property in Atlanta, Georgia for a gross sales price of approximately \$40.0 million at an expected loss of \$20.5 million. We recorded an impairment on this asset held for sale as of September 30, 2023. During the three months ended September 30, 2024, we increased the expected loss on the property in Atlanta, Georgia by \$6.6 million after we entered into a new agreement to sell the property for a gross sales price of \$34.0 million.

During the year ended December 31, 2024, we sold an office property located in Richardson, Texas on January 26, 2024, for a sales price of \$35.0 million at a loss of approximately \$2.1 million. The property was classified as held for sale as of December 31, 2023, and an impairment loss of \$2.1 million was recorded during the year ended December 31, 2023. An additional \$5,000 of costs related to the sale were recorded during the three months ended March 31, 2024.

During the year ended December 31, 2024, we entered into an agreement to sell a property in Glen Allen, Virginia for a gross sales price of approximately \$31.0 million at an expected loss of \$13.2 million, which was recorded as an impairment, and we classified the property as an asset held for sale as of June 30, 2024. The property was sold on July 8, 2024, at the expected loss. During the three months ended September 30, 2024, an additional \$0.7 million in costs related to the sale of properties previously sold were recorded.

Interest Income

During the years ended December 31, 2025 and December 31, 2024, we invested disposition proceeds in an interest-bearing account and earned \$1.0 million and \$2.1 million, respectively, in interest income.

Tax expense on income

Included in income taxes is an estimate of federal income taxes of \$31,000 from the sale of Monument Circle and the Revised Texas Franchise Tax, which is a tax on revenues from Texas properties, which was \$189,000 during the year ended December 31, 2025, compared to \$216,000 during the year ended December 31, 2024.

Net loss

Net loss for the year ended December 31, 2025 was \$45.0 million, compared to a net loss of \$52.7 million for the year ended December 31, 2024, for the reasons described above.

The following table shows financial results for the years ended December 31, 2024 and 2023.

<u>(in thousands)</u>	<u>Year ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Rental	\$ 120,080	\$ 145,446	\$ (25,366)
Other	32	261	(229)
Total revenues	<u>120,112</u>	<u>145,707</u>	<u>(25,595)</u>
Expenses:			
Real estate operating expenses	45,043	50,732	(5,689)
Real estate taxes and insurance	22,716	27,200	(4,484)
Depreciation and amortization	44,774	54,738	(9,964)
General and administrative	13,884	14,021	(137)
Interest	26,424	24,318	2,106
Total expenses	<u>152,841</u>	<u>171,009</u>	<u>(18,168)</u>
Loss on extinguishment of debt	(1,042)	(106)	(936)
Gain on consolidation of Sponsored REIT	—	394	(394)
Loss on sale of properties and impairments of assets held for sale, net	(20,826)	(23,384)	2,558
Interest income	2,090	567	1,523
Loss before taxes	<u>(52,507)</u>	<u>(47,831)</u>	<u>(4,676)</u>
Tax expense	216	279	(63)
Net loss	<u>\$ (52,723)</u>	<u>\$ (48,110)</u>	<u>\$ (4,613)</u>

Comparison of the year ended December 31, 2024 to the year ended December 31, 2023

Revenues

Total revenues decreased by \$25.6 million to \$120.1 million for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The decrease was primarily a result of:

- A decrease in rental revenue of approximately \$25.4 million arising primarily from the sale of three properties during 2024 and four properties in 2023 and other losses of rental income from lease expirations during the periods presented. These decreases were partially offset by rental income earned from leases commencing after December 31, 2023. Our leased space in our owned properties and Monument Circle was 67.5% as of December 31, 2024, as compared to 71.5% as of December 31, 2023.
- A decrease in other income of \$0.2 million during 2024 compared to 2023 from a deposit that was forfeited by a potential buyer in 2023 for a property in Atlanta, Georgia that we had under agreement when the transaction was terminated.

Expenses

Total expenses decreased by \$18.2 million to \$152.8 million for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The decrease was primarily a result of:

- A decrease in real estate operating expenses and real estate taxes and insurance of approximately \$10.2 million was primarily attributable to the property dispositions noted above.
- A decrease in depreciation and amortization of approximately \$10.0 million was primarily attributable to the property dispositions noted above.
- A decrease in general and administrative expenses of \$0.1 million, which was primarily attributable to lower personnel costs, which were partially offset by higher professional fees

related to debt transactions completed in 2024 and the costs associated with adding a new director to our Board of Directors in the fourth quarter of 2024.

These decreases were partially offset by:

- An increase in interest expense of approximately \$2.1 million. The increase was primarily due to higher interest expense as a result of higher interest rates under the loan amendments we entered into in February 2024, which are described below and was partially offset by a lower principal amount of debt outstanding compared to the year ended December 31, 2023.

Loss on extinguishment of debt

During the years ended December 31, 2024 and December 31, 2023, we repaid debt and incurred a loss on extinguishment of debt of approximately \$1.1 million and \$0.1 million, respectively, related to unamortized deferred financing costs on the dates of the repayments.

Gain on consolidation of Sponsored REIT

During the year ended December 31, 2023, we recorded a gain on consolidation of Sponsored REIT as a result of reducing the Monument Circle loan loss reserve, which resulted in a \$0.4 million gain.

Gain and loss on sale of properties and impairment of assets held for sale, net

During the three months ended March 31, 2023, we sold an office property located in Elk Grove, Illinois on March 10, 2023, for a gross sales price of \$29.1 million, at a gain of approximately \$8.4 million.

During the three months ended September 30, 2023, we sold an office property located in Charlotte, North Carolina known as Forest Park, for a sales price of \$9.2 million at a loss of approximately \$0.8 million. During the three months ended September 30, 2023, we also recorded a gain on sale of \$53,000 as a result of conveying approximately 7,826 square feet of land at our Addison, Texas property to the Town of Addison as part of a road revitalization project and increased the loss on sale of Forest Park by \$38,000 as a result of final sales adjustments.

During the three months ended September 30, 2023, we entered into an agreement to sell a property in Miami, Florida, known as Blue Lagoon, for a gross sales price of approximately \$68.0 million at an expected loss of \$19.2 million that was recorded as an impairment loss. We completed the sale of the property on December 6, 2023 at an actual loss of \$18.9 million. During the three months ended September 30, 2023, we entered into an agreement to sell a property in Atlanta, Georgia for a gross sales price of approximately \$40.0 million, at an expected loss of \$20.5 million that was recorded as an impairment loss. On October 26, 2023, we completed the sale of an asset held for sale as of September 30, 2023, which was an office building located in Plano, Texas for a gross sales price of \$48.0 million at a gain of approximately \$10.6 million. During the three months ended September 30, 2023, we entered into a purchase and sales agreement, which was subsequently amended, to sell a property located in Richardson, Texas for a gross sales price of \$35 million, at an expected loss of \$2.1 million that was recorded as an impairment loss during the three months ended December 31, 2023. The property sold on January 26, 2024, at the expected loss.

During the three months ended June 30, 2024, we entered into an agreement to sell a property in Glen Allen, Virginia for a gross sales price of approximately \$31.0 million at an expected loss of \$13.2 million that was recorded as an impairment, and we classified the property as an asset held for sale as of June 30, 2024. The property was sold on July 8, 2024, at the expected loss. During the three months ended September 30, 2024, an additional \$0.7 million in costs related to the sale of properties previously sold were recorded.

During the three months ended September 30, 2024, we entered into a new agreement to sell a property in Atlanta, Georgia, which was classified as an asset held for sale, for a gross sales price of \$34.0 million, and recorded an additional impairment loss of \$6.6 million based on the fair value less cost to sell. The property sold on October 23, 2024, with a \$0.4 million increase to loss from final sales adjustments on the date of sale.

Interest Income

Interest income increased \$1.5 million to \$2.1 million during the year ended December 31, 2024, compared to the year ended December 31, 2023. During the three months ended December 31, 2023, we invested disposition proceeds in an interest-bearing account and earned \$0.6 million in interest income. During 2024, we used a portion of the disposition proceeds to reduce debt and earned \$2.1 million in interest income from proceeds that remained invested.

Tax expense on income

Included in income taxes is the Revised Texas Franchise Tax, which is a tax on revenues from Texas properties, which was \$0.2 million during the year ended December 31, 2024, compared to \$0.3 million during the year ended December 31, 2023.

Net loss

Net loss for year ended December 31, 2024, was \$52.7 million compared to \$48.1 million for the year ended December 31, 2023, for the reasons described above.

Non-GAAP Financial Measures

Funds From Operations

The Company evaluates performance based on Funds From Operations, which we refer to as FFO, as management believes that FFO represents the most accurate measure of activity and is the basis for distributions paid to equity holders. The Company defines FFO as net income or loss (computed in accordance with GAAP), excluding gains (or losses) from sales of property, hedge ineffectiveness, acquisition costs of newly acquired properties that are not capitalized and lease acquisition costs that are not capitalized plus depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges on properties or investments in non-consolidated REITs, and after adjustments to exclude equity in income or losses from, and, to include the proportionate share of FFO from, non-consolidated REITs. We exclude FFO from any Sponsored REIT that is consolidated from the calculation of FFO.

FFO should not be considered as an alternative to net income or loss (determined in accordance with GAAP), nor as an indicator of the Company's financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company's liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company's needs.

Other real estate companies and the National Association of Real Estate Investment Trusts, or NAREIT, may define this term in a different manner. We have included the NAREIT FFO definition as of May 17, 2016 in the table and note that other REITs may not define FFO in accordance with the NAREIT definition or may interpret the current NAREIT definition differently than we do.

We believe that in order to facilitate a clear understanding of the results of the Company, FFO should be examined in connection with net income or loss and cash flows from operating, investing and financing activities in the consolidated financial statements.

The calculations of FFO are shown in the following table:

(in thousands):	For the year ended December 31,		
	2025	2024	2023
Net loss	\$ (44,960)	\$ (52,723)	\$ (48,110)
Gain on consolidation of Sponsored REIT	—	—	(394)
Loss on sale of properties and impairment of asset held for sale, net	12,902	20,826	23,384
Depreciation and amortization	42,609	44,757	54,694
NAREIT FFO	10,551	12,860	29,574
Lease Acquisition costs	456	426	390
Funds From Operations	<u>\$ 11,007</u>	<u>\$ 13,286</u>	<u>\$ 29,964</u>

Net Operating Income (NOI)

The Company provides property performance based on Net Operating Income, which we refer to as NOI. Management believes that investors are interested in this information. NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) plus selling, general and administrative expenses, depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, interest expense, less equity in earnings of nonconsolidated REITs, interest income, management fee income, hedge ineffectiveness, gains or losses on the sale of assets and excludes non-property specific income and expenses. We exclude the NOI from any Sponsored REIT that is consolidated from the calculation of NOI. The information presented includes footnotes and the data is shown by region with properties owned in the periods presented, which we call Same Store. The comparative Same Store results include properties held for the periods presented and exclude acquired properties. We also exclude properties that have been placed in service, but that do not have operating activity for all periods presented, dispositions and significant nonrecurring income such as bankruptcy

settlements and lease termination fees. NOI, as defined by the Company, may not be comparable to NOI reported by other REITs that define NOI differently. NOI should not be considered an alternative to net income or loss as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions. The calculations of NOI are shown in the following table:

(in thousands) Region	Net Operating Income (NOI)				
	Rentable Square Feet	Year Ended 31-Dec-25	Year Ended 31-Dec-24	Inc (Dec)	% Change
MidWest	758	5,923	5,753	170	3.0 %
South	1,908	17,608	18,139	(531)	(2.9)%
West	2,142	22,498	24,135	(1,637)	(6.8)%
Property NOI from the continuing portfolio	4,808	46,029	48,027	(1,998)	(4.2)%
Dispositions, Non-Operating, Development or Redevelopment		(231)	3,135	(3,366)	(6.3)%
Property NOI		<u>\$ 45,798</u>	<u>\$ 51,162</u>	<u>\$ (5,364)</u>	<u>(10.5)%</u>
Same Store		\$ 46,029	\$ 48,027	\$ (1,998)	(4.2)%
Less Nonrecurring Items in NOI (a)		353	764	(411)	0.8 %
Comparative Same Store		<u>\$ 45,676</u>	<u>\$ 47,263</u>	<u>\$ (1,587)</u>	<u>(3.4)%</u>
Reconciliation to Net loss		Year Ended 31-Dec-25	Year Ended 31-Dec-24		
Net loss		\$ (44,960)	\$ (52,723)		
Add (deduct):					
Loss on extinguishment of debt		12	1,042		
Gain on consolidation of Sponsored REIT		—	—		
Gain on sale of property		12,902	20,826		
Management fee income		(1,422)	(1,713)		
Depreciation and amortization		42,609	44,775		
Amortization of above/below market leases		-	(18)		
General and administrative		12,427	13,884		
Interest expense		24,718	26,425		
Interest income		(986)	(2,091)		
Non-property specific items, net		498	755		
Property NOI		<u>\$ 45,798</u>	<u>\$ 51,162</u>		

- (a) Nonrecurring Items in NOI include proceeds from bankruptcies, lease termination fees or other significant nonrecurring income or expenses, which may affect comparability.

Liquidity and Capital Resources

Cash and cash equivalents were \$30.6 million and \$42.7 million at December 31, 2025 and December 31, 2024, respectively. The decrease of \$12.1 million is attributable to \$3.7 million provided by operating activities, less \$10.3 million used in investing activities less \$5.5 million used in financing activities.

On February 26, 2026 (the “Closing Date”), we entered into a Credit Agreement (the “Credit Agreement”) with Alter Domus (US) LLC, as administrative agent, and Silver Oak Capital LLC, an affiliate of TPG Credit (collectively, the lenders from time-to-time party thereto (the “Lenders”). The Credit Agreement provides for a secured credit facility for aggregate principal commitments of up to \$320 million, consisting of (i) initial term loans in an aggregate principal amount of \$275 million (the “Initial Term Loans”), and (ii) delayed draw term loans available upon the approval of the Lenders after the Closing Date in an aggregate principal amount of up to \$45 million (the “Delayed Draw Term Loans” and together with the Initial Term Loans, the “Term Loans”). The Delayed Draw Term Loans may be used, subject to certain conditions, to fund tenant improvements, leasing commissions, building improvements and other uses approved by the Lenders. The Term Loans are not subject to amortization and have an initial stated maturity date of February 26, 2029. The maturity date is subject to potential extension of up to one year at the option of the Company, subject to the satisfaction of certain conditions. We used the proceeds of the Initial Term Loans on the Closing Date to refinance and retire all outstanding indebtedness under the BMO Term Loan, BofA Term Loan and the Senior Notes (each as defined below). See Note 12, Subsequent Events, of the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for further information on the Credit Agreement.

Management believes that existing cash and cash anticipated to be generated internally by operations, including property dispositions, will be sufficient to meet working capital requirements and anticipated capital expenditures for at least the next 12 months. Although there is no guarantee that we will be able to obtain the funds necessary for our future growth, we anticipate generating funds from continuing real estate operations and property dispositions. We believe that we have adequate funds to cover unusual expenses and capital improvements, in addition to normal operating expenses.

Operating Activities

Cash provided by our operating activities for the year ended December 31, 2025 of \$3.7 million was primarily attributable to a net loss of \$45.0 million excluding \$12.9 million from a loss on the sale of a property, plus the add-back of \$45.7 million of non-cash expenses, less a decrease in accounts payable and accrued compensation of \$4.6 million, less an increase in payment of deferred leasing commissions of \$4.2 million, less an increase in lease acquisition costs of \$1.2 million, less a decrease in prepaid expenses of \$0.7 million and plus a decrease in tenant receivables of \$0.8 million.

Investing Activities

Cash used in investing activities for the year ended December 31, 2025 of \$10.3 million was primarily attributable to capital expenditures and office equipment investments of approximately \$16.4 million, which was partially offset by proceeds from the disposition of one property of \$6.1 million.

Financing Activities

Cash used in financing activities for the year ended December 31, 2025 of \$5.5 million is primarily attributable to payment of distributions to stockholders of \$4.1 million and the repayment of \$1.4 million of our debt.

Liquidity beyond the next 12 months

As of March 5, 2026, we had aggregate outstanding indebtedness of \$275 million. Our ability to generate cash adequate to satisfy our debt obligations as they mature and meet our operating needs is dependent primarily on income from real estate investments, the sale of real estate investments, leveraging of real estate investments, proceeds from public offerings of stock, private placement of debt and access to the capital markets. The acquisition of new properties, the payment of expenses related to real estate operations, capital improvement expenses, debt service payments, general and administrative expenses, and distribution requirements place demands on our liquidity.

We intend to operate our properties from the cash flows generated by our properties. However, our expenses are affected by various factors, including inflation. See Part I, Item 1A, Risk Factors for additional factors. Increases in operating expenses are predominantly borne by our tenants. To the extent that increases cannot be passed on to our tenants through rent reimbursements, such expenses would reduce the amount of available cash flow, which can adversely affect the market value of the applicable property.

We have used a variety of sources to fund our cash needs in addition to our free cash flow generated from our investments in real estate. We have considered raising capital through public offerings or At The Market (ATM) programs of our common stock. We believe these sources of funds will provide sufficient funds to adequately meet our obligations beyond the next twelve months.

BMO Term Loan

As of December 31, 2025, we had a term loan borrowing in the aggregate principal amount of approximately \$70.7 million, which we refer to as the BMO Term Loan, with Bank of Montreal, as administrative agent, and the other lending institutions party thereto, which would have matured on April 1, 2026. The BMO Term Loan was subject to the terms of the Second Amended and Restated Credit Agreement dated September 27, 2018, which we refer to as the Original BMO Credit Agreement, as amended by the First Amendment to Second Amended and Restated Credit Agreement dated February 10, 2023, which we refer to as the BMO First Amendment, and the Second Amendment to Second Amended and Restated Credit Agreement dated February 21, 2024, which we refer to as the BMO Second Amendment. We refer to the Original BMO Credit Agreement, as amended by the BMO First Amendment and the BMO Second Amendment, as the BMO Credit Agreement.

As of December 31, 2024, the interest rate on the BMO Term Loan was 8.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BMO Term Loan was 8.34% for the year ended December 31, 2024. Effective April 1, 2025, the interest rate on the BMO Term Loan increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025, the interest rate on the BMO Term Loan was 9.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BMO Term Loan was 8.75% for the year ended December 31, 2025.

The BMO Credit Agreement contained customary affirmative and negative covenants for credit facilities of this type. The BMO Credit Agreement also contained financial covenants that required us to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. We were in compliance with the BMO Term Loan financial covenants as of December 31, 2025. The BMO Credit Agreement also provided for customary events of default with corresponding grace periods, including failure to pay any principal or interest when due, certain cross defaults and a change in control (as defined in the BMO Credit Agreement).

BofA Term Loan

As of December 31, 2025, we had a term loan borrowing in the amount of approximately \$55.3 million, which we refer to as the BofA Term Loan, with Bank of America, N.A. as administrative agent, and other lending institutions party thereto, which would have matured on April 1, 2026. The BofA Term Loan was subject to the terms of the Credit Agreement dated January 10, 2022, which we refer to as the Original BofA Credit Agreement, as amended by the First Amendment to Credit Agreement dated February 10, 2023, which we refer to as the BofA First Amendment, and the Second Amendment to Credit Agreement dated February 21, 2024, which we refer to as the BofA Second Amendment. We refer to the Original BofA Credit Agreement, as amended by the BofA First Amendment and the BofA Second Amendment, as the BofA Credit Agreement.

As of December 31, 2024, the interest rate on the BofA Term Loan was 8.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BofA Term Loan was approximately 8.34% per annum for the year ended December 31, 2024. Effective April 1, 2025, the interest rate on the BofA Term Loan increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025, the interest rate on the BofA Term

Loan was 9.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BofA Term Loan was 8.75% for the year ended December 31, 2025.

The BofA Credit Agreement contained customary affirmative and negative covenants for credit facilities of this type. The BofA Credit Agreement also contained financial covenants that required us to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. We were in compliance with the BofA Term Loan financial covenants as of December 31, 2025. The BofA Credit Agreement also provided for customary events of default with corresponding grace periods, including failure to pay any principal or interest when due, failure to comply with the provisions of the BofA Credit Agreement, certain cross defaults and a change in control (as defined in the BofA Credit Agreement).

Senior Notes

As of December 31, 2025, we had senior notes in the aggregate principal amount of approximately \$122.9 million, which we refer to as the Senior Notes, which would have matured on April 1, 2026. The Senior Notes consisted of (i) Series A Senior Notes due April 1, 2026 in an aggregate principal amount of approximately \$71.3 million, which we refer to as the Series A Notes, and (ii) Series B Senior Notes due April 1, 2026 in the aggregate principal amount of approximately \$51.6 million, which we refer to as the Series B Notes. The Notes were subject to the terms of the Note Purchase Agreement dated October 24, 2017, which we refer to as the Original Note Purchase Agreement, as amended by the First Amendment to Note Purchase Agreement dated February 21, 2024. We refer to the Original Note Purchase Agreement, as amended by the NPA First Amendment, as the Note Purchase Agreement.

Effective April 1, 2025, the interest rates on both the Series A Notes and the Series B Notes permanently increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025 and December 31, 2024, the interest rate on both the Series A Notes and the Series B Notes was 9.00% per annum and 8.00% per annum, respectively.

The Note Purchase Agreement contained customary affirmative and negative covenants. The Note Purchase Agreement also contained financial covenants that required us to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. We were in compliance with the Note Purchase Agreement financial covenants as of December 31, 2025.

Equity Offering

From time to time, we may issue debt securities, common stock, preferred stock or depository shares under a registration statement to fund the acquisition of additional properties, to pay down any existing debt financing and for other corporate purposes.

Contingencies

On March 9, 2026, the Company received an e-mail message from Iman Hossini, who purports to be a shareholder of the Company, demanding that the Board of Directors investigate alleged breaches of the fiduciary duty of due care and waste of corporate assets by George J. Carter, Chairman of the Board and Chief Executive Officer of the Company, Jeffrey B. Carter, President and Chief Investment Officer of the Company, and John G. Demeritt Executive Vice President and Chief Financial Officer of the Company, in connection with the Company entering into the Credit Agreement. At this time, the Company cannot predict the outcome or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

We may be subject to various legal proceedings and claims that arise in the ordinary course of our business. Although occasional adverse decisions (or settlements) may occur, we believe that the final disposition of such matters will not have a material adverse effect on our financial position or results of operations.

Other Considerations

We generally pay the ordinary annual operating expenses of our owned properties and Monument Circle from the rental revenue generated by the properties. For the three months and year ended December 31, 2025 and 2024, respectively, the rental income exceeded the expenses for each individual property, with the exception of Monument Circle for the year ended December 31, 2025 and for the three months and year ended December 31, 2024. Monument Circle sold its property on June 6, 2025. Monument Circle had approximately \$132,000 of rental income and \$435,000 of operating expenses for the year ended December 31, 2025. Monument Circle had approximately \$85,000 and \$302,000 of rental income, and \$263,000 and \$1,095,000 of operating expenses, for the three months and year ended December 31, 2024, respectively.

Rental Income Commitments

Our commercial real estate operations include the leasing of office buildings subject to leases with terms greater than one year. The leases thereon expire at various dates through 2042. Approximate undiscounted cash flows of rental income from non-cancelable operating leases as of December 31, 2025 is:

(in thousands)	Year ending December 31,
2026	\$ 68,480
2027	60,214
2028	55,237
2029	46,683
2030	36,019
Thereafter (2031-2042)	99,271
	<u>\$ 365,904</u>

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2025:

Contractual Obligations	Payment due by period (in thousands)						
	Total	2026	2027	2028	2029	2030	Thereafter
BofA Term Loan (1)(2)	\$ 56,556	\$ 56,556	\$ —	\$ —	\$ —	\$ —	\$ —
BMO Term Loan Tranche B (1)(2)	72,266	72,266	—	—	—	—	—
Series A Notes (1)(2)	72,895	72,895	—	—	—	—	—
Series B Notes (1)(2)	52,786	52,786	—	—	—	—	—
Operating Lease	327	327	—	—	—	—	—
Total	<u>\$ 254,830</u>	<u>\$ 254,830</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

- (1) Amounts include principal and interest payments.
- (2) This table does not reflect the use of the proceeds of the Initial Term Loans under the Credit Agreement to refinance and retire all of the debt obligations presented in this table on February 26, 2026.

The operating lease in the table above consists of our lease of corporate office space, which commenced September 1, 2010, and was amended on October 25, 2016 and on February 7, 2024. The amended lease expires on September 30, 2026. The lease includes a base annual rent and additional rent for our share of taxes and operating costs.

Off-Balance Sheet Arrangements

Investments in Sponsored REITs

As of December 31, 2024 and 2023, we held a common stock interest in one Sponsored REIT, Monument Circle, which was fully syndicated and in which we did not share economic benefit or risk. As a common stockholder, we had no rights to the Sponsored REIT's earnings or any related cash distributions. However, upon liquidation of the

Sponsored REIT, we were entitled to our percentage interest as a common stockholder in any proceeds remaining after the preferred stockholders recovered their investment. Our common stock percentage interest in the sponsored REIT was less than 1%. Monument Circle and the corporation that had been its sole member were dissolved on December 9, 2025.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market Rate Risk

Prior to our entering into the Credit Agreement and repaying all outstanding indebtedness under the BofA Term Loan and BMO Term Loan, we were exposed to changes in interest rates primarily from our floating rate borrowing arrangements. As of December 31, 2025 and December 31, 2024, if market rates on our outstanding borrowings under the BofA Term Loan, subject to a floating rate increased by 10% at maturity, or approximately 90 and 80 basis points, respectively, over the current variable rate, the increase in interest expense would have decreased future earnings and cash flows by approximately \$0.5 million and \$0.4 million, respectively. The interest rate on the BofA Term Loan as of December 31, 2025 and December 31, 2024, was SOFR plus an adjustment of 0.11448% plus 300 basis points and 400 basis points, respectively, or 9.00% and 8.00% per annum, respectively. There was \$55.3 million and \$55.6 million outstanding on the BofA Term Loan as of December 31, 2025 and December 31, 2024, respectively. We do not believe that the interest rate risk on the BofA Term Loan was material as of December 31, 2025.

As of December 31, 2025, if market rates on our outstanding borrowings under the BMO Term Loan were subject to a floating rate increased by 10% at maturity, or approximately 90 basis points over the current variable rate, the increase in interest expense would have decreased future earnings and cash flows by approximately \$0.6 million. The interest rate on the BMO Term Loan as of December 31, 2025 was SOFR plus an adjustment of 0.11448% plus 400 basis points, or 9.00% per annum. We do not believe that the interest rate risk on the BMO Term Loan was material as of December 31, 2025.

The following table presents, as of December 31, 2025, our contractual variable rate borrowings under our BofA Term Loan, which would have matured on April 1, 2026, and under our BMO Term Loan Tranche B, which would have matured on April 1, 2026. On February 26, 2026, we entered into the Credit Agreement, which provides for the Initial Term Loans in an aggregate principal amount of \$275 million. We used the net proceeds of the Initial Term Loans to refinance and retire all outstanding indebtedness under the BMO Term Loan and the BofA Term Loan. See Note 12, Subsequent Events, of the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for further information on the Credit Agreement.

	Payment due by period						Thereafter
	Total	2026	2027	2028	2029	2030	
BofA Term Loan	\$ 55,315	\$ 55,315	\$ —	\$ —	\$ —	\$ —	\$ —
BMO Term Loan Tranche B	70,680	70,680	—	—	—	—	—
Total	\$ 125,995	\$ 125,995	\$ —	\$ —	\$ —	\$ —	\$ —

Item 8. Financial Statements and Supplementary Data

The information required by this item is included in the financial pages following the Exhibit Index herein and incorporated herein by reference. Reference is made to the Index to Consolidated Financial Statements in Item 15 of Part IV.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2025, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company’s principal executive and principal financial officer and effected by the Company’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company’s management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2025. In making this assessment, the Company’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework, 2013 framework.

Based on our assessment, management concluded that, as of December 31, 2025, the Company’s internal control over financial reporting is effective based on those criteria.

Ernst & Young LLP, the independent registered public accounting firm that audited our financial statements included elsewhere in this annual report on Form 10-K, has issued an attestation report on our internal control over financial reporting as of December 31, 2025. Please see page F-3.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting occurred during the quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Director and Officer Trading Arrangements

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the fourth quarter of 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Certain information required by Part III of this Form 10-K will be contained in our definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") which we plan to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, and is incorporated herein by reference.

Item 10. Directors, Executive Officers and Corporate Governance

The response to this item is contained under the caption "Information about our Executive Officers" in Part I hereof and in the Proxy Statement under the captions "CORPORATE GOVERNANCE", "PROPOSAL 1 - ELECTION OF DIRECTORS" and, if applicable, "DELINQUENT SECTION 16(a) REPORTS" and is incorporated herein by reference.

Our board of directors has adopted a code of business conduct and ethics that applies to all of our executive officers, directors and employees. The code was approved by the nominating and corporate governance committee of our board of directors and by the full board of directors. We have posted a current copy of our code under "Corporate Governance" in the "Investor Relations" section of our website at <http://www.fspreit.com>. To the extent permitted by applicable rules of the NYSE American, we intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the code of business conduct and ethics with respect to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website.

Item 11. Executive Compensation

The response to this item is contained in the Proxy Statement under the captions "COMPENSATION DISCUSSION AND ANALYSIS" and "DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES" and, other than the information required by Item 402(v) of Regulation S-K, is incorporated herein by reference.

The "Compensation Committee Report" contained in the Proxy Statement shall not be deemed "soliciting material" or "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act, except to the extent we specifically request that such information be treated as soliciting material or specifically incorporate such information by reference into a document filed under the Securities Act or the Exchange Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this item is contained in the Proxy Statement under the captions "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" and "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The response to this item is contained in the Proxy Statement under the captions "PROPOSAL 1 - ELECTION OF DIRECTORS", "CORPORATE GOVERNANCE" and "TRANSACTIONS WITH RELATED PERSONS" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The response to this item is contained in the Proxy Statement under the caption "INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FEES AND SERVICES" and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this report:

1. Financial Statements:

The Financial Statements listed in the accompanying Index to Consolidated Financial Statements are filed as part of this Annual Report on Form 10-K.

2. Financial Statement Schedules:

The Financial Statement Schedules listed on the accompanying Index to Consolidated Financial Statements are filed as part of this Annual Report on Form 10-K.

Schedules other than those listed are omitted as they are not applicable or the required or equivalent information has been included in the financial statements or notes thereto.

3. Exhibits:

EXHIBIT INDEX

Exhibit No.	Description
3.1 (1)	Articles of Incorporation, as amended.
3.2 (2)	Amended and Restated By-laws.
4.1 (3)	Description of Securities Registered Under Section 12 of the Exchange Act.
10.1+ (4)	2002 Stock Incentive Plan of FSP Corp.
10.2 (5)	Credit Agreement, dated February 26, 2026, among FSP Corp., Alter Domus (US) LLC and the lenders party thereto
10.3 +(6)	Form of Retention Agreement.
10.4 +(7)	Change in Control Discretionary Plan.
10.5 (8)	Cooperation Agreement, dated as of November 27, 2024, by and among FSP Corp., Converium Capital Inc., Converium Capital Master Fund LP, Converium PGEQ Multi-Strategy Fund L.P., Erez REIT Opportunities LP and Erez Asset Management LLC.
10.6 (9)	Letter Agreement, dated October 15, 2025, by and among FSP Corp., Converium Capital Inc., Converium Capital Master Fund LP and Converium PGEQ Multi-Strategy Fund L.P.
19.1 (10)	Insider Trading Policy.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Ernst & Young LLP.
31.1*	Certification of FSP Corp.'s Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of FSP Corp.'s Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of FSP Corp.'s Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of FSP Corp.'s Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97+(11)	Compensation Recovery Policy.
101*	The following materials from FSP Corp.'s Annual Report on Form 10-K for the year ended December 31, 2025, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Cash Flows; (iv) the Consolidated Statements of Other Comprehensive Income; and (v) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(1) Incorporated by reference to Exhibit 3.1 to FSP Corp.'s Quarterly Report on Form 10-Q filed on July 30, 2019 (File No. 001-32470).

- (2) Incorporated by reference to Exhibit 3.1 to FSP Corp.'s Current Report on Form 8-K, filed on February 3, 2023 (File No. 001-32470).
 - (3) Incorporated by reference to Exhibit 4.1 to FSP Corp.'s Annual Report on Form 10-K, filed on February 15, 2022 (File No. 001-32470).
 - (4) Incorporated by reference to Exhibit 10.1 to FSP Corp.'s Annual Report on Form 10-K, filed on March 29, 2002 (File No. 001-32470).
 - (5) Incorporated by reference to Exhibit 10.1 to FSP Corp.'s Current Report on Form 8-K, filed on March 4, 2026 (File No. 001-32470).
 - (6) Incorporated by reference to Exhibit 10.5 to FSP Corp.'s Annual Report on Form 10-K, filed on February 24, 2006 (File No. 001-32470).
 - (7) Incorporated by reference to Exhibit 99.2 to FSP Corp.'s Current Report on Form 8-K, filed on February 8, 2006 (File No. 001-32470).
 - (8) Incorporated by reference to Exhibit 10.1 to FSP Corp.'s Current Report on Form 8-K, filed on November 27, 2024 (File No. 001-32470).
 - (9) Incorporated by reference to Exhibit 10.2 to FSP Corp.'s Current Report on Form 8-K, filed on October 15, 2025 (File No. 001-32470).
 - (10) Incorporated by reference to Exhibit 19.1 to FSP Corp.'s Annual Report on Form 10-K, filed on February 11, 2025 (File No. 001-32470)
 - (11) Incorporated by reference to Exhibit 97 to FSP Corp.'s Annual Report on Form 10-K, filed on February 26, 2024 (File No. 001-32470).
- + Management contract or compensatory plan or arrangement filed as an Exhibit to this Form 10-K pursuant to Item 15(b) of Form 10-K.
- * Filed herewith.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf as of March 9, 2026 by the undersigned, thereunto duly authorized.

FRANKLIN STREET PROPERTIES CORP.

By: /s/ George J. Carter
George J. Carter
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ George J. Carter</u> George J. Carter	Chief Executive Officer and Director (Principal Executive Officer)	March 9, 2026
<u>/s/ John G. Demeritt</u> John G. Demeritt	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	March 9, 2026
<u>/s/ John N. Burke</u> John N. Burke	Director	March 9, 2026
<u>/s/ Dennis J. McGillicuddy</u> Dennis J. McGillicuddy	Director	March 9, 2026
<u>/s/ Georgia Murray</u> Georgia Murray	Director	March 9, 2026
<u>/s/ Jennifer Bitterman</u> Jennifer Bitterman	Director	March 9, 2026
<u>/s/ Milton P. Wilkins Jr.</u> Milton P. Wilkins Jr.	Director	March 9, 2026

Franklin Street Properties Corp.
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All other schedules for which a provision is made in the applicable accounting resolutions of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Franklin Street Properties Corp.

Opinion on Internal Control Over Financial Reporting

We have audited Franklin Street Properties Corp.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Franklin Street Properties Corp. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025 and the related notes and financial statement schedules listed in the index at Item 15(a)(2) and our report dated March 9, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boston, Massachusetts
March 9, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Franklin Street Properties Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Franklin Street Properties Corp. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025 and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 9, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment assessment of real estate assets

Description of the Matter The Company's real estate assets, net totaled \$794 million as of December 31, 2025. As described in Note 2 to the consolidated financial statements, the Company reviews its properties to determine if their carrying amounts will be recovered from future operating cash flows when indicators of impairment are identified.

Auditing the Company's impairment assessment involved a high degree of subjectivity as estimates underlying the determination of recoverability involve management making significant judgments to derive assumptions affected by expected future market conditions and leasing activity. Assumptions included in the Company's recoverability assessment included the rental rates and future occupancy of the Company's real estate properties.

How We Addressed the Matter in Our Audit We tested the design and operating effectiveness of controls over the Company's impairment process. For example, we tested controls over management's review of significant assumptions underlying projections used in the Company's recoverability assessment.

Our testing of the Company's impairment assessment included, among other procedures, evaluating the significant assumptions used to estimate the future undiscounted cash flows used in the recoverability assessment. For example, we compared future market conditions to current market data, performed a sensitivity analysis to evaluate the impact of certain assumptions on the estimate of undiscounted cash flows and recalculated management's estimate. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the certain assumptions for certain real estate assets.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2003.

Boston, Massachusetts
March 9, 2026

Franklin Street Properties Corp.
Consolidated Balance Sheets

(in thousands)	December 31,	
	2025	2024
Assets:		
Real estate assets:		
Land (amounts related to variable interest entities ("VIEs") of \$6,416 at December 31, 2024)	\$ 98,883	\$ 105,298
Buildings and improvements (amounts related to VIEs of \$13,279 at December 31, 2024)	1,091,728	1,096,265
Fixtures and equipment	11,572	11,053
	1,202,183	1,212,616
Less accumulated depreciation (amounts related to VIEs of \$682 at December 31, 2024)	408,461	377,708
Real estate assets, net (amounts related to VIEs of \$19,013 at December 31, 2024)	793,722	834,908
Acquired real estate leases, less accumulated amortization of \$14,648 and \$13,613, respectively (amounts related to VIEs of \$67 less accumulated amortization of \$35 at December 31, 2024)	2,490	4,205
Cash, cash equivalents and restricted cash (amounts related to VIEs of \$1,314 at December 31, 2024)	30,571	42,683
Tenant rent receivables	471	1,283
Straight-line rent receivable	38,744	37,727
Prepaid expenses and other assets	4,080	3,114
Office computers and furniture, net of accumulated depreciation of \$1,047 and \$1,073, respectively	136	70
Deferred leasing commissions, net of accumulated amortization of \$14,571 and \$14,195, respectively	22,670	22,941
Total assets	\$ 892,884	\$ 946,931

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Balance Sheets

(in thousands, except share and par value amounts)	December 31,	
	2025	2024
Liabilities and Stockholders' Equity:		
Liabilities:		
Term loans payable, less unamortized financing costs of \$441 and \$2,220, respectively	\$ 125,555	\$ 124,491
Series A & Series B Senior Notes, less unamortized financing costs of \$236 and \$1,191, respectively	122,686	122,430
Accounts payable and accrued expenses (amounts related to VIEs of \$534 at December 31, 2024)	28,724	34,067
Accrued compensation	2,394	3,097
Tenant security deposits	6,198	6,237
Lease liability	316	707
Acquired unfavorable real estate leases, less accumulated amortization of \$56 and \$89, respectively	34	45
Total liabilities	285,907	291,074
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$.0001 par value, 20,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$.0001 par value, 180,000,000 shares authorized, 103,690,340 and 103,566,715 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,335,586	1,335,361
Distributions in excess of accumulated earnings	(728,619)	(679,514)
Total stockholders' equity	606,977	655,857
Total liabilities and stockholders' equity	\$ 892,884	\$ 946,931

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Statements of Operations

(in thousands, except per share amounts)	For the Year Ended December 31,		
	2025	2024	2023
Revenues:			
Rental	\$ 107,162	\$ 120,080	\$ 145,446
Other	—	32	261
Total revenues	<u>107,162</u>	<u>120,112</u>	<u>145,707</u>
Expenses:			
Real estate operating expenses	42,040	45,043	50,732
Real estate taxes and insurance	18,211	22,716	27,200
Depreciation and amortization	42,609	44,774	54,738
General and administrative	12,427	13,884	14,021
Interest	24,718	26,424	24,318
Total expenses	<u>140,005</u>	<u>152,841</u>	<u>171,009</u>
Loss on extinguishment of debt	(12)	(1,042)	(106)
Gain on consolidation of Sponsored REIT	—	—	394
Loss on sale of properties and impairment of assets held for sale, net	(12,902)	(20,826)	(23,384)
Interest income	986	2,090	567
Loss before taxes	<u>(44,771)</u>	<u>(52,507)</u>	<u>(47,831)</u>
Tax expense	189	216	279
Net loss	<u>\$ (44,960)</u>	<u>\$ (52,723)</u>	<u>\$ (48,110)</u>
Weighted average number of shares outstanding, basic and diluted	<u>103,640</u>	<u>103,510</u>	<u>103,357</u>
Net loss per share, basic and diluted	<u>\$ (0.43)</u>	<u>\$ (0.51)</u>	<u>\$ (0.47)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Statements of Comprehensive Income (Loss)

(in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (44,960)	\$ (52,723)	\$ (48,110)
Other comprehensive loss:			
Unrealized gain on derivative financial instruments	—	—	177
Reclassification from accumulated other comprehensive income into interest expense	—	(355)	(4,180)
Total other comprehensive loss	—	(355)	(4,003)
Comprehensive loss	\$ (44,960)	\$ (53,078)	\$ (52,113)

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Statements of Stockholders' Equity

(in thousands)	Common Stock		Additional Paid-In Capital	Accumulated other comprehensive income (loss)	Distributions in excess of accumulated earnings	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2022	103,236	\$ 10	\$ 1,334,776	\$ 4,358	\$ (570,408)	\$ 768,736
Comprehensive income	—	—	—	(4,003)	(48,110)	(52,113)
Shares issued for:						
Equity-based compensation	194	—	315	—	—	315
Distributions	—	—	—	—	(4,133)	(4,133)
Balance, December 31, 2023	103,430	10	1,335,091	355	(622,651)	712,805
Comprehensive loss	—	—	—	(355)	(52,723)	(53,078)
Shares issued for:						
Equity-based compensation	137	—	270	—	—	270
Distributions	—	—	—	—	(4,140)	(4,140)
Balance, December 31, 2024	103,567	10	1,335,361	—	(679,514)	655,857
Comprehensive loss	—	—	—	—	(44,960)	(44,960)
Shares issued for:						
Equity-based compensation	123	—	225	—	—	225
Distributions	—	—	—	—	(4,145)	(4,145)
Balance, December 31, 2025	103,690	\$ 10	\$ 1,335,586	\$ —	\$ (728,619)	\$ 606,977

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Statements of Cash Flows

(in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net loss	\$ (44,960)	\$ (52,723)	\$ (48,110)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	45,330	47,742	57,240
Amortization of above and below market leases	—	(17)	(44)
Shares issued as compensation	225	270	315
Amortization of other comprehensive income into interest expense	—	(355)	(3,851)
Loss on extinguishment of debt	12	1,042	106
Gain on consolidation of Sponsored REIT	—	—	(394)
Loss on sale of properties and impairment of assets held for sale, net	12,902	20,826	23,384
Changes in operating assets and liabilities:			
Tenant rent receivables	812	908	10
Straight-line rents	147	1,970	625
Lease acquisition costs	(1,171)	(666)	(2,007)
Prepaid expenses and other assets	(593)	355	382
Accounts payable and accrued expenses	(3,982)	(3,708)	(2,709)
Accrued compensation	(703)	(547)	—
Tenant security deposits	(39)	33	494
Payment of deferred leasing commissions	(4,227)	(6,143)	(7,575)
Net cash provided by operating activities	3,753	8,987	17,866
Cash flows from investing activities:			
Property improvements, fixtures and equipment	(16,415)	(25,213)	(31,637)
Consolidation of Sponsored REIT	—	—	3,048
Proceeds received from sales of properties	6,109	95,497	142,225
Net cash provided by (used in) investing activities	(10,306)	70,284	113,636
Cash flows from financing activities:			
Distributions to stockholders	(4,145)	(4,140)	(4,133)
Proceeds received from termination of interest rate swap	—	—	4,206
Borrowings under Bank note payable	—	—	77,000
Repayments of Bank note payable	—	(22,667)	(35,000)
Repayments of Term loans payable	(716)	(55,622)	(50,000)
Repayments of Series A&B Senior Notes	(698)	(76,379)	—
Deferred financing costs	—	(5,660)	(2,327)
Net cash used in financing activities	(5,559)	(164,468)	(10,254)
Net increase (decrease) in cash, cash equivalents and restricted cash	(12,112)	(85,197)	121,248
Cash, cash equivalents and restricted cash, beginning of year	42,683	127,880	6,632
Cash, cash equivalents and restricted cash, end of period	\$ 30,571	\$ 42,683	\$ 127,880

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Consolidated Statements of Cash Flows

(in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	\$ 21,942	\$ 24,068	\$ 25,740
Taxes on income	\$ 235	\$ 385	\$ 339
Non-cash investing and financing activities:			
Accrued costs for purchase of real estate assets	\$ 763	\$ 2,888	\$ 7,566
Investment in related party mortgage loan receivable converted to real estate assets and acquired real estate leases in conjunction with variable interest entity consolidation	\$ —	\$ —	\$ 20,000

The accompanying notes are an integral part of these consolidated financial statements.

Franklin Street Properties Corp.
Notes to the Consolidated Financial Statements

1. Organization

Franklin Street Properties Corp. (“FSP Corp.” or the “Company”) holds, directly and indirectly, 100% of the interest in FSP Investments LLC, FSP Property Management LLC, FSP Holdings LLC and FSP Protective TRS Corp. FSP Property Management LLC provides asset management and property management services.

As of December 31, 2025, the Company owned and operated a portfolio of real estate consisting of 14 operating properties. The Company may pursue, on a selective basis, the sale of its properties in order to take advantage of the value creation and demand for its properties, for geographic, property specific reasons or for other general corporate purposes.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include all of the accounts of the Company and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Estimates and Assumptions

The Company prepares its financial statements and related notes in conformity with generally accepted accounting principles in the United States of America (“GAAP”). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the consolidated financial statements include the allowance for credit losses, purchase price allocations and impairment considerations.

Variable Interest Entities (VIEs)

The Company determines whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. The determination of whether an entity in which the Company holds a, direct or indirect, variable interest is a VIE is based on several factors, including whether the entity’s total equity investment at risk upon inception is sufficient to finance the entity’s activities without additional subordinated financial support. The Company makes judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, and then a quantitative analysis, if necessary.

The Company analyzes any investments in VIEs to determine if the Company is the primary beneficiary. In evaluating whether the Company is the primary beneficiary, the Company evaluates its direct and indirect economic interests in the entity. Determining which reporting entity, if any, is the primary beneficiary of a VIE is primarily a qualitative approach focused on identifying which reporting entity has both (1) the power to direct the activities of a VIE that most significantly impact such entity’s economic performance and (2) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity. Performance of that analysis requires the exercise of judgment.

The Company considers a variety of factors in identifying the entity that holds the power to direct matters that most significantly impact the VIE’s economic performance including, but not limited to, the ability to direct a proposed sale of the property or merger of the company. In addition, the Company considers the rights of other investors to participate in those decisions, to replace the manager and to amend the corporate charter. The Company determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and considers that conclusion upon a reconsideration event.

As of January 1, 2023, the Company's relationship with FSP Monument Circle LLC, which corporation was organized to operate as a real estate investment trust ("Monument Circle" or the "Sponsored REIT") was considered a VIE and the Company became the primary beneficiary. Upon this reconsideration event, the entity was included within the Company's consolidated financial statements and all intercompany accounts and transactions were eliminated in consolidation. A gain on consolidation of approximately \$0.4 million was recognized in the three months ended March 31, 2023. Cash and cash equivalents of \$3 million held by Monument Circle was included in the Company's cash and cash equivalents upon consolidation and is reflected as "Consolidation of Sponsored REIT" in the consolidated statement of cash flows. The cash and cash equivalents held by Monument Circle were unable to be utilized for the Company's operational purposes. The creditors of Monument Circle's trade payables did not have any recourse against the Company. The property held by Monument Circle was sold on June 6, 2025, and Monument Circle and the corporation that had been its sole member were dissolved on December 9, 2025.

The consolidation value of Monument Circle was allocated to real estate investments and leases, including lease origination costs. Lease origination costs represent the value associated with acquiring an in-place lease (i.e. the market cost to execute a similar lease, including leasing commission, legal, vacancy, and other related costs). The value assigned to building approximates the replacement cost; the value assigned to land approximates its appraised value; and the value assigned to leases approximate their fair value. Other assets and liabilities are recorded at their historical costs, which approximates fair value.

The Company assessed the fair value of the acquired real estate leases based on estimated cash flow projections that utilize appropriate discount rates and available market information. Such inputs are Level 3 in the fair value hierarchy.

The following table summarizes the estimated fair value of the assets acquired at the date of consolidation, January 1, 2023:

(in thousands)

Real estate assets	\$ 19,695
Value of acquired real estate leases	305
Total	\$ 20,000

The following is quantitative information about significant unobservable inputs in the Company's Level 3 measurement of the assets acquired in the consolidation of Monument Circle and were measured at fair value on a nonrecurring basis at January 1, 2023:

Description	Fair Value (1) at January 1, 2023 (in thousands)	Valuation Technique	Significant Unobservable Input	Range		Weighted Average (2)
				Min	Max	
Monument Circle Consolidation	\$ 20,000	Discounted Cash Flows	Exit Cap Rate	7.50 %	7.50 %	7.50 %
			Discount Rate	9.50 %	9.50 %	9.50 %

(1) Classified within Level 3 of the fair value hierarchy.

(2) Unobservable inputs were weighted based on the fair value of the related instrument.

The relationships and investments related to the Sponsored REIT are summarized in Note 3.

Real Estate and Depreciation

Real estate assets are stated at cost less accumulated depreciation.

The Company allocates the value of real estate acquired among land, buildings and identified intangible assets or liabilities. Costs related to land, building and improvements are capitalized. Typical capital items include new roofs, site improvements, various exterior building improvements and major interior renovations. Costs incurred in connection with leasing (primarily tenant improvements and leasing commissions) are capitalized and amortized over the lease period. Routine replacements and ordinary maintenance and repairs that do not extend the life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the assets' estimated useful lives as follows:

<u>Category</u>	<u>Years</u>
Commercial buildings	39
Building improvements	15 - 39
Fixtures and equipment	3 - 7

The Company reviews its properties to determine if their carrying amounts will be recovered from future operating cash flows if certain indicators of impairment are identified at those properties. These indicators may include lower or declining tenant occupancy, weak or declining tenant profitability, cash flows or liquidity, the Company's decision to dispose of an asset before the end of its estimated useful life or legislative, economic, or market changes that permanently reduce the value of the Company's investment. If indicators of impairment are present, the Company evaluates the carrying value of the property by comparing it to its expected future undiscounted cash flow. A property's value is impaired only if management's estimate of future undiscounted cash flows to be generated by the property over its estimated holding period is less than the carrying value of the property. If there are different potential outcomes for a property, the Company will take a probability weighted approach to estimating future cash flows. If the Company determines that impairment has occurred, the affected assets are reduced to their fair value. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates, capital requirements, estimated holding periods and outcome probabilities that could differ materially from actual results in future periods. Since cash flows are considered on an undiscounted basis in the analysis that the Company conducts to determine whether an asset has been impaired, the Company's strategy of holding properties over the long term directly decreases the likelihood of recording an impairment loss. If the Company's strategy changes or market conditions otherwise dictate an earlier sale date, an impairment loss may be recognized. The Company did not recognize any impairment losses on any assets classified as held and used for the years ended December 31, 2025, 2024 and 2023.

Acquired Real Estate Leases and Amortization

Acquired real estate leases represent costs associated with acquiring an in-place lease (i.e., the market cost to execute a similar lease, including leasing commission, tenant improvements, legal, vacancy and other related costs) and the value relating to leases with rents above the market rate. Amortization is computed using the straight-line method over the term of the leases, which range from 53 months to 152 months. Amortization of these combined components was approximately \$1.7 million, \$2.5 million and \$3.2 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Amortization related to costs associated with acquiring an in-place lease is included in depreciation and amortization on the consolidated statements of income. Amortization related to leases with rents above the market rate is offset against the rental revenue in the consolidated statements of income. The estimated annual amortization expense for the five years and thereafter following December 31, 2025 is as follows:

<u>(in thousands)</u>	<u>December 31,</u>
2026	\$ 1,631
2027	391
2028	302
2029	127
2030	27
2031 and thereafter	12

Acquired Unfavorable Real Estate Leases and Amortization

Acquired unfavorable real estate leases represent the value relating to leases with rents below the market rate. Amortization is computed using the straight-line method over the term of the leases, which range from 101 months to 151 months. Amortization expense was approximately \$10,000, \$0.1 million and \$0.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Amortization related to leases with rents below the market rate is included with rental revenue in the consolidated statements of income. The estimated annual amortization for the five years and thereafter following December 31, 2025 is as follows:

<u>(in thousands)</u>	<u>December 31,</u>
2026	\$ 8
2027	7
2028	6
2029	6
2030	6
2031 and thereafter	1

Asset Held For Sale

Classification of a property as held for sale typically occurs upon the execution of a purchase and sale agreement and belief by management that the sale or disposition is probable of occurrence within one year. Upon determining that a property was held for sale, the Company discontinues depreciating the property and reflects the property in its consolidated balance sheet at the lower of its carrying amount or fair value less the cost to sell. The Company presents the property held for sale on its consolidated balance sheet as "Asset held for sale". The Company reports the results of operations of its properties sold or held for sale (that do not represent a strategic shift that has, or will have, a major effect on financial results) in its consolidated statements of income through the date of sale.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows.

<u>(in thousands)</u>	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Cash and cash equivalents (1)	\$ 30,571	\$ 41,121
Restricted cash	—	1,562
Total cash, cash equivalents and restricted cash	<u>\$ 30,571</u>	<u>\$ 42,683</u>

(1) Includes \$0 and \$1,314 at December 31, 2025 and 2024, respectively, pertaining to Monument Circle, which the Company is unable to utilize for its own operational purposes.

Restricted Cash

Restricted cash consists of tenant security deposits, which are required by law in some states or by contractual agreement to be kept in a segregated account, and escrows arising from property sales. Tenant security deposits are refunded when tenants vacate, provided that the tenant has not damaged the property.

Cash held in escrow is paid based on the terms of the closing agreement for the sale. Restricted cash also may include funds segregated for specific tenant improvements per lease agreements.

Tenant Rent Receivables

Tenant rent receivables are expected to be collected within one year. The Company recognizes the effect of a change in its assessment of whether the collectability of operating lease receivables are probable as an adjustment to lease income.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash investments, derivatives, related party mortgage loan receivable and accounts receivable. The Company maintains its cash balances principally in two banks which the Company believes to be creditworthy. The Company periodically assesses the financial condition of the banks and believes that the risk of loss is minimal. Cash balances held with various financial institutions frequently exceed the insurance limit of \$250,000 provided by the Federal Deposit Insurance Corporation. The Company performs ongoing credit evaluations of its tenants and requires certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the total value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. The Company has no single tenant which accounts for more than 10% of its annualized rent.

Financial Instruments

The Company estimates that the carrying values of cash and cash equivalents, restricted cash, receivables, prepaid expenses, accounts payable and accrued expenses, accrued compensation, and tenant security deposits approximate their fair values based on their short-term maturity and the bank note and term loans payable approximate their fair values as they bear interest at variable interest rates.

Straight-line Rent Receivable

Certain leases provide for fixed rent increases over the term of the lease. Rental revenue is recognized on a straight-line basis over the related lease term; however, billings by the Company are based on the lease agreements. Straight-line rent receivable, which is the cumulative revenue recognized in excess of amounts billed by the Company, was \$38.7 million, \$37.7 million and \$40.4 million at December 31, 2025, 2024 and 2023, respectively.

Deferred Leasing Commissions

Deferred leasing commissions represent direct and incremental external leasing costs incurred in the leasing of commercial space. These costs are capitalized and are amortized on a straight-line basis over the terms of the related lease agreements. Amortization expense was approximately \$4.5 million, \$4.5 million and \$5.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The estimated annual amortization for the five years and thereafter following December 31, 2025 is as follows:

<u>(in thousands)</u>	<u>December 31,</u>
2026	\$ 4,263
2027	3,818
2028	3,385
2029	2,834
2030	2,158
2031 and thereafter	6,212

Common Share Repurchases

The Company recognizes the gross cost of the common shares it repurchases as a reduction in stockholders' equity using the treasury stock method. Maryland law does not recognize a separate treasury stock account but provides that shares repurchased are classified as authorized but unissued shares. Accordingly, the Company reduces common stock for the par value and the excess of the purchase price over the par value is a reduction to additional paid-in capital.

Revenue Recognition

Rental Revenue - The Company has retained substantially all of the risks and benefits of ownership of the Company's commercial properties and accounts for its leases as operating leases. Rental revenue includes income from leases, certain reimbursable expenses, straight-line rent adjustments and other income associated with renting the property. Rental income from leases, which includes rent concessions (including free rent and other lease inducements) and scheduled increases in rental rates during the lease term, is recognized on a straight-line basis. The Company does not have any significant percentage rent arrangements with its commercial property tenants. Reimbursable expenses are included in rental income in the period earned. A summary of rental revenue is shown in the following table:

<u>(in thousands)</u>	<u>Year Ended</u>		
	<u>December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Income from leases	\$ 75,717	\$ 86,563	\$ 103,716
Reimbursable expenses	31,592	35,469	42,311
Straight-line rent adjustment	(147)	(1,970)	(626)
Amortization of favorable and unfavorable leases	—	18	45
	<u>\$ 107,162</u>	<u>\$ 120,080</u>	<u>\$ 145,446</u>

Related Party and Other Revenue - Property and asset management fees and other income are recognized when the related services are performed and the earnings process is complete.

Segment Reporting

The Company is a REIT focused on real estate investments primarily in the office market and currently operates in only one segment: real estate operations.

Income Taxes

Taxes on income for the years ended December 31, 2025, 2024 and 2023 represent taxes incurred by FSP Protective TRS Corp, which is a taxable REIT subsidiary, and the State of Texas franchise tax applicable to FSP Corp., which is classified as an income tax for reporting purposes.

Net Income Per Share

Basic net income per share is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue shares were exercised or converted into shares. There were no potential dilutive shares outstanding at

December 31, 2025, 2024 and 2023. The denominator used for calculating basic and diluted net income per share was 103,640,000, 103,510,000 and 103,357,000 for the years ended December 31, 2025, 2024 and 2023, respectively.

Derivative Instruments

The Company recognizes derivatives on the consolidated balance sheets at fair value. Derivatives that do not qualify, or are not designated as hedge relationships, must be adjusted to fair value through income. Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the consolidated balance sheets as either an asset or liability. To the extent hedges are effective, a corresponding amount, adjusted for swap payments, is recorded in accumulated other comprehensive income within stockholders' equity. Amounts are then reclassified from accumulated other comprehensive income to the income statement in the period or periods the hedged forecasted transaction affects earnings. Ineffectiveness, if any, is recognized in other comprehensive income ("OCI") and reclassified into the income statement. The Company reviews the effectiveness of each hedging transaction, which involves estimating future cash flows, at least quarterly. Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The Company currently has no fair value hedges outstanding. Fair values of derivatives are subject to significant variability based on changes in interest rates and counterparty credit risk. The results of such variability could be a significant increase or decrease in the Company's derivative assets, derivative liabilities, equity, and/or earnings.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There is also an established fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value. Financial assets and liabilities recorded on the consolidated balance sheets at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity or information. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability including credit risk, which was not significant to the overall value. These inputs (See Notes 2 and 10) were considered and applied to the Company's Sponsored REIT purchase price allocation. Level 3 inputs were used to value assets acquired in the consolidation of the Sponsored REIT.

Subsequent Events

In preparing these consolidated financial statements the Company evaluated events that occurred through the date of issuance of these financial statements for potential recognition or disclosure.

Recent Accounting Standards

In October 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative

(“ASU 2023-06”). ASU 2023-06 adds interim and annual disclosure requirements to GAAP at the request of the Securities and Exchange Commission. The guidance in ASU 2023-06 is required to be applied prospectively and the GAAP requirements will be effective when the removal of the related SEC disclosure requirements is effective. If the SEC does not act to remove its related requirement by June 30, 2027, any related FASB amendments will be removed from the Accounting Standards Codification and will not be effective. The Company does not anticipate that the adoption of ASU 2023-06 will have a material impact on the consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”). ASU 2023-07 requires public entities to disclose significant segment expense and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. The guidance in ASU 2023-07 is applied retrospectively to all periods presented in the financial statements and is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company adopted ASU 2023-07 on January 1, 2024, which did not have a material impact on the consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures and disclosures about income taxes paid. The guidance in ASU 2023-09 should be applied prospectively but may be applied retrospectively for each period presented. ASU 2023-09 is effective for public entities for fiscal years beginning after December 15, 2024. The Company adopted ASU 2023-09 on January 1, 2025, which did not have a material impact on the consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”). ASU 2024-03 requires public business entities to provide disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. The guidance in ASU 2024-03 is required to be applied prospectively and entities may apply it retrospectively. ASU 2024-03 is effective for public entities for fiscal years beginning after December 15, 2026. The Company does not anticipate that the adoption of ASU 2024-03 will have a material impact on the consolidated financial statements.

3. Related Party Transactions and Investments in Non-Consolidated Entities

Investment in Sponsored REITs

The Company held a common stock interest in the Sponsored REIT on each of December 31, 2024 and 2023. The property held by Monument Circle was sold on June 6, 2025, and Monument Circle and the corporation that had been its sole member were dissolved on December 9, 2025.

Management fees and interest income from loans:

Asset management fees range from 1% to 5% of collected rents, and the applicable contracts are cancellable with 30 days notice. The Company did not recognize asset management fee income from non-consolidated entities for each of the years ended December 31, 2025, 2024 and 2023.

The Company did not recognize income or fees from the Sponsored REIT Loan for each of the years ended December 31, 2025, 2024 and 2023.

On October 29, 2021, the Company agreed to amend and restate the then existing Sponsored REIT Loan to extend the maturity date from December 6, 2022 to June 30, 2023 and to advance an additional \$3.0 million tranche of indebtedness to Monument Circle with the same June 30, 2023 maturity date, effectively increasing the aggregate principal amount of the Sponsored REIT Loan from \$21 million to \$24 million. In addition, the Company agreed to defer all principal and interest payments due under the Sponsored REIT Loan until the maturity date. As part of its consideration for agreeing to amend and restate the Sponsored REIT Loan, the Company obtained from the stockholders of the parent of Monument Circle the right to vote their shares in favor of any sale of the property owned by Monument Circle any time on or after

January 1, 2023. There were no commitments to lend additional funds to the Sponsored REIT. On June 26, 2023, the Sponsored REIT Loan maturity was extended to September 30, 2023. On September 26, 2023, the Sponsored REIT Loan maturity was further extended to September 30, 2024. On September 27, 2024, the Sponsored REIT Loan maturity was further extended to September 30, 2025. The Sponsored REIT Loan was extinguished on June 6, 2025, when the property securing the loan was sold. More information on the sale is included in Note 10, “Disposition of Properties and Assets Held for Sale” in these Consolidated Financial Statements.

The Company recorded a \$4.2 million decrease in its provision for credit losses during the year ended December 31, 2023. The change in the allowance for credit losses during the year ended December 31, 2023 was due to the consolidation of Monument Circle. The following table presents a roll-forward of the Company’s allowance for credit losses.

<u>(In thousands)</u>	<u>For the Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Beginning allowance for credit losses	\$ —	\$ —	\$ (4,237)
Additional increases to the allowance for credit losses	—	—	—
Reductions to the allowance for credit losses	—	—	4,237
Ending allowance for credit losses	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

4. Bank Note Payable, Term Note Payable and Private Placements

On February 26, 2026, the Company entered into a Credit Agreement with Alter Domus (US) LLC, as administrative agent, and the lenders from time-to-time party thereto, which provides for initial term loans in an aggregate principal amount of \$275 million. The Company used the net proceeds of such initial term loans to refinance and retire all outstanding indebtedness under the BMO Term Loan, BofA Term Loan and the Senior Notes (each as defined below). See Note 12, Subsequent Events, of these Notes to Consolidated Financial Statements for further information on the Credit Agreement.

BMO Term Loan

As of December 31, 2025, the Company had a term loan borrowing in the aggregate principal amount of approximately \$70.7 million (the “BMO Term Loan”) with Bank of Montreal, as administrative agent, and the other lending institutions party thereto, which would have matured on April 1, 2026. The BMO Term Loan was subject to the terms of the Second Amended and Restated Credit Agreement dated September 27, 2018 (the “Original BMO Credit Agreement”), as amended by the First Amendment to Second Amended and Restated Credit Agreement dated February 10, 2023 (the “BMO First Amendment”) and the Second Amendment to Second Amended and Restated Credit Agreement dated February 21, 2024 (the “BMO Second Amendment The Original BMO Credit Agreement, as amended by the BMO First Amendment and the BMO Second Amendment, is referred to as the “BMO Credit Agreement”).

As of December 31, 2024, the interest rate on the BMO Term Loan was 8.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BMO Term Loan was 8.34% for the year ended December 31, 2024. Effective April 1, 2025, the interest rate on the BMO Term Loan increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025, the interest rate on the BMO Term Loan was 9.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BMO Term Loan was 8.75% for the year ended December 31, 2025.

The BMO Credit Agreement contained customary affirmative and negative covenants for credit facilities of this type. The BMO Credit Agreement also contained financial covenants that required the Company to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. The Company was in compliance with the BMO Term Loan financial covenants as of December 31, 2025.

The BMO Credit Agreement provided for customary events of default with corresponding grace periods, including failure to pay any principal or interest when due, certain cross defaults and a change in control of the Company (as defined in the BMO Credit Agreement).

BofA Term Loan

As of December 31, 2025, the Company had a term loan borrowing in the aggregate principal amount of approximately \$55.3 million (the “BofA Term Loan”) with Bank of America, N.A. as administrative agent, and other lending institutions party thereto, which would have matured on April 1, 2026. The BofA Term Loan was subject to the terms of the Credit Agreement dated January 10, 2022, as amended by the First Amendment to Credit Agreement dated February 10, 2023 (the “BofA First Amendment”) and the Second Amendment to Credit Agreement dated February 21, 2024 (the “BofA Second Amendment”). The Original BofA Credit Agreement, as amended by the BofA First Amendment and the BofA Second Amendment, is referred to as the “BofA Credit Agreement”.

As of December 31, 2024, the interest rate on the BofA Term Loan was 8.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BofA Term Loan for the year ended December 31, 2024 was approximately 8.34% per annum. Effective April 1, 2025, the interest rate on the BofA Term Loan increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025, the interest rate on the BofA Term Loan was 9.00% per annum. The weighted average variable interest rate on all amounts outstanding under the BofA Term Loan was 8.75% for the year ended December 31, 2025.

The BofA Credit Agreement contained customary affirmative and negative covenants for credit facilities of this type. The BofA Credit Agreement also contained financial covenants that required the Company to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. The Company was in compliance with the BofA Term Loan financial covenants as of December 31, 2025.

The BofA Credit Agreement provided for customary events of default with corresponding grace periods, including failure to pay any principal or interest when due, failure to comply with the provisions of the BofA Credit Agreement, certain cross defaults and a change in control of the Company (as defined in the BofA Credit Agreement).

Senior Notes

As of December 31, 2025, the Company had senior notes in the aggregate principal amount of approximately \$122.9 million (the “Senior Notes”) that mature on April 1, 2026. The Senior Notes consisted of (i) Series A Senior Notes due April 1, 2026 in an aggregate principal amount of approximately \$71.3 million (the “Series A Notes”) and (ii) Series B Senior Notes due April 1, 2026 in the aggregate principal amount of approximately \$51.6 million (the “Series B Notes”). The Senior Notes were subject to the terms of the Note Purchase Agreement dated October 24, 2017 (the “Original Note Purchase Agreement”), as amended by the First Amendment to Note Purchase Agreement dated February 21, 2024 (the “NPA First Amendment”). The Original Note Purchase Agreement, as amended by the NPA First Amendment, is referred to as the “Note Purchase Agreement”.

Effective April 1, 2025, the interest rates on both the Series A Notes and the Series B Notes permanently increased from 8.00% per annum to 9.00% per annum. As of December 31, 2025 and December 31, 2024, the interest rate on both the Series A Notes and the Series B Notes was 9.00% per annum and 8.00% per annum, respectively.

The Note Purchase Agreement contained customary affirmative and negative covenants. The Note Purchase Agreement also contained financial covenants that required the Company to maintain a minimum tangible net worth, a maximum leverage ratio, a maximum secured leverage ratio, a maximum secured recourse leverage ratio, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, and minimum unsecured interest coverage. The Company was in compliance with the Note Purchase Agreement financial covenants as of December 31, 2025.

The Note Purchase Agreement contained customary events of default, including payment defaults, cross defaults with certain other indebtedness, breaches of covenants and bankruptcy events.

5. Financial Instruments: Derivatives and Hedging

On February 20, 2019, the Company entered into interest rate swap transactions that fixed the interest rate for the period beginning August 26, 2020 and ending January 31, 2024 on the BMO Term Loan (the “2019 BMO Interest Rate Swap”). The variable rates that were fixed under the 2019 BMO Interest Rate Swap is described in Note 3. On February 8, 2023, the Company terminated the 2019 BMO Interest Rate Swap applicable to the BMO Term Loan and, on February 10, 2023, the Company received an aggregate of approximately \$4.3 million as a result of such terminations, of which approximately \$0.1 million related to interest receivable. There were no derivative instruments as of December 31, 2025 and December 31, 2024.

The 2019 BMO Interest Rate Swap qualified as a cash flow hedge and has been recognized on the consolidated balance sheets at fair value. If a derivative qualifies as a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative’s change in fair value will be recognized in earnings in the same period in which the hedged interest payments affect earnings, which may increase or decrease reported net income and stockholders’ equity prospectively, depending on future levels of interest rates and other variables affecting the fair values of derivative instruments and hedged items, but will have no effect on cash flows.

The gain/(loss) on the 2019 BMO Interest Rate Swap that was recorded in OCI and the accompanying consolidated statements of income as a component of interest expense for the years ended December 31, 2024 and 2023, respectively, was as follows:

(in thousands)		
Interest Rate Swaps in Cash Flow Hedging Relationships:	2024	2023
Amounts of gain recognized in OCI	\$ —	\$ 177
Amounts of previously recorded gain (loss) reclassified from OCI into Interest Expense	\$ 355	\$ 4,180
Total amount of Interest Expense presented in the consolidated statements of operations	\$ 26,424	\$ 24,318

Over time, the realized gains in accumulated other comprehensive income were reclassified into earnings as a decrease to interest expense in the same periods in which the hedged interest payments affected earnings.

The Company hedged the exposure to variability in anticipated future interest payments on existing debt.

6. Stockholders’ Equity

Equity-Based Compensation

On May 20, 2002, the stockholders of the Company approved the 2002 Stock Incentive Plan (the “Plan”). The Plan is an equity-based incentive compensation plan, and provides for the grants of up to a maximum of 2,000,000 shares of the Company’s common stock (“Awards”). All of the Company’s employees, officers, directors, consultants and advisors are eligible to be granted Awards. Awards under the Plan are made at the discretion of the Company’s Board of Directors, and have no vesting requirements. Upon granting an Award, the Company will recognize compensation cost equal to the fair value of the Company’s common stock, as determined by the Company’s Board of Directors, on the date of the grant.

On May 30, 2025, May 31, 2024 and May 18, 2023, the Company granted shares under the Plan to non-employee directors with the compensation cost related to such grants indicated in the table below, which was recognized during the years ended December 31, 2025, 2024 and 2023, respectively, and is included in general and administrative expenses in the consolidated statements of income for such periods. Such shares were fully vested on the date of issuance.

	Shares Available for Grant	Compensation Cost
Balance December 31, 2022	1,696,687	\$ 1,406,250
Shares granted 2023	(194,439)	314,991
Balance December 31, 2023	1,502,248	\$ 1,721,241
Shares granted 2024	(136,362)	269,997
Balance December 31, 2024	1,365,886	\$ 1,991,238
Shares granted 2025	(123,625)	224,998
Balance December 31, 2025	1,242,261	\$ 2,216,236

7. Federal Income Tax Reporting

General

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). As a REIT, the Company generally is entitled to a tax deduction for distributions paid to its shareholders, thereby effectively subjecting the distributed net income of the Company to taxation at the shareholder level only. The Company must comply with a variety of restrictions to maintain its status as a REIT. These restrictions include the type of income it can earn, the type of assets it can hold, the number of shareholders it can have and the concentration of their ownership, and the amount of the Company’s taxable income that must be distributed annually.

One such restriction is that the Company generally cannot own more than 10% of the voting power or value of the securities of any one issuer unless the issuer is itself a REIT or a taxable REIT subsidiary (“TRS”). In the case of TRSs, the Company’s ownership of securities in all TRSs generally cannot exceed 20% (25% of taxable years beginning on or before December 31, 2017) of the value of all of the Company’s assets and, when considered together with other non-real estate assets, cannot exceed 25% of the value of all of the Company’s assets. FSP Investments LLC and FSP Protective TRS Corp. are the Company’s taxable REIT subsidiaries operating as taxable corporations under the Code. The TRSs have gross amounts of net operating losses (“NOLs”) available to those taxable corporations of \$5.0 million and \$4.9 million as of December 31, 2025 and 2024, respectively. The NOLs created prior to 2018 will expire between 2030 and 2037 and the NOLs generated after 2017 will not expire. A valuation allowance is provided for the full amount of the NOLs as the realization of any tax benefits from such NOLs is not assured.

Income taxes are recorded based on the future tax effects of the difference between the tax and financial reporting bases of the Company’s assets and liabilities. In estimating future tax consequences, potential future events are considered except for potential changes in income tax law or in rates.

The Company adopted an accounting pronouncement related to uncertainty in income taxes effective January 1, 2007, which did not result in recording a liability, nor was any accrued interest and penalties recognized with the adoption. Accrued interest and penalties will be recorded as income tax expense if the Company records a liability in the future. The Company’s effective tax rate was not affected by the adoption. The Company and one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The statute of limitations for the Company’s income tax returns is generally three years and as such, the Company’s returns that remain subject to examination would be primarily from 2022 and thereafter.

Net operating losses

Section 382 of the Code restricts a corporation's ability to use net operating losses ("NOLs") to offset future taxable income following certain "ownership changes." Such ownership changes occurred with past mergers and accordingly a portion of the NOLs incurred by the Company's prior sponsored REITs available for use by the Company in any particular future taxable year will be limited. To the extent that the Company does not utilize the full amount of the annual NOLs limit, the unused amount may be carried forward to offset taxable income in future years. NOLs expire 20 years after the year in which they arise, and the last of the Company's NOLs will expire in 2027. Approximately \$0.4 million and \$0.7 million of NOLs expired in 2024 and 2023, respectively. A valuation allowance is provided for the full amount of the gross NOLs available as the realization of any tax benefits remaining from such NOLs is not assured. The gross amount of NOLs available to the Company was approximately \$150.8 million and \$95.8 million as of December 31, 2025 and December 31, 2024, respectively.

Income Tax Expense

The Company recognized approximately \$31,000 in Federal Income Tax expense related to the sale of Monument Circle for the year ended December 31, 2025. The Company is subject to a business tax known as the Revised Texas Franchise Tax. Some of the Company's leases allow reimbursement by tenants for these amounts because the Revised Texas Franchise Tax replaces a portion of the property tax for school districts. Because the tax base on the Revised Texas Franchise Tax is derived from an income based measure, it is considered an income tax. The Company recorded a provision for the Revised Texas Franchise Tax of \$0.2 million, \$0.2 million and \$0.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The income tax expense reflected in the consolidated statements of income relates primarily to state income taxes as a result of some states that limit the use of net operating losses, which are in Other Taxes, and to a lesser extent, the Revised Texas Franchise Tax. FSP Protective TRS Corp. provides taxable services to tenants at some of the Company's properties.

(Dollars in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Federal Income Tax	\$ 31	\$ —	—
Revised Texas Franchise Tax	158	216	\$ 279
Other Taxes	—	—	—
Tax expense	<u>\$ 189</u>	<u>\$ 216</u>	<u>\$ 279</u>

Taxes on income are a current tax expense. No deferred income taxes were provided as there were no material temporary differences between the financial reporting basis and the tax basis of the TRSs.

At December 31, 2025, the Company's net tax basis of its real estate assets is more than the amount set forth in the Company's consolidated balance sheets by \$142.1 million and at December 31, 2024, the Company's net tax basis of its real estate assets is more than the amount set forth in the Company's consolidated balance sheets by \$145.6 million.

Tax Components

The following summarizes the tax components of the Company's common distributions paid per share for the years ended December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Per Share	%	Per Share	%	Per Share	%
Ordinary income	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain	—	— %	—	— %	—	— %
Return of capital	0.04	100 %	0.04	100 %	0.04	100 %
Total	<u>\$ 0.04</u>	<u>100 %</u>	<u>\$ 0.04</u>	<u>100 %</u>	<u>\$ 0.04</u>	<u>100 %</u>

8. Leases

Leases as a Lessee:

The Company entered into a noncancelable contract with a third party to obtain office space that commenced on September 1, 2010. The contract was amended on October 25, 2016 to extend the contract through September 30, 2024 and amended again on February 7, 2024 to extend the contract through September 30, 2026. As of December 31, 2025 and December 31, 2024, the Company's right-of-use asset was \$0.3 million and \$0.7 million, respectively, which is included in prepaid and other assets on the consolidated balance sheet. A discount rate equal to the Company's incremental borrowing rate was applied to the future monthly contractual lease payments remaining as of December 31, 2025 to compute the lease liability. The incremental borrowing rate is the rate equal to the closest borrowing under the BofA Revolver at the time of the February 7, 2024 lease amendment.

Lease Costs

(in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 418	\$ 411	\$ 419
	\$ 418	\$ 411	\$ 419
Other information			
Cash paid for amounts included in the measurement of lease liabilities	\$ 436	\$ 412	\$ 447
Weighted average remaining lease terms in years - operating leases	0.75	1.75	0.75
Weighted average discount rate - operating leases	8.44%	8.44%	3.86%

Maturity analysis for liabilities

(in thousands)	Total
	Undiscounted Cash Flows
Discount rate at commencement	8.44%
2026	\$ 327
	\$ 327
Present value lease liability	\$ 316
Difference between undiscounted cash flows and discounted cash flows	\$ 11

Leases as a Lessor:

The Company is a lessor of commercial real estate with operations that include the leasing of office properties. Many of the leases with customers contain options to extend leases at a fair market rate and may also include options to terminate leases. The Company considers several inputs when evaluating the amount it expects to derive from its leased assets at the end of the lease terms, such as the remaining useful life, expected market conditions, fair value of lease payments, expected fair values of underlying assets, and expected deployment of the underlying assets. The Company's strategy to address its risk for the residual value in its commercial real estate is to re-lease the commercial space.

The Company has elected to apply the practical expedient to not separate non-lease components from the related lease component of real estate leases. This combined component is primarily comprised of fixed lease payments, early termination fees, common area maintenance cost reimbursements, and parking lease payments. The Company applies ASC 842, Leases, to the combined lease and non-lease components.

For the years ended December 31, 2025, 2024 and 2023, the Company recognized the following amounts of income relating to lease payments:

Income relating to lease payments:

(in thousands)	For the Year Ended December 31,		
	2025	2024	2023
Income from leases (1)	\$ 107,309	\$ 122,032	\$ 146,027
	\$ 107,309	\$ 122,032	\$ 146,027

Undiscounted Cash Flows	Year ending
(in thousands)	December 31,
2026	68,480
2027	60,214
2028	55,237
2029	46,683
2030	36,019
2031 and thereafter	99,271
	\$ 365,904

(1) Includes amounts recognized from variable lease payments of \$31,592, \$35,413 and \$42,311 for the years ended December 31, 2025, 2024 and 2023, respectively.

9. Retirement Plan

In 2006, the Company established a 401(k) plan to cover eligible employees, which permitted deferral of up to \$17,000 per year (indexed for inflation) into the 401(k) plan, subject to certain limitations imposed by the Internal Revenue Code. An employee's elective deferrals are immediately vested upon contribution to the 401(k) plan. The Company matches employee contributions to the 401(k) plan dollar for dollar up to 3% of each employee's annual compensation up to \$200,000. In addition, we may elect to make an annual discretionary profit-sharing contribution. The Company's total contribution under the 401(k) plan amounted to \$0.1 million, \$0.1 million and \$0.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

10. Disposition of Properties and Assets Held for Sale

On April 7, 2025, Monument Circle entered into a purchase and sale agreement to sell its property located in Indianapolis, Indiana to a third party for a gross sales price of \$6.0 million. The property was sold on June 6, 2025 at a total loss of \$12.9 million, including an impairment loss of \$13.3 million that was recorded during the three months ended March 31, 2025 and was decreased by \$0.4 million for final sale adjustments during the three months ended June 30, 2025 after the sale was completed.

In October 2021, as part of its consideration for agreeing to amend and restate the Sponsored REIT Loan, the Company obtained from the stockholders of the parent of Monument Circle the right to vote their shares in favor of any sale of the property owned by Monument Circle any time on or after January 1, 2023. At March 31, 2025, the Company recorded this property at the fair value less cost to sell, which was less than the carrying value and resulted in an impairment loss of \$13.3 million. The Company reclassified \$5.7 million of this office property as an asset held for sale, which was comprised of \$18.9 million in real estate assets, net of accumulated depreciation, prior to the impairment. The reclassification was a non-cash investing activity on the statement of cash flows. The Company estimated the fair value of this property, less estimated costs to sell, based on the purchase price set forth in the letter of intent to purchase the property that Monument Circle entered into with the third party (Level 3 inputs, as there are no observable inputs).

In 2024, the Company sold an office property located in Richardson, Texas on January 26, 2024, for a gross sales price of \$35 million. The property was classified as held for sale as of December 31, 2023, and an impairment of \$2.1 million had been recorded during the year ended December 31, 2023. An additional \$5,000 of costs related to the sale were recorded during the three months ended March 31, 2024. During the three months ended June 30, 2024, the Company entered into an agreement to sell a property in Glen Allen, Virginia for a gross sales price of approximately \$31.0 million and an expected loss of \$13.2 million, which was recorded as an impairment. The property was sold on July 8, 2024, at

the expected loss. During the three months ended September 30, 2024, the Company recorded an additional \$0.7 million in costs related to the sale of properties previously sold. During the three months ended September 30, 2024, the Company entered into an agreement to sell a property in Atlanta, Georgia, which was classified as an asset held for sale during 2023. The Company increased the expected loss on this property by \$6.6 million to \$27.2 million when the Company entered into this new agreement to sell the property for a gross sales price of \$34.0 million. The property sold on October 23, 2024, with a \$0.4 million increase to loss from final sales adjustments on the date of sale.

In 2023, the Company sold one office property located in Elk Grove, Illinois on March 10, 2023, for a gross sales price of \$29.1 million, at a gain of approximately \$8.4 million. The Company used the proceeds of the disposition principally to repay a portion of outstanding indebtedness. The Company sold one office property located in Charlotte, North Carolina on August 9, 2023 for a gross sales price of \$9.2 million, at a loss of \$0.8 million. During the three months ended September 30, 2023, the Company recorded a gain on sale of \$53,000 as a result of conveying approximately 7,826 square feet of land at the Company's Addison, Texas property to the Town of Addison as part of a road revitalization project.

During the three months ended September 30, 2023, the Company reclassified \$96.4 million of its office properties in Miami, Florida and Atlanta, Georgia as assets held for sale as of September 30, 2023. The Company recorded these properties at the fair value less cost to sell, which was less than the carrying value and resulted in an impairment of \$39.7 million in the three months ended September 30, 2023. The reclassification was a non-cash investing activity on the statement of cash flows. The Company estimated the fair value of these properties, less estimated costs to sell, using the offers to purchase the properties made by third parties (Level 3 inputs, as there is no active market).

During the three months ended September 30, 2023, the Company entered into an agreement to sell a property in Plano, Texas for a gross sales price of approximately \$48.0 million, at an expected gain of \$10.6 million. The Company reclassified \$36.2 million of this office property as an asset held for sale as of September 30, 2023. The reclassification was a non-cash investing activity on the statement of cash flows. On October 26, 2023, the Company completed the sale of the property located in Plano, Texas for a gross sales price of \$48.0 million at a gain of approximately \$10.6 million. On December 6, 2023, the Company sold another of the assets held for sale, an office property located in Miami, Florida for a sales price of \$68.0 million at a loss of approximately \$18.9 million.

The asset held for sale located in Atlanta, Georgia, was expected to sell for a gross sales price of \$40.0 million at a loss of approximately \$20.5 million, which was recorded as an impairment as of September 30, 2023, however on November 15, 2023, the Company received notice from the buyer indicating that the buyer was terminating the transaction and directing the deposit and interest be disbursed to the Company. At December 31, 2023, the office property remained classified on the consolidated balance sheet as an asset held for sale in the amount of \$39.0 million and was comprised of \$52.2 million of real estate assets, net of accumulated depreciation, \$4.4 million of straight-line rents receivable, and \$2.9 million of deferred leasing commissions, net of accumulated amortization. The Company expects the property will be sold within the next twelve months.

During the three months ended September 30, 2023, the Company entered into a purchase and sale agreement, which was subsequently amended, to sell a property located in Richardson, Texas for a gross sales price of \$35.0 million. During the three months ended December 31, 2023, the Company recorded this property at the fair value less cost to sell, which was less than the carrying value and resulted in an impairment of \$2.1 million. The Company reclassified \$34.4 million of this office property as an asset held for sale, which comprised of \$31.1 million in real estate assets, net of accumulated depreciation, \$3.4 million in straight-line rents receivable, and \$2.0 million in deferred leasing commissions, net of accumulated amortization.

The Company concluded the dispositions did not represent a strategic shift and reports the results of operations of its properties in its consolidated statements of operations, which includes rental income, rental operating expenses, real estate taxes and insurance and depreciation and amortization.

The operating results for the properties that the Company disposed of or classified as assets held for sale are summarized below:

(in thousands)	Year ended December 31,		
	2025	2024	2023
Rental revenue	\$ 132	\$ 7,622	\$ 30,116
Rental operating expenses	(213)	(3,681)	(10,476)
Real estate taxes and insurance	(216)	(727)	(4,738)
Depreciation and amortization	(91)	(1,228)	(9,162)
(Loss) income from dispositions and assets held for sale	\$ (388)	\$ 1,986	\$ 5,740

11. Segment Information

The Company is a REIT focused on real estate investments primarily in the office market and currently operates in one segment: real estate operations. Each of the Company's properties qualify as an operating segment but are aggregated together because they exhibit similar economic characteristics and operating similarities.

The chief operating decision maker (CODM) of the Company is the Company's Chief Executive Officer. The CODM measures the performance and profit or loss for the Company's reportable segment using a measure referred to as Segment Net Operating Income (Segment NOI). The CODM utilizes Segment NOI when considering the deployment of the Company's capital resources on a property-by-property basis. The significant expense categories which the Company's CODM examines when measuring the segment's performance include real estate operating expenses and real estate taxes and insurance. Asset information by segment is not reported because the Company does not use this measure to assess performance. The total assets of the Company's reportable segment can be found on the Company's consolidated balance sheets.

Segment NOI is a non-GAAP financial measure that the Company defines as net income or loss (the most directly comparable GAAP financial measure) plus selling, general and administrative expenses, depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, interest expense, less equity in earnings of nonconsolidated REITs, interest income, hedge ineffectiveness, gains or losses on the sale of assets and excludes income taxes. Segment NOI, as defined by the Company, may not be comparable to NOI reported by other REITs that define NOI differently. Segment NOI should not be considered an alternative to net income or loss as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions.

The calculations of Segment NOI are shown in the following table:

Segment Net Operating Income (NOI)

(in thousands)	Year Ended	Year Ended	Year Ended
	December 31, 2025	December 31, 2024	December 31, 2023
Total consolidated revenues	\$ 107,162	\$ 120,112	\$ 145,707
Reconciling items:			
Amortization of above/below market leases	—	(17)	(44)
Less:			
Real estate operating expenses	42,040	45,043	50,732
Real estate taxes and insurance	18,211	22,716	27,200
Segment NOI	\$ 46,911	\$ 52,336	\$ 67,731
Reconciliation to Net loss	Year Ended	Year Ended	Year Ended
	December 31, 2025	December 31, 2024	December 31, 2023
Net loss	\$ (44,960)	\$ (52,723)	(48,110)
Add (deduct):			
Loss on extinguishment of debt	12	1,042	106
Gain on consolidation of Sponsored REIT	—	—	(394)
(Gain) loss on sale of properties and impairment of assets held for sale, net	12,902	20,826	23,384
Depreciation and amortization	42,609	44,774	54,738
Amortization of above/below market leases	—	(17)	(44)
General and administrative	12,427	13,884	14,021
Interest expense	24,718	26,424	24,318
Interest income	(986)	(2,090)	(567)
Tax expense	189	216	279
Segment NOI	\$ 46,911	\$ 52,336	\$ 67,731

12. Subsequent Events

On February 26, 2026 (the “Closing Date”), the Company entered into a Credit Agreement (the “Credit Agreement”) with Alter Domus (US) LLC, as administrative agent (the “Agent”), and Silver Oak Capital LLC, an affiliate of TPG Credit (collectively, the lenders from time to time party thereto the “Lenders”). The Credit Agreement provides for a secured credit facility (the “Credit Facility”) for aggregate principal commitments of up to \$320 million, consisting of (i) initial term loans in an aggregate principal amount of \$275 million (the “Initial Term Loans”), and (ii) delayed draw term loans available upon the approval of the Lenders after the Closing Date in an aggregate principal amount of up to \$45 million (the “Delayed Draw Term Loans” and together with the Initial Term Loans, the “Term Loans”). The Delayed Draw Term Loans may be used, subject to certain conditions, to fund tenant improvements, leasing commissions, building improvements and other uses approved by the Lenders.

The Term Loans are not subject to amortization and have an initial stated maturity date of February 26, 2029. The maturity date is subject to potential extension of up to one year at the option of the Company, subject to the satisfaction of certain conditions (the “Extension Option”).

Borrowings under the Credit Facility bear interest at an initial interest rate of 9.0% per annum. The Initial Term Loans were issued with original issue discount of 6.0% of the principal amount thereof. The Delayed Draw Term Loans, if any, will be issued with original issue discount of 6.0% of the principal amount thereof.

If the Company exercises the Extension Option, the interest rate will increase to a rate of 13.0% per annum. Additionally, if the Company exercises the Extension Option, the Company must pay the following extension fees multiplied by the then-outstanding principal amount of Term Loans on each applicable date:

- (i) 36th month anniversary of Closing Date: 2.00%
- (ii) 39th month anniversary of Closing Date: 0.50%
- (iii) 42nd month anniversary of Closing Date: 0.50%
- (iv) 45th month anniversary of Closing Date: 0.50%
- (v) 48th month anniversary of Closing Date: 0.50%

The Credit Agreement requires the Company to prepay outstanding Term Loans with certain proceeds of dispositions of real property. Additionally, the Company may voluntarily prepay the outstanding Term Loans at any time; provided, that if the Company prepays any Term Loans prior to the first anniversary of the Closing Date, the Company is required to pay a make-whole payment equal to the amount of interest that would have accrued on such Term Loans to and excluding the first anniversary of the Closing Date. The Company is required to pay an exit fee of 4.0% of the aggregate principal amount of such Term Loans upon any permitted repayment of the Term Loans prior to the applicable maturity date.

The Company must also pay customary agency fees.

The obligations under the Credit Facility are guaranteed by substantially all subsidiaries of the Company and secured by a first priority lien on substantially all of the assets of the Company and its subsidiaries, including a first priority security interest in all of the Company’s and its subsidiaries’ personal property and a first priority mortgage liens on the Company’s and its subsidiaries’ real property, in each case subject to certain exceptions.

The Credit Agreement contains customary representations and affirmative and negative covenants for credit facilities of this type, including, without limitation and subject to certain exceptions, restrictions on indebtedness, liens, investments, mergers, consolidations and other fundamental changes, dispositions of assets (including real property), capital expenditures, changes in business, certain restricted payments, transactions with affiliates, burdensome agreements, sale leaseback transactions, prepayments of other debt, corporate operating expenses and severance and retention payments.

The Credit Agreement also contains financial covenants that require the Company to maintain (i) a minimum tangible net worth \$424,884,000 plus 70% of the aggregate net proceeds received by the Company in connection with any offering of stock or other equity in the Company after December 31, 2025 (with a step-down based on the sale of

mortgaged properties of the Company and its subsidiaries) and (ii) a minimum liquidity of not less than \$5,000,000 in cash or cash equivalents.

The Credit Agreement provides for customary events of default with corresponding grace periods, including, among other things, failure to pay principal or interest when due, breaches of certain covenants, inaccuracies in representations and warranties, certain cross defaults, certain defaults under material contracts, insolvency or bankruptcy events, the entry of certain judgments, the occurrence of a change in control of the Company (as defined in the Credit Agreement) and the departure of the chairman and chief executive officer of the Company. In the event of a default by the Company, the Agent may, and at the request of the requisite number of Lenders shall, declare any commitment of the Lenders to make Term Loans terminated, declare all obligations under the Credit Agreement immediately due and payable and enforce any and all rights of the Lenders under the Credit Agreement and related documents. Certain events of default related to bankruptcy, insolvency, and receivership result in the automatic acceleration of all outstanding obligations.

The Company used the proceeds of the Initial Term Loans on the Closing Date to refinance and retire all outstanding indebtedness under the documents evidencing the BMO Term Loan, the BofA Term and the Senior Notes and to pay fees and expenses related to the Credit Agreement. The Company may use the proceeds of any Delayed Draw Term Loans funded to finance tenant improvements, leasing commissions, building improvements and other uses approved by the Lenders, subject to certain conditions, in each case as permitted under the Credit Agreement.

On January 9, 2026, the Board of Directors of the Company declared a cash distribution of \$0.01 per share of common stock payable on February 12, 2026, to stockholders of record on January 23, 2026. In March 2026, the Board of Directors determined to suspend quarterly cash dividends to reduce operating expenses and to redeploy that capital into leasing efforts intended to enhance the value of our portfolio. In addition, the Credit Agreement provides that we may not declare dividends in excess of the greater of \$0.01 per share or such amount as is required to maintain our status as a REIT. Any future declaration and payment of dividends will be determined from time to time by the Board of Directors and will depend on, among other things, our results of operations, cash flows, liquidity, financial condition, capital requirements and other factors the Board of Directors deems relevant.

Schedule IIFranklin Street Properties Corp.
Valuation and qualifying accounts:

(in thousands) Classification	Balance at beginning of year	Additions (Decreases) charged to costs and expenses	Deductions	Balance at end of year
Allowance for doubtful accounts				
2023	\$ 17	(9)	—	8
2024	8	(8)	—	—
2025	—	—	—	—
Allowance for credit losses				
2023	\$ 4,237	(4,237)	—	—
2024	—	—	—	—
2025	—	—	—	—

The following table summarizes the changes in the Company's real estate investments and accumulated depreciation:

(in thousands)	December 31,		
	2025	2024	2023
Real estate investments, at cost:			
Balance, beginning of year	\$ 1,212,616	\$ 1,257,173	\$ 1,526,665
Acquisitions	—	—	19,695
Improvements	14,197	20,535	29,194
Assets held for sale	—	—	(118,644)
Dispositions	(24,630)	(65,092)	(199,737)
Balance, end of year - Real Estate	<u>\$ 1,202,183</u>	<u>\$ 1,212,616</u>	<u>\$ 1,257,173</u>
Accumulated depreciation:			
Balance, beginning of year	\$ 377,708	\$ 366,349	\$ 423,417
Depreciation	36,411	37,746	45,558
Assets held for sale	—	—	(35,399)
Dispositions	(5,658)	(26,387)	(67,227)
Balance, end of year - Accumulated Depreciation	<u>\$ 408,461</u>	<u>\$ 377,708</u>	<u>\$ 366,349</u>

Franklin Street Properties Corp.

CORPORATE HEADQUARTERS

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STOCK LISTING

Franklin Street Properties Corp.'s
Common Stock trades on the
NYSE American under the symbol "FSP"

TRANSFER AGENT

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VIRTUAL ANNUAL MEETING INFORMATION

Thursday, May 14, 2026
11:00 a.m., Eastern Time
virtualshareholdermeeting.com/FSP2026

BOARD OF DIRECTORS

George J. Carter*

Chairman and Chief Executive Officer

Jennifer Bitterman

Member of the Audit and
Compensation Committees

John N. Burke, CPA

Chair of the Audit Committee
Member of the Compensation and
Nominating and Corporate
Governance Committees

Dennis J. McGillicuddy

Chair of the Nominating and
Corporate Governance Committee
Member of the Audit Committee

Georgia Murray

Lead Independent Director
Member of the Compensation and
Nominating and Corporate
Governance Committees

Milton P. Wilkins, Jr.

Chair of the Compensation Committee
Member of the Audit Committee

*Also an Executive Officer
of the Company

EXECUTIVE OFFICERS

Jeffrey B. Carter

President and Chief Investment Officer

John G. Demeritt

Executive Vice President,
Chief Financial Officer and Treasurer

Scott H. Carter

Executive Vice President,
General Counsel and Secretary

John F. Donahue

Executive Vice President
and President of
FSP Property Management LLC

Eriel Anchondo

Executive Vice President and
Chief Operating Officer



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