



THE  
RMR  
GROUP

INVESTOR PRESENTATION  
November 2021

# WARNING REGARDING FORWARD-LOOKING STATEMENTS AND DISCLAIMERS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Our forward-looking statements reflect our current views, intents and expectations with respect to, among other things, our operations and financial performance. Our forward-looking statements can be identified by the use of words such as “outlook,” “believe,” “expect,” “potential,” “will,” “may,” “estimate,” “anticipate” and derivatives or negatives of such words or similar words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there may be factors that could cause actual outcomes or results to differ materially from those stated or implied in these statements. We believe these factors include, but are not limited to the following: a) the duration and severity of the negative economic impact of COVID-19 and the resulting disruptions on us and our clients; b) substantially all of our revenues are derived from services to a limited number of clients; c) our revenues may be highly variable; d) changing market conditions, practices and trends may adversely impact our clients and our business with them; e) potential terminations of our management agreements with our clients; f) our ability to expand our business depends upon the growth and performance of our clients and our ability to obtain or create new clients for our business and is often dependent upon circumstances beyond our control; g) the ability of our clients to operate their businesses profitably and to grow and increase their market capitalizations and total shareholder returns; h) litigation risks; i) risks related to acquisitions, dispositions and other activities by or among our clients; j) allegations, even if untrue, of any conflicts of interest arising from our management activities; k) our ability to retain the services of our managing directors and other key personnel; and l) risks associated with and costs of compliance with laws and regulations, including securities regulations, exchange listing standards and other laws and regulations affecting public companies. We have based our forward-looking statements on our current expectations about future events that we believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, our forward-looking statements should not be relied on as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected or implied in our forward-looking statements. The matters discussed in this warning should not be construed as exhaustive and should be read in conjunction with RMR’s filings with the Securities and Exchange Commission, or the SEC, including RMR’s Form 10-K filed on November 15, 2021, especially the sections entitled “Risk Factors” and “Warning Concerning Forward-Looking Statements”, for other reasons why our forward-looking statements may not occur. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. This presentation also includes non-GAAP financial measures. You can find our presentations of the most directly comparable GAAP measures and our reconciliations in the appendix. This presentation contains certain annualized financial information, which is calculated using certain assumptions and estimates based on currently available information, and is not necessarily representative of what actual results would be for the period.

# RMR IS A DYNAMIC ALTERNATIVE ASSET MANAGER

The RMR Group (Nasdaq: RMR) is a leading U.S. alternative asset management company, unique for its focus on commercial real estate (CRE) and related businesses. RMR is headquartered in Newton, MA and was founded in 1986.

- 35 years of experience with buying, selling, financing and operating CRE.
- Vertically integrated, nationwide operator of CRE across most real estate sectors.
- Scalable platform and a deep bench of experienced management.



**\$32.7B**

AUM

Approximately  
**2,100**  
PROPERTIES

Approximately  
**600**  
PROFESSIONALS

More than  
**30**  
OFFICES

Note: All information throughout this presentation is as of September 30, 2021, except as noted.



# RMR BENEFITS FROM BOTH A DEEP BENCH OF EXPERIENCED SENIOR MANAGEMENT AND A SCALABLE PLATFORM

## EXECUTIVE OPERATING COMMITTEE



**Adam Portnoy**  
President &  
Chief Executive Officer



**Matt Jordan**  
Executive Vice President,  
Chief Financial Officer  
& Treasurer



**Jennifer Clark**  
Executive Vice President,  
General Counsel  
& Secretary



**Jennifer Francis**  
Executive  
Vice President



**John Murray**  
Executive  
Vice President



**Jonathan Pertchik**  
Executive  
Vice President

## SENIOR VICE PRESIDENTS

Jacquelyn Anderson	Peter Crage	Jeffrey Leer
Christopher Bilotto	Yael Duffy	Thomas Lorenzini
Timothy Bonang	Andrew Fay	Katherine Potter
Matthew Brown	Carlos Flores	Richard Siedel
Dave Campoli	Todd Hagreaves	Mark Young
Gregory Carey	Douglas Lanois	

## RMR SHARED SERVICES

- Accounting
- Acquisitions/Dispositions
- Administration
- Asset Management
- Building Operations
- Compliance/Internal Audit
- Credit Analysis
- Development
- Engineering
- Finance
- Financial Planning
- Human Resources
- Information Services
- Investor Relations
- Leasing
- Legal
- Marketing
- Market Research
- Risk Management
- Tax



# A WINNING TRADITION

## Domestic Scale Across U.S. Sectors<sup>(1)</sup>



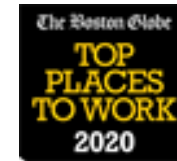
## RMR Recognition



Fortune Magazine's **Fastest Growing Companies** ranked 75th 2019



**Women on Boards;** Winning Organization 2020



Boston Globe's **Top Places to Work;** ranked 28th in Large Company category 2020

(1) Real estate ownership rankings for Retail, Hotel, Office and Industrial utilize property count rankings generated from Real Capital Analytics, as of September 30, 2021. Senior Living Real Estate Ownership and Senior Living Operator rankings are sourced from the 2021 ASHA 50 annual publication. Hotel Operator rankings sourced from STR Inc as of June 30, 2021.

# DEMONSTRATED COMMITMENT TO ESG



## ENVIRONMENTAL

RMR ENERGY STAR  
**Partner of the Year**

| Sustained Excellence (awarded in 2021)

OPI ENERGY STAR  
**Partner of the Year**

| Sustained Excellence (awarded in 2021)

### GREEN BUILDING CERTIFICATIONS

**33**

| LEED certified properties

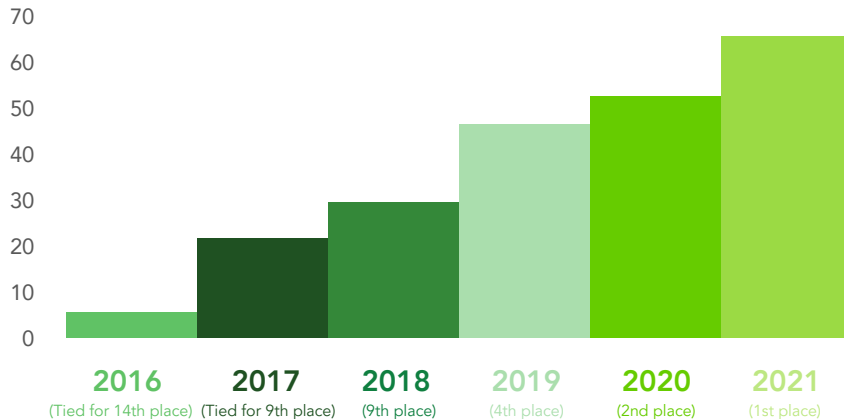
**66**

| BOMA 360 designated properties

**63**

| ENERGY STAR certified properties

RMR Ranks 1st Nationwide  
for BOMA 360 Designations



## SOCIAL

### HIRING

**Added Diversity**

| criteria to job candidates and interview teams.

Participated in the  
**HBCU Careers Marketplace**

| a career fair targeted to historically black colleges.

**Live Well**

| 24,000+ healthy 'actions' taken since September 2019.

### SPIRIT OF GIVING BACK

Included food drives, toy drives, school supply drives and park clean-ups across the country.

**1,500+**

| pounds of food were collected and delivered in Hawaii and Northern Virginia.

**Employee Relations**

| Virtual team building activities took place to keep people connected during COVID-19.

**Diversity, Equity & Inclusion**

| Introduced and conducted two cycles of Accelerated Women in Leadership Program (AWLP).



## INDUSTRY RECOGNITION

RMR, OPI and ILPT named  
**"Fastest Growing Middle Market Company in Massachusetts"**

| by Boston Business Journal in 2021.

RMR named  
**"2020 Top Places to Work"**

| by The Boston Globe.

**OPI Green Lease Leader**

| Silver-level recognition for environmentally-friendly lease form.

**"Winning"**

| RMR and four Client Companies earn "winning" status by Women On Boards, the best ranking given by the organization.

DHC and FVE were ranked in the annual American Seniors Housing Association "ASHA 50" lists of  
**Top Owners & Top Operators**

Ranked **9th**

| in Commercial Property Executives Top 30 Commercial Property Management Companies of 2020.

# INVESTMENT HIGHLIGHTS

1

**Stable revenue base** with approximately 80% of RMR service revenues generated from 20-year evergreen contracts **with fixed base management fees**.

2

Significant potential **upside to base and incentive fee revenues** as underlying client share prices recover.

3

With approximately \$160 million of cash and no debt, we believe we have strong capacity to pursue a range of capital allocation strategies, with a focus on the **growth of our private capital business**.





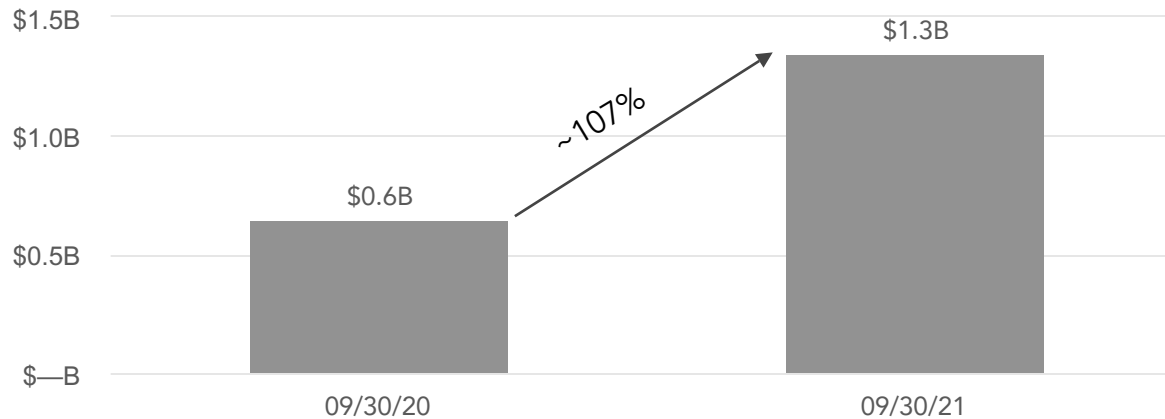
# CLIENTS

440 First Street, NW, Washington, DC

# RMR CLIENT SUMMARY









	Assets Under Management (AUM)	Annualized Management and Advisory Services Revenues <sup>(1)</sup>
Managed Public Real Estate Capital	\$29.4B	\$148.2M
Managed Private Real Estate Capital	1.3B	9.7M
Managed Operating Companies	2.0B	29.4M
<b>Total at September 30, 2021</b>	<b>\$32.7B</b>	<b>\$187.3M</b>

Managed Private Real Estate Capital AUM



(1) Amounts represent actual results for the three months ended September 30, 2021 annualized.








# MANAGED PUBLIC REAL ESTATE CAPITAL & MANAGED OPERATING COMPANIES

 <b>SERVICE PROPERTIES TRUST</b>	Nasdaq: SVC	Owens 304 hotels and 794 net lease service and necessity-based retail properties.	\$12.3 billion AUM
 <b>DIVERSIFIED HEALTHCARE TRUST</b>	Nasdaq: DHC	Owens 392 medical office and life science properties, senior living communities and wellness centers.	\$8.5 billion AUM
 <b>OFFICE PROPERTIES INCOME TRUST</b>	Nasdaq: OPI	Owens 178 office properties primarily leased to single tenants, including the government.	\$6.0 billion AUM
 <b>INDUSTRIAL LOGISTICS PROPERTIES TRUST</b>	Nasdaq: ILPT	Owens 294 industrial and logistics properties.	\$2.1 billion AUM
 <b>SEVEN HILLS REALTY TRUST</b>	Nasdaq: SEVN <sup>(1)</sup>	Originates and invests in first mortgage whole loans secured by middle market and transitional CRE.	\$472 million AUM
<b>Managed Public Real Estate Capital</b>			<b>\$29.4B AUM</b>
 <b>TA</b>	Nasdaq: TA	Operates or franchises 279 travel centers and standalone truck service facilities primarily along the U.S. interstate highway system.	\$1.6 billion AUM
 <b>FIVE STAR SENIOR LIVING</b>	Nasdaq: FVE	Manages or operates more than 179 senior living communities within the U.S.	\$276 million AUM
 <b>SONESTA</b>	Private	Owens, manages and franchises close to 1,200 locations, more than 99,000 guest rooms and a diversified portfolio of 15 brands across multiple markets.	\$104 million AUM
<b>Managed Operating Companies</b>			<b>\$2.0B AUM</b>

(1) On September 30, 2021, Tremont Mortgage Trust, or TRMT, merged with and into Seven Hills Realty Trust (formerly RMR Mortgage Trust, or RMRM), or SEVN, with SEVN continuing as the surviving entity.



# RMR'S SIGNIFICANT CONTRACTUAL RELATIONSHIPS

(\$ in 000s)	Client	Quarter Ended September 30, 2021			Contractual Relationship <sup>(2)</sup>
		Base Business Mgmt. Fees	Property Mgmt. Fees	Total <sup>(1)</sup>	
MANAGED EQUITY REITS	 <b>SERVICE PROPERTIES TRUST</b>	\$10,973	\$1,383	<b>\$12,356</b>	<p>RMR earns fees pursuant to Business Management and Property Management Agreements that renew each year for successive 20 year terms.</p> <ul style="list-style-type: none"><li>• Base business management revenues principally consist of monthly fees generally based on 50 bps per annum multiplied by the <u>lower of</u>: (1) the historical cost of real estate; or (2) average market capitalization.</li><li>• Property management revenues principally consist of monthly fees based on 3.0% of gross rents collected at managed properties.</li><li>• Incentive fees are equal to 12% of total shareholder returns in excess of benchmark index total returns per share, subject to caps. Total shareholder returns must be positive.</li></ul>
	 <b>DIVERSIFIED HEALTHCARE TRUST</b>	6,137	2,962	<b>9,099</b>	
	 <b>OFFICE PROPERTIES INCOME TRUST</b>	4,664	5,372	<b>10,036</b>	
	 <b>INDUSTRIAL LOGISTICS PROPERTIES TRUST</b>	2,780	1,675	<b>4,455</b>	
MANAGED OPERATING COMPANIES	 <b>TA</b> TravelCenters of America	3,823	—	<b>3,823</b>	<p>Revenues consist of monthly fees based on 60 bps per annum multiplied by revenues (as defined in the applicable agreement).</p>
	 <b>FIVE STAR</b> SENIOR LIVING	1,550	—	<b>1,550</b>	
	 <b>SONESTA</b>	1,986	—	<b>1,986</b>	
If our clients were entitled and elected to terminate our management agreements, gross potential termination fees could represent as much as \$2.0 billion in cash payments. <sup>(3)</sup>					

(1) Past fees are not an indication of future fees.

(2) For additional information regarding the fee provisions in these management agreements, please see our Annual Report on Form 10-K for the fiscal year ended September 30, 2021.

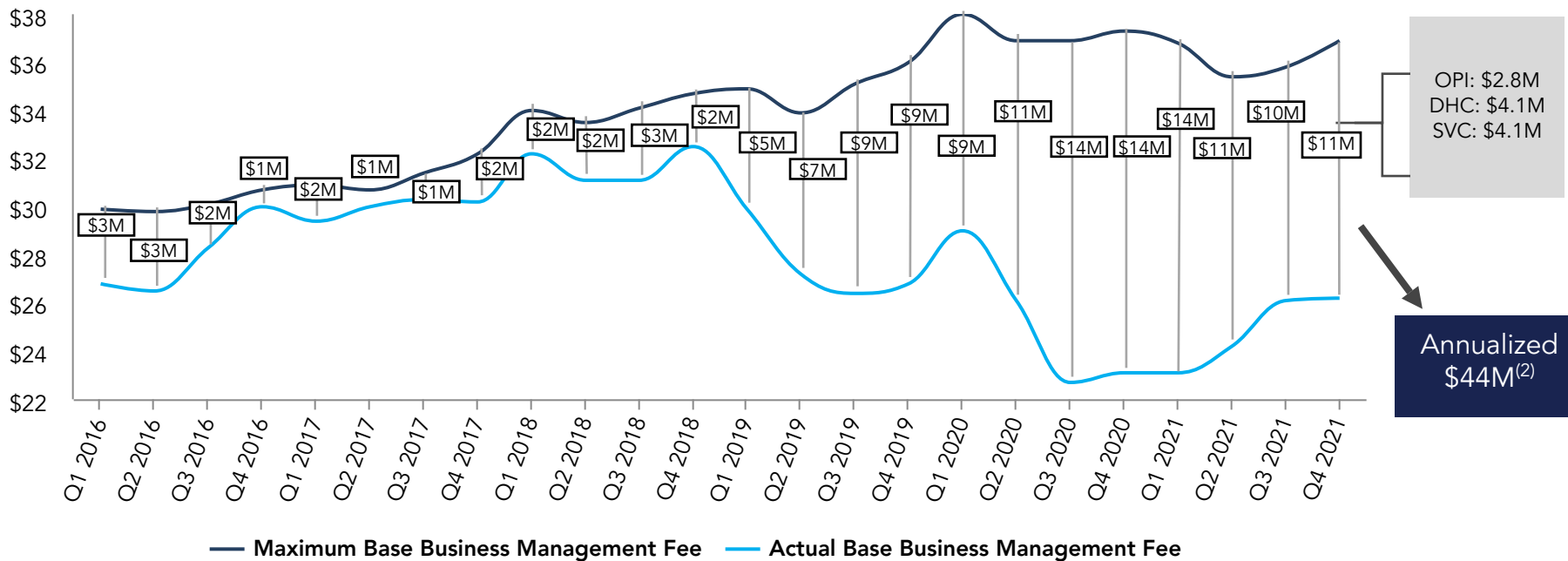
(3) See page 22 and "Definitions and Additional Notes" in Appendix for additional information on the termination fee calculation.

A photograph of a modern outdoor lounge area at a resort. In the foreground, there is a curved, grey wicker sofa with white cushions featuring a vibrant pink and yellow floral pattern. A round, light-colored wooden table sits in front of the sofa. To the right, there are more wicker chairs and sofas with orange cushions. In the background, several large orange patio umbrellas are open over a dining area with white tables and chairs. The entire area is enclosed by a glass railing. Tall palm trees and other tropical vegetation are visible in the background under a clear blue sky. The text "VALUE PROPOSITION" is overlaid in the center of the image.

# VALUE PROPOSITION

# THERE IS SIGNIFICANT POTENTIAL REVENUE UPSIDE IF MANAGED EQUITY REIT SHARE PRICES IMPROVE

## Managed Equity REITs Quarterly "Lost Revenue Opportunity"<sup>(1)</sup>



Actions underway at the Managed Equity REITs to improve share prices include, but are not limited to:

- Strategically pursuing capital recycling opportunities at OPI.
- Investing in DHC's portfolio and working with a diverse group of best-in-class operators in its SHOP segment to capture the upside driven by the possible recovery within senior living fundamentals.
- SVC is repositioning the lodging portfolio to improve overall quality, lower leverage, reduce future capital expenditures and improve liquidity as business and leisure travel demand slowly recover.

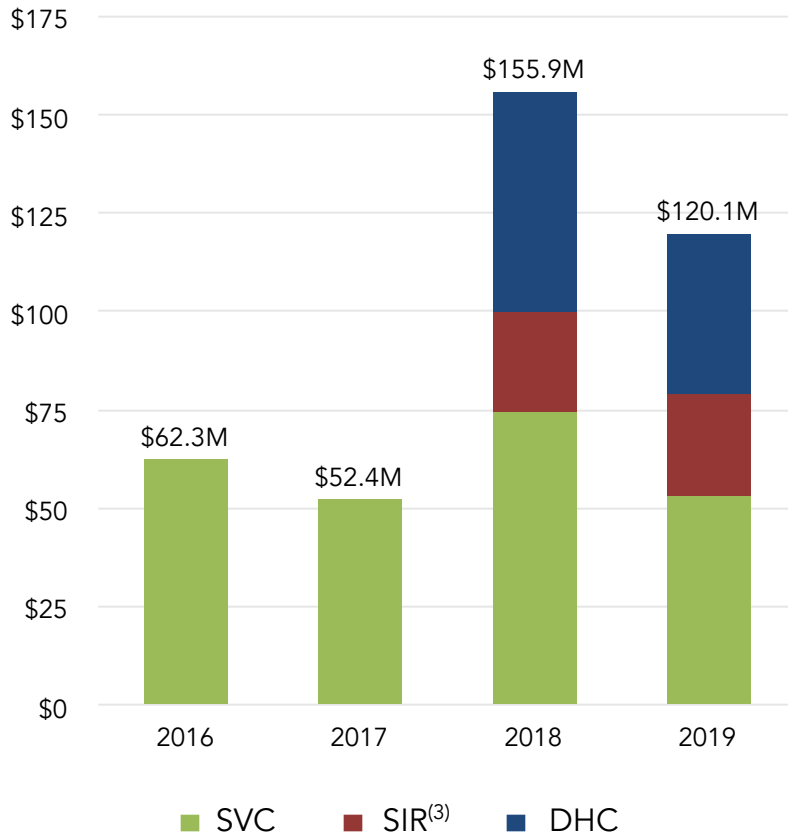
(1) Difference between Maximum Base Business Management Fee and Actual Base Business Management Fee for the Managed Equity REITs. See "Definitions and Additional Notes" in Appendix.

(2) Fiscal Q4 2021 represents actual results for the quarter ended September 30, 2021 annualized.



# RMR'S EARNED BUSINESS MANAGEMENT INCENTIVE FEES<sup>(1)</sup>

**Annual Incentive Fees By Fiscal Year Since Our Public Listing<sup>(2)</sup>**



- Annual incentive fees measured for each three year period ending December 31 by comparing:
  - The three year cumulative shareholder return for each Managed Equity REIT (share price increase (decrease) plus dividends).
  - Each REIT's peer group three year cumulative return (peer group defined in each applicable agreement).
- Incentive fees only recorded when earned.
- No incentive fees were payable from the Managed Equity REITs for the calendar years ended December 31, 2019 and 2020.
- We recorded \$620k of incentive business management fees from TRMT in fiscal 2Q21.<sup>(4)</sup>
- As of September 30, 2021, OPI continued accruing an incentive fee based on its total return per share out-performance relative to its peers.

(1) Illustrative calculation of the incentive business management fee can be found in the Appendix.

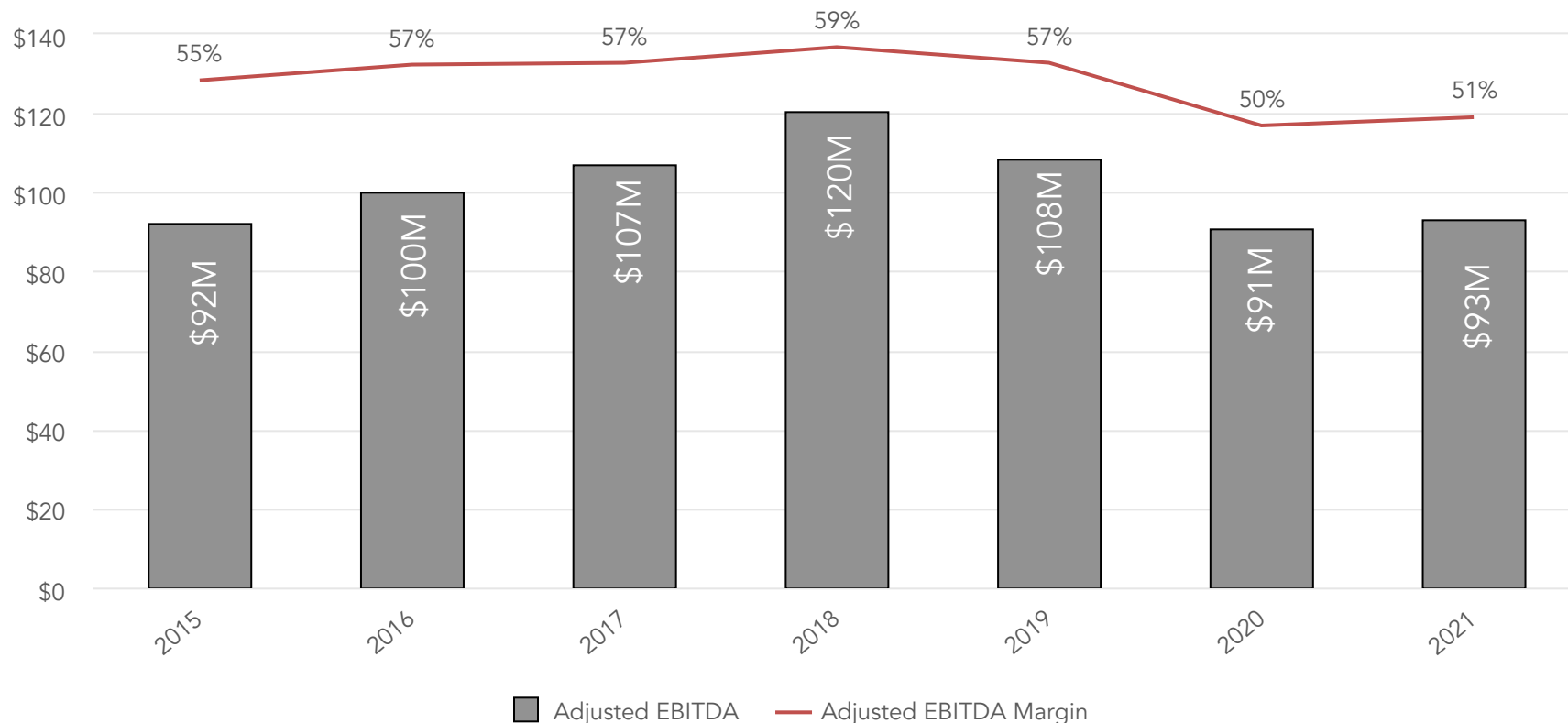
(2) Incentive fees shown in the above chart are paid in respect of fees earned during the previous calendar year (i.e., the fees paid in FY 2019 were earned in calendar year 2018).

(3) Select Income REIT, or SIR, merged with and into a subsidiary of OPI on December 31, 2018.

(4) On September 30, 2021, TRMT merged with and into SEVN, with SEVN continuing as the surviving entity.

# RMR'S ADJUSTED EBITDA MARGIN REFLECTS ITS DEMONSTRATED OPERATING LEVERAGE

**Adjusted EBITDA and Adjusted EBITDA Margin<sup>(1)</sup>**  
(Based on Recurring Revenue Only, Excludes Incentive Fees)



(1) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. The GAAP financial measure that is most directly comparable to Adjusted EBITDA is net income, while the GAAP financial measure that is most directly comparable to Adjusted EBITDA Margin is Operating Margin, which represents operating income divided by total management and advisory services revenues. See Appendix for a reconciliation of Adjusted EBITDA to the most directly comparable financial measure calculated in accordance with GAAP as well as calculations of Operating Margin and Adjusted EBITDA Margin.

# STRONG BALANCE SHEET & WELL COVERED DIVIDEND

## Summary Balance Sheet

	As of September 30, 2021	
(\$ in 000s)		
Cash and cash equivalents	\$	159,835
Other assets		338,076
Total assets	\$	497,911
Total debt	\$	—
Total liabilities		150,196
Total equity		347,715
Total liabilities and equity	\$	497,911

## Dividend Payout

	Fiscal Q4 2021	
(\$ in 000s)		
Adjusted EBITDA <sup>(1)</sup>	\$	26,324
Less: Tax distributions to members <sup>(2)</sup>		(8,268)
Adjusted EBITDA less Cash Tax Obligation <sup>(1)</sup>	\$	18,056
Common share distributions <sup>(3)</sup>	\$	10,735

- RMR has generated approximately \$19 – \$30 million in Adjusted EBITDA per fiscal quarter since its public listing.
- RMR has earned average incentive fees of over \$65M per year between calendar years 2015 and 2020.
- RMR has no debt.
- RMR has flexibility to use debt and/or equity to finance expansion, including possible acquisitions and/or seeding new ventures.

(1) Adjusted EBITDA and Adjusted EBITDA less Cash Tax Obligation are non-GAAP financial measures. See Appendix for a reconciliation of these financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

(2) Under the RMR LLC operating agreement, RMR LLC is required to make quarterly pro rata cash distributions to The RMR Group Inc. and its noncontrolling interest based on each's estimated tax liabilities and respective ownership percentages. For the three months ended September 30, 2021, RMR LLC made required quarterly tax distributions totaling \$8,268, of which \$4,437 was distributed to The RMR Group Inc. and \$3,831 was distributed to its noncontrolling interest, based on each membership unit holder's respective ownership percentage.

(3) Excludes a one-time special dividend of \$7.00 per share, or \$219,851, paid in September 2021.



# POTENTIAL FOR ROBUST GROWTH OPPORTUNITIES LEVERAGING THE RMR PLATFORM TO DRIVE SHAREHOLDER VALUE

## GROWTH WITHIN MANAGED REITS

- Diverse client platform allows RMR to benefit from its Managed REITs capitalizing on strategic opportunities and weathering real estate cycles.
- Gross acquisition volume of approximately \$7.4 billion for our clients since our public listing.
- Building scale at SEVN, our commercial lending platform.
- Increases in Managed Equity REITs' share prices may generate increased base business management and incentive fees (ex. "Lost Revenue Opportunity" of \$44M).

## EXPAND PRIVATE CAPITAL VEHICLES

- Increasing levels of investment allocations to alternatives, including real estate.
- Leverage joint venture relationships to support future acquisitions.
- Strategic relationship building with private capital offers cross-selling opportunities and could facilitate future allocations to new product launches and new real estate sectors.

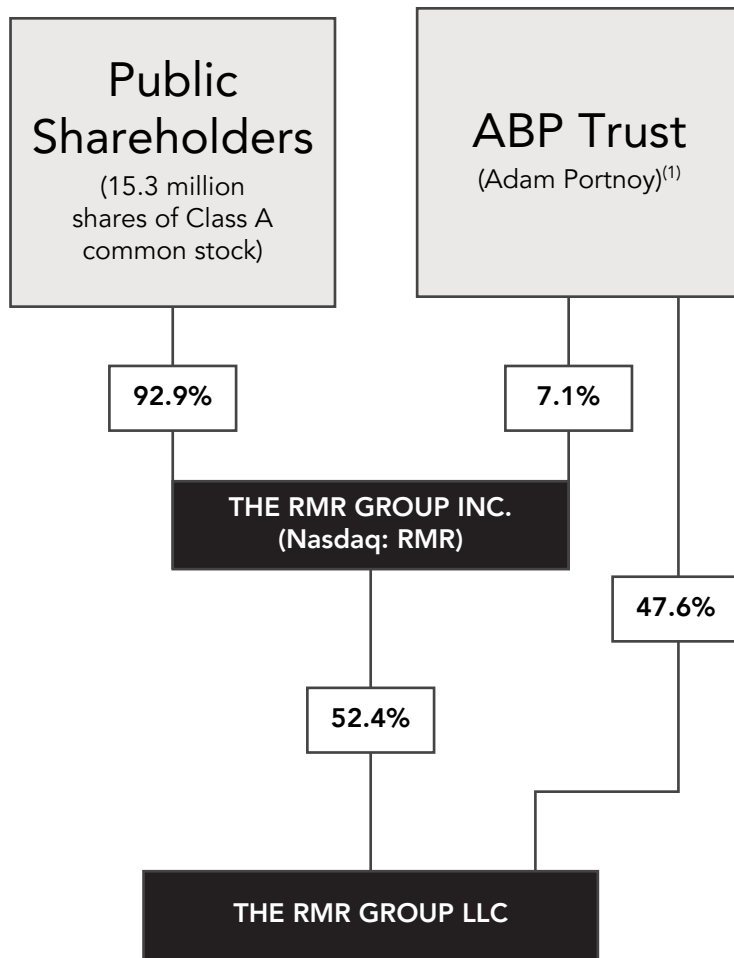
## UTILIZE RMR'S BALANCE SHEET

- Deploy balance sheet to seed and/or coinvest in new ventures, which could expand our number of clients.
- Possible strategic partnerships and team lift-outs.
- Identify possible strategic acquisition targets in real estate private equity.

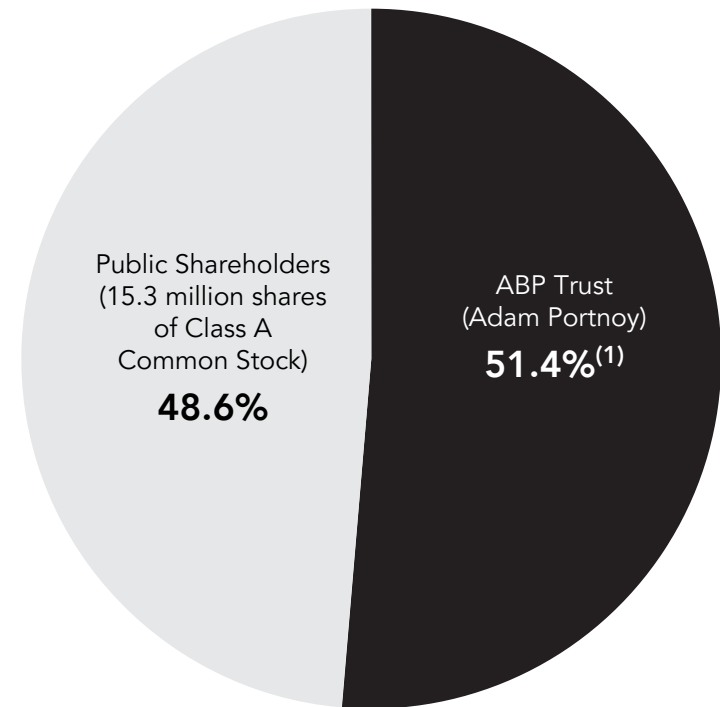
# APPENDIX

4000 Principio Pkwy, North East, MD

# CORPORATE STRUCTURE OVERVIEW



## The RMR Group LLC Economic Interest<sup>(2)</sup>



Note: All ownership percentages represent economic interest, and not voting interest, as of September 30, 2021.

(1) Adam Portnoy is the sole trustee and an owner of ABP Trust. In addition to ownership of 1,000,000 shares of Class B-1 Common Stock, ABP Trust and Adam Portnoy collectively own 170,502 shares of Class A Common Stock of The RMR Group Inc. and 15,000,000 shares of Class B-2 Common Stock, which collectively provide them with 91.3% of the aggregate voting power of The RMR Group Inc.

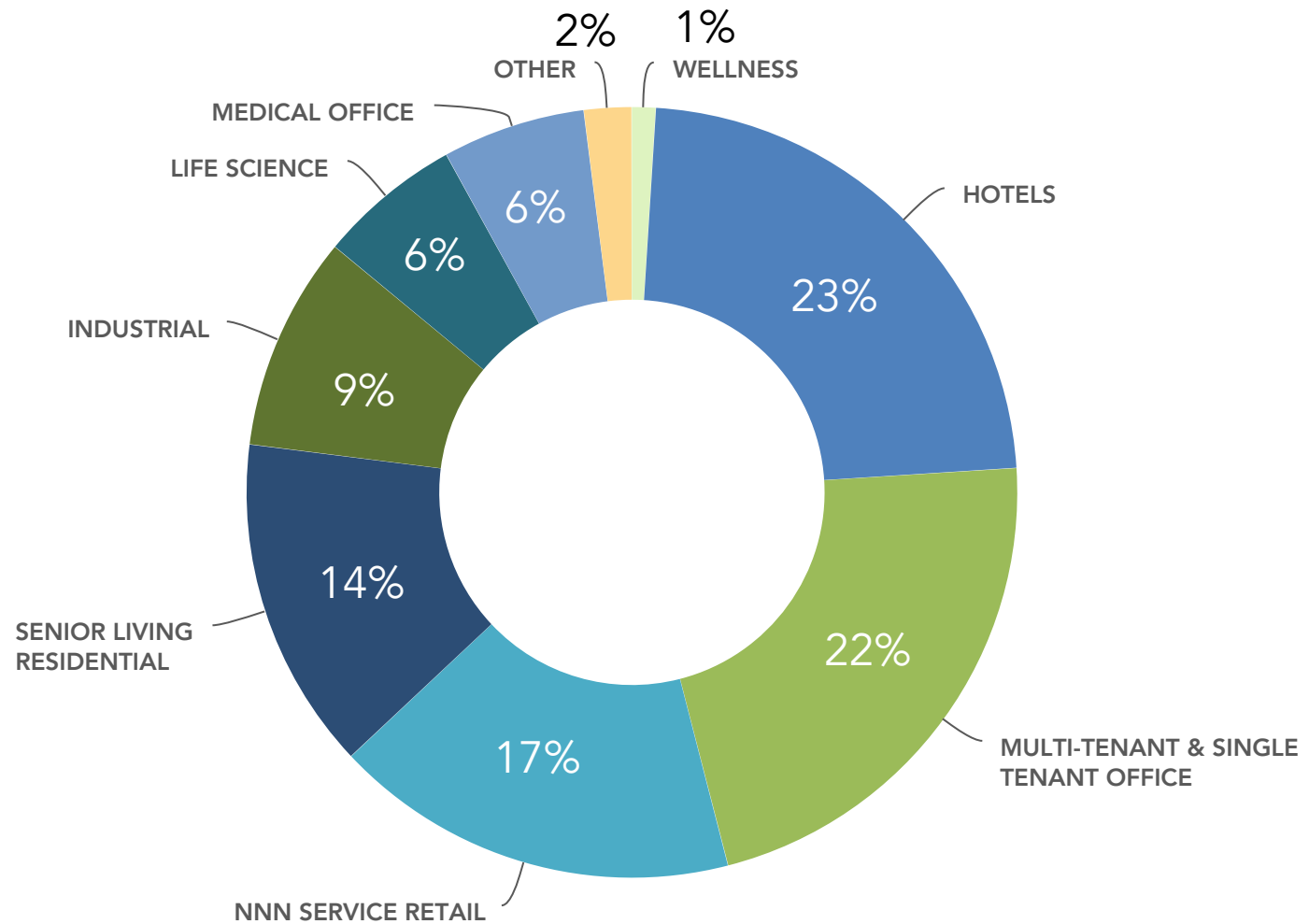
(2) The indirect economic interest in The RMR Group LLC is held through The RMR Group Inc.



# NATIONAL VERTICALLY INTEGRATED OPERATING PLATFORM IS A DIFFERENTIATOR & COMPETITIVE ADVANTAGE










# DIVERSITY OF DIRECT REAL ESTATE STRATEGIES HELPS WEATHER DIFFERENT REAL ESTATE CYCLES



Note: Based on AUM as of September 30, 2021. See "Definitions and Additional Notes" in Appendix.

# CONTRACTUAL TERMINATION PROVISIONS

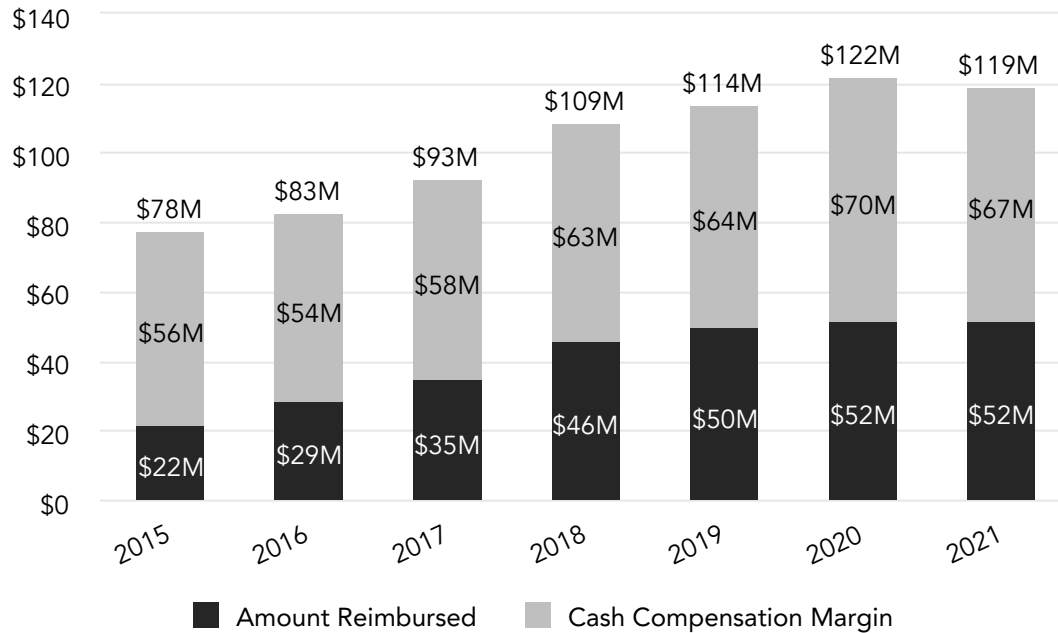
	COMPANY	TERMINATION FEE CALCULATION
MANAGED EQUITY REITS	 <b>SERVICE PROPERTIES TRUST</b>	If a management agreement is terminated by a Managed Equity REIT for convenience or by RMR LLC for good reason, the REIT is obligated to pay a termination fee equal to the sum of the present values of the monthly future fees, as defined in the agreement, payable for the remaining contractual term. Monthly future fees are determined based on the base management fees payable during the twelve months prior to termination, plus internal audit cost reimbursements.
	 <b>DIVERSIFIED HEALTHCARE TRUST</b>	
	 <b>OFFICE PROPERTIES INCOME TRUST</b>	If a management agreement is terminated by a Managed Equity REIT for a performance reason, as defined in the agreement, the REIT is obligated to pay the termination fee calculated as described above, but assuming a remaining term of ten years.
	 <b>INDUSTRIAL LOGISTICS PROPERTIES TRUST</b>	
MANAGED PUBLIC REAL ESTATE CAPITAL	 <b>SEVEN HILLS REALTY TRUST</b>	In the event the management agreement is terminated by SEVN without a cause event or by Tremont Realty Capital LLC for a material breach, SEVN will be required to pay Tremont Realty Capital LLC a termination fee equal to (a) three times the sum of (i) the average annual base management fee and (ii) the average annual incentive fee, in each case paid or payable to Tremont Realty Capital LLC during the 24 month period immediately preceding the most recently completed calendar quarter prior to the date of termination or, if such termination occurs within 24 months of its initial commencement, the base management fee and the incentive fee will be annualized for such two year period based on such fees earned by Tremont Realty Capital LLC during such period, plus (b) \$1.6 million. In addition, the initial organizational costs related to TRMT's formation and the costs of its initial public offering and the concurrent private placement that Tremont Realty Capital LLC had paid pursuant to its management agreement with TRMT will be included in the "Termination Fee" under and as defined in SEVN's management agreement with Tremont Realty Capital LLC. No termination fee will be payable if the management agreement is terminated by SEVN for a cause event or by Tremont Realty Capital LLC without SEVN's material breach. <sup>(1)</sup>
MANAGED OPERATING COMPANIES	 <b>FIVE STAR SENIOR LIVING</b>	If a Managed Operator terminates or does not renew its management agreement other than for cause, as defined, it is obligated to pay a termination fee equal to 2.875 times the sum of the annual base business management fees, including internal audit cost reimbursements. Annual base business management fees are determined based on average fees payable during the 24 months prior to termination.
		

Note: Sonesta International Hotels Corporation does not have a termination fee provision.

(1) On September 30, 2021, TRMT merged with and into SEVN, with SEVN continuing as the surviving entity.

# EMPLOYMENT COSTS AND CLIENT REIMBURSEMENT

**Cash Compensation & Recoverable Costs**



- Compensation and benefits of property management personnel are reimbursable from our clients.
- For fiscal Q4 2021, RMR was reimbursed for 44% of cash compensation costs.
- Historical headcount increases over time, the costs for the majority of which were reimbursable, were typically the result of portfolio acquisitions at certain of our Managed Equity REITs.

Headcount <sup>(1)</sup>	2015	2016	2017	2018	2019	2020	2021
Reimbursable (Field)	232	278	292	367	380	378	373
Non-Reimbursable (Corporate)	174	198	202	218	225	240	234
<b>Total</b>	<b>406</b>	<b>476</b>	<b>494</b>	<b>585</b>	<b>605</b>	<b>618</b>	<b>607</b>

(1) Information as of fiscal year end unless otherwise noted.



# DEFINITIONS AND ADDITIONAL NOTES

**Actual Base Business Management Fee:** Actual base business management fees paid, which was based on the average market capitalization for each Managed Equity REIT when the average market capitalization was lower than the historical cost of real estate assets for the applicable month.

**AUM:** The calculation of assets under management primarily includes: (i) the historical cost of real estate and related assets, excluding depreciation, amortization, impairment charges or other non-cash reserves, of the Managed Equity REITs and the Managed Private Real Estate Capital clients, plus (ii) the gross book value of real estate assets, property and equipment of the Managed Operating Companies, excluding depreciation, amortization, impairment charges or other non-cash reserves, plus (iii) the carrying value of loans held for investment at SEVN. This calculation of assets under management may include amounts that are higher than the calculations of assets under management used for purposes of calculating fees under the terms of the business management agreements.

**Maximum Base Business Management Fee:** The base business management fee calculated on the basis of historical cost of real estate assets.

Continued on next page.

# DEFINITIONS AND ADDITIONAL NOTES CONT.

**Non-GAAP Measures:** Several non-GAAP measures are referenced in this presentation, including EBITDA, Adjusted EBITDA, Adjusted EBITDA less Cash Tax Obligation and Adjusted EBITDA Margin. The RMR Group Inc. considers EBITDA, Adjusted EBITDA, Adjusted EBITDA less Cash Tax Obligation and Adjusted EBITDA Margin to be appropriate supplemental measures of its operating performance, along with net income, net income attributable to The RMR Group Inc, operating income and operating margin. These measures should be considered in conjunction with net income, net income attributable to The RMR Group Inc. and operating income as presented in The RMR Group Inc.'s consolidated statements of income.

- EBITDA is defined as net income, plus income tax expense, depreciation and amortization.
- Adjusted EBITDA is calculated as EBITDA, adjusted for other asset amortization, operating expenses paid in the form of The RMR Group Inc.'s common shares, separation costs, transaction and acquisition related costs, straight-line office rent, the unrealized gain/loss on equity method investment accounted for under the fair value option, gain on Tremont Mortgage Trust investment, equity in earnings of investees, distributions from equity method investment and incentive business management fees earned.
- Adjusted EBITDA margin is the ratio of Adjusted EBITDA to our contractual management and advisory fees, excluding any incentive business management fees.
- Adjusted EBITDA less Cash Tax Obligation is calculated as Adjusted EBITDA less amounts payable for tax obligations.

**Termination Fee Calculation:** The \$2.0 billion total estimated termination fee is the sum of the termination fees calculated under each of the applicable business and property management agreements based on the following assumptions: (a) assumed termination date of September 30, 2021; (b) for the Managed Equity REITs, monthly future fees were based on actual fees earned by RMR over the 12 months preceding the assumed termination date divided by twelve and, for purposes of determining present value, the monthly future fees were discounted using a rate equal to 1/12th of the sum of the applicable Treasury Rate for that future month plus 300bps; and (c) for TA and Five Star average annual fees are generally based on actual fees earned over the 24 months preceding the assumed termination date divided by two. Additionally, in the event the management agreement is terminated by SEVN without a cause event or by Tremont Realty Capital LLC for a material breach, SEVN will be required to pay Tremont Realty Capital LLC a termination fee equal to (a) three times the sum of (i) the average annual base management fee and (ii) the average annual incentive fee, in each case paid or payable to Tremont Realty Capital LLC during the 24 month period immediately preceding the most recently completed calendar quarter prior to the date of termination or, if such termination occurs within 24 months of its initial commencement, the base management fee and the incentive fee will be annualized for such two year period based on such fees earned by Tremont Realty Capital LLC during such period, plus (b) \$1.6 million. In addition, the initial organizational costs related to TRMT's formation and the costs of its initial public offering and the concurrent private placement that Tremont Realty Capital LLC had paid pursuant to its management agreement with TRMT will be included in the "Termination Fee" under and as defined in SEVN's management agreement with Tremont Realty Capital LLC. No termination fee will be payable if the management agreement is terminated by SEVN for a cause event or by Tremont Realty Capital LLC without SEVN's material breach.

The estimated termination fee is presented for illustrative purposes only based on the assumptions described. Any actual termination fee may be higher or lower than the estimate depending on the actual calculation at the time, including then applicable fees, the then applicable discount rate and other factors.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	For the Three Months Ended September 30,	For the Fiscal Year Ended September 30,
	2021	2021
<i>(dollars in 000s)</i>		
<b>Reconciliation of EBITDA and Adjusted EBITDA from Net Income:<sup>(1)</sup></b>		
Net income	\$ 30,751	\$ 81,013
Plus: income tax expense	5,043	13,152
Plus: depreciation and amortization	239	973
EBITDA	36,033	95,138
Plus: other asset amortization	2,354	9,416
Plus: operating expenses paid in the form of The RMR Group Inc.'s common shares	1,212	3,639
Plus: separation costs	366	4,525
Plus: transaction and acquisition related costs	510	984
Plus: straight line office rent	(57)	3
Less: unrealized gain on equity method investment accounted for under the fair value option	(12,779)	(18,811)
Less: gain on Tremont Mortgage Trust investment	(2,059)	(2,059)
Plus (less): equity in earnings of investees	312	(443)
Plus: distributions from equity method investment	432	1,456
Less: incentive business management fees earned	—	(620)
Adjusted EBITDA	<u>\$ 26,324</u>	<u>\$ 93,228</u>
<b>Calculation of Operating Margin:<sup>(1)</sup></b>		
Total management and advisory services revenues	\$ 46,844	\$ 175,678
Operating Income	\$ 21,122	\$ 72,092
Operating Margin	45.1 %	41.0 %
<b>Calculation of Adjusted EBITDA Margin:<sup>(1)</sup></b>		
Contractual management and advisory fees (excluding incentive business management fees, if any) <sup>(2)</sup>	\$ 49,198	\$ 184,474
Adjusted EBITDA	\$ 26,324	\$ 93,228
Adjusted EBITDA Margin	53.5 %	50.5 %
<b>Calculation of Adjusted EBITDA less Cash Tax Obligation:<sup>(3)</sup></b>		
Adjusted EBITDA	\$ 26,324	\$ 93,228
Less: Tax distributions to members <sup>(4)</sup>	(8,268)	(31,469)
Adjusted EBITDA less Cash Tax Obligation	<u>\$ 18,056</u>	<u>\$ 61,759</u>
Common share distributions <sup>(5)</sup>	<u>\$ 10,735</u>	<u>\$ 42,932</u>

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONT.

- (1) EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures calculated as presented in the tables above. The RMR Group Inc. considers EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to be appropriate supplemental measures of its operating performance, along with net income, net income attributable to The RMR Group Inc., operating income and operating margin. The RMR Group Inc. believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to investors because by excluding the effects of certain amounts, such as those outlined in the tables above, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin may facilitate a comparison of current operating performance with The RMR Group Inc.'s historical operating performance and with the performance of other asset management businesses. In addition, The RMR Group Inc. believes that providing Adjusted EBITDA Margin may help investors assess The RMR Group Inc.'s performance of its business by providing the margin that Adjusted EBITDA represents to its contractual management and advisory fees (excluding incentive business management fees, if any). EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income, net income attributable to The RMR Group Inc., operating income or operating margin as an indicator of The RMR Group Inc.'s financial performance or as a measure of The RMR Group Inc.'s liquidity. Other asset management businesses may calculate EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin differently than The RMR Group Inc. does.
- (2) Contractual management and advisory fees are the base business management fees, property management fees and advisory fees The RMR Group Inc. or its subsidiaries earns pursuant to its management agreements. These amounts are calculated pursuant to the contractual formulas and do not deduct other asset amortization of \$2,354 for each of the three months ended September 30, 2021, or \$9,416 for the fiscal year ended September 30, 2021, required to be recognized as a reduction to management services revenues in accordance with GAAP and do not include the incentive business management fees of \$620 that The RMR Group Inc. recognized under GAAP for the fiscal year ended September 30, 2021.

Continued on next page.



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONT.

- (3) Adjusted EBITDA less Cash Tax Obligation is a non-GAAP financial measure calculated as presented in the table above. The RMR Group Inc. considers Adjusted EBITDA less Cash Tax Obligation to be an appropriate measure of its operating performance, along with net income attributable to The RMR Group Inc. The RMR Group Inc. believes that Adjusted EBITDA less Cash Tax Obligation provides useful information to investors because by excluding amounts payable for tax obligations, it increases comparability between periods and more accurately reflects earnings that may be available for distribution to shareholders. Adjusted EBITDA less Cash Tax Obligation is among the factors The RMR Group Inc.'s Board of Directors considers when determining the amount of dividends to its shareholders. Other asset management businesses may calculate Adjusted EBITDA less Cash Tax Obligation differently than The RMR Group Inc. does.
- (4) Under the RMR LLC operating agreement, RMR LLC is required to make quarterly pro rata cash distributions to The RMR Group Inc. and its noncontrolling interest based on each's estimated tax liabilities and respective ownership percentages. Estimated tax liabilities are determined quarterly on a cumulative basis. As such, there may be fluctuations from quarter to quarter to account for prior periods where pro rata cash distributions were more or less than amounts determined cumulatively through a particular quarter. For the three months and fiscal year ended September 30, 2021, RMR LLC made required quarterly tax distributions as follows:

	Three Months Ended September 30, 2021	Fiscal Year Ended September 30, 2021
RMR LLC tax distributions to The RMR Group Inc.	\$ 4,437	\$ 16,764
RMR LLC tax distributions to non-controlling interest	3,831	14,705
Total RMR LLC tax distributions to members	<u>\$ 8,268</u>	<u>\$ 31,469</u>

- (5) The three months and fiscal year ended September 30, 2021 exclude a one-time special dividend of \$7.00 per share, or \$219,851, paid in September 2021.

# ILLUSTRATIVE CALCULATION OF INCENTIVE FEES FROM MANAGED EQUITY REITS

The incentive fee is equal to twelve percent (12%) of the product of the Equity Market Capitalization (as defined in the applicable agreement) and the amount by which the Total Return per share exceeds the Benchmark Return per share for each Managed Equity REIT, and the return of the Managed Equity REIT must be positive. This incentive fee is subject to a cap. For example, the calculation of the 2018 annual incentive fee earned from SVC in fiscal Q1 2019 was calculated as follows (amounts in 000s, except share and per share data):

## Measurement Period:

Begin Date	1/1/2016
End Date	12/31/2018

## Incentive fee calculation:

Weighted shares outstanding <sup>(1)</sup>	161,611,989
Weighted share price at beginning of measurement period <sup>(1)</sup>	\$ 26.44
Equity Market Capitalization	\$ 4,273,021
Total return % in excess of benchmark return % or adjusted benchmark return %	10.46 %
Product	\$ 446,958
Contractual percentage	12.00 %
Incentive fee calculation	\$ 53,635

## Total return in excess of benchmark return calculation:

Weighted share price at beginning of measurement period <sup>(1)</sup>	\$ 26.44
Final share price at end of measurement period <sup>(2)</sup>	26.49
Change	0.05
Weighted dividends declared during the measurement period <sup>(1)</sup>	6.11
Total return per share	\$ 6.16
Weighted total return % <sup>(1)</sup>	23.58%
Benchmark total return % <sup>(1)</sup>	13.12%
Total return % in excess of benchmark return %	10.46%

## Maximum incentive fee calculation:

Total shares at end of measurement period	164,441,709
Percentage	1.50 %
Subtotal	\$ 2,466,626
Final share price at end of measurement period <sup>(2)</sup>	\$ 26.49
Incentive Fee cap	\$ 65,341
<b>Incentive fee payable (lessor of calculated amount or maximum fee)</b>	<b>\$ 53,635</b>

(1) Weighted amounts are adjusted for net additional common shares issued during the Measurement Period.

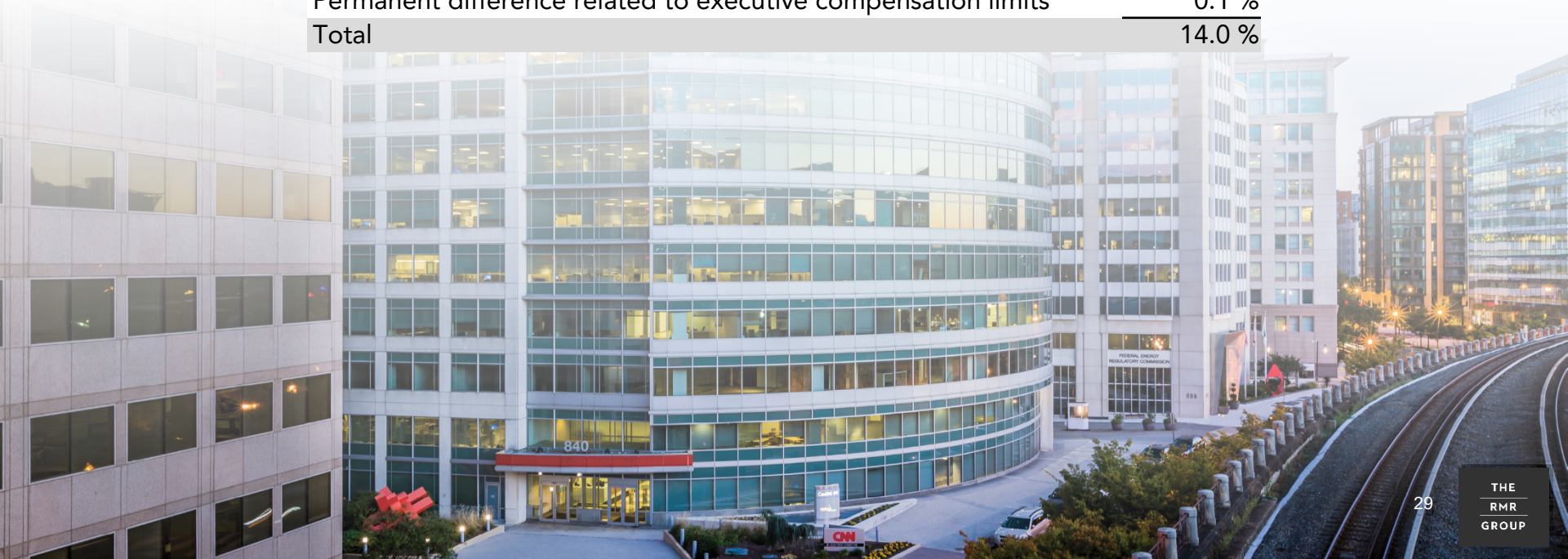
(2) The average closing price for the 10 consecutive trading days having the highest average closing prices during the final 30 trading days of the Measurement Period.

# EXPLANATION OF RMR INC.'S GAAP EFFECTIVE TAX RATE

RMR LLC is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, RMR LLC is generally not subject to U.S. federal and most state income taxes. Any taxable income or loss generated by RMR LLC is passed through to and included in the taxable income or loss of its members, including RMR Inc. and ABP Trust. RMR Inc. is a corporation subject to U.S. federal and state income tax with respect to our allocatable share of any taxable income of RMR LLC.

The following is an illustration calculating RMR Inc.'s effective tax rate as of September 30, 2021:

Federal Statutory Rate	21.0 %
Blended State Statutory Rate	5.6 %
Effective Tax Rate	26.6 %
RMR Inc. Ownership Percentage in RMR LLC	52.4 %
RMR Inc.'s Effective Tax Rate, on Consolidated Taxable Income	13.9 %
Permanent difference related to executive compensation limits	0.1 %
Total	14.0 %





# ILLUSTRATIVE CALCULATION OF NONCONTROLLING INTEREST

ABP Trust owns 15,000,000 redeemable Class A Units of RMR LLC, representing 47.6% of the economic interest of RMR LLC as of September 30, 2021, which is presented as a noncontrolling interest in RMR Inc.'s consolidated financial statements.

	Three Months Ended September 30, 2021
Income before income tax expense	\$ 35,794
Add: RMR Inc. franchise tax expense and interest income	117
Net income before noncontrolling interest	35,911
Less: noncontrolling interest	(17,125)
Net income attributable to RMR Inc. before income tax expense	18,786
Less: income tax expense attributed to RMR Inc.	(5,043)
Less: RMR Inc. franchise tax expense and interest income	(117)
Net income attributable to RMR Inc.	<u>\$ 13,626</u>







THE  
RMR  
GROUP

# INVESTOR PRESENTATION

November 2021