



FOURTH QUARTER 2017

Supplemental Financial Information



Forward – Looking Statements

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

Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “believe,” “could,” “project,” “predict,” “hypothetical,” “continue,” “future” or other similar words or expressions. All forward-looking statements included in this presentation are based upon information available to the Company on the date hereof and the Company is under no duty to update any of the forward-looking statements after the date of this presentation to conform these statements to actual results. The forward-looking statements involve a number of significant risks and uncertainties. Factors that could have a material adverse effect on the Company’s operations and future prospects are set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and subsequent filings with the SEC under the heading entitled “Risk Factors”. The factors set forth in the Risk Factors section and otherwise described in the Company’s filings with SEC could cause the Company’s actual results to differ significantly from those contained in any forward-looking statement contained in this presentation. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors. Unless otherwise stated, historical financial information and per share and other data is as of December 31, 2017.

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

Company Overview

Overview

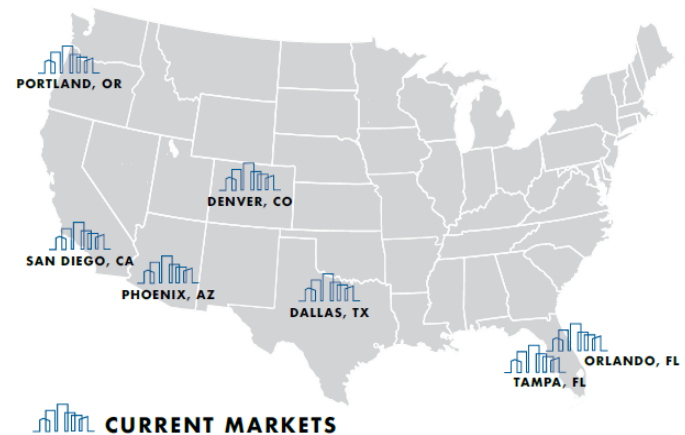
City Office REIT, Inc. (NYSE: CIO) invests in high-quality office properties in mid-sized metropolitan areas with strong economic fundamentals, primarily in the Southern and Western United States. At December 31, 2017, CIO owned office complexes comprising 5.2 million square feet of net rentable area (“NRA”).

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

- Well-located real estate with excellent access to transportation
- Amenity rich locations
- Well-managed, high-quality properties
- High credit quality tenant mix with a stable and diverse base
- Contractual rent escalations yielding predictable annual growth in rental income

Our strategy is to continue our growth through a combination of internal cash flow growth initiatives and a focused acquisition strategy. Our acquisition strategy is concentrated on thriving markets with leading economic fundamentals and a purchase price generally between \$25 and \$100 million, which is a market segment in which we believe we have a competitive advantage.

Current Markets



* Excludes Boise, ID which was held for sale as of December 31, 2017

Management Team

Jamie Farrar – CEO & Director

Greg Tylee – President & COO

Tony Maretic – CFO, Treasurer & Secretary

Investor Relations

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Financial Highlights

(in thousands, except per share data)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
INCOME ITEMS					
NOI	\$ 19,273	\$ 14,057	\$ 14,483	\$ 15,787	\$ 12,778
Same Store Cash NOI Growth	(3.6%)	4.1%	19.1%	0.7%	5.1%
Adjusted Cash NOI (CIO share)	\$ 18,450	\$ 13,779	\$ 14,125	\$ 14,497	\$ 12,641
Net (loss)/income per share- fully diluted	\$ (0.09)	\$ (0.12)	\$ 0.27	\$ (0.11)	\$ (0.21)
Core FFO / Share	\$ 0.31	\$ 0.19	\$ 0.21	\$ 0.26	\$ 0.23
AFFO / Share	\$ 0.21	\$ 0.16	\$ 0.17	\$ 0.20	\$ 0.17
EBITDA (CIO share)	\$ 17,603	\$ 12,531	\$ 12,856	\$ 13,947	\$ 11,125
Annualized dividend	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94
Dividend yield	7.2%	6.8%	7.4%	7.7%	7.1%
CAPITALIZATION					
Common shares	36,012	30,262	30,257	30,257	24,382
Unvested restricted shares	307	302	302	304	269
Common units	0	0	0	0	40
Total shares and units	36,319	30,564	30,559	30,561	24,691
Weighted average shares and units outstanding	31,193	30,562	30,563	29,804	24,689
Share price at quarter end	\$ 13.01	\$ 13.77	\$ 12.70	\$ 12.15	\$ 13.17
Market value of common equity	\$ 472,511	\$ 420,861	\$ 388,101	\$ 371,312	\$ 325,174
Total Series A preferred shares	4,480	4,480	4,480	4,480	4,480
Liquidation preference per preferred share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Aggregate liquidation preference	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000	\$ 112,000
Net debt - CIO share	\$ 473,550	\$ 509,835	\$ 339,568	\$ 347,019	\$ 353,121
Total enterprise value (including net debt)	\$ 1,058,061	\$ 1,042,696	\$ 839,669	\$ 830,331	\$ 790,295
DEBT STATISTICS AND RATIOS					
Total principal debt (CIO share)	\$ 485,465	\$ 527,959	\$ 406,863	\$ 397,079	\$ 366,332
Weighted average maturity	6.2 years	5.2 years	6.7 years	6.5 years	5.3 years
Average interest rate	4.2%	4.1%	4.2%	4.3%	4.1%
Fixed rate debt as percentage of total debt	93.2%	77.3%	100.0%	100.0%	86.0%
Adjusted interest coverage (CIO share)	3.1x	2.9x	2.9x	3.2x	3.7x
Fixed charge coverage (CIO share)	2.1x	1.9x	1.8x	2.0x	2.1x
Net debt/annualized adjusted EBITDA	6.7x	8.1x	6.6x	6.1x	6.9x
LEASING STATISTICS					
In-Place occupancy	87.7%	88.7%	90.1%	90.2%	91.0%
Weighted average remaining lease term	4.7 years	4.7 years	5.0 years	5.2 years	5.2 years

Property Overview

Metropolitan Area	Property	Date Acquired	Economic Interest	NRA (000s SF)	In Place Occupancy	Annualized Base Rent per SF	Annualized Gross Rent per SF ¹	Annualized Base Rent ² (000s)	Largest Tenant by NRA
Tampa, FL (20.0% of NRA)	Park Tower	Nov-16	94.8%	473	83.4%	\$23.90	\$23.90	\$9,423	GSA US Attorneys Office
	City Center	Apr-14	95.0%	241	94.2%	\$24.56	\$24.56	\$5,576	Kobie Marketing, Inc.
	Intellicenter	Sep-15	100.0%	204	100.0%	\$22.90	\$22.90	\$4,661	H. Lee Moffitt Cancer Center
	Carillon Point	Jun-16	100.0%	124	100.0%	\$26.83	\$26.83	\$3,332	Paychex, Inc.
	Cherry Creek	Apr-14	100.0%	356	100.0%	\$18.10	\$18.10	\$6,438	State of Colorado Department of Health
	Plaza 25	Jun-14	100.0%	196	53.3%	\$20.44	\$20.44	\$2,130	NTT America Inc.
Denver, CO (18.5%)	DTC Crossroads	Jun-15	100.0%	189	71.7%	\$25.28	\$25.28	\$3,428	ProBuild Holdings, Inc.
	Superior Pointe	Jun-15	100.0%	149	84.8%	\$16.44	\$28.44	\$2,079	KeyBank National Association
	Logan Tower	Feb-15	100.0%	71	82.7%	\$20.13	\$20.13	\$1,176	State of Colorado Governor's Energy
San Diego, CA (12.9%)	Sorrento Mesa	Sep-17	100.0%	385	87.5%	\$23.04	\$28.04	\$7,754	VICAL, Inc.
	Mission City	Sep-17	100.0%	286	87.0%	\$34.03	\$34.03	\$8,460	InnovaSystems International
	SanTan	Dec-16	100.0%	267	99.0%	\$26.66	\$26.66	\$7,034	Toyota Motor Credit
Phoenix, AZ (11.6%)	5090 N 40th St	Nov-16	100.0%	176	87.5%	\$28.03	\$28.03	\$4,312	Bar-S-Foods Co.
	Papago Tech	Oct-17	100.0%	163	98.0%	\$20.12	\$20.12	\$3,210	Regional Acceptance Corp.
Dallas, TX (11.1%)	190 Office Center	Sep-15	100.0%	303	92.1%	\$24.02	\$24.02	\$6,709	United Healthcare Services, Inc.
	Lake Vista Pointe	Jul-14	100.0%	163	100.0%	\$15.00	\$23.00	\$2,450	Ally Financial Inc.
	2525 McKinnon	Jan-17	100.0%	111	97.2%	\$26.54	\$37.72	\$2,871	The Retail Connection
Orlando, FL (10.8%)	FRP Collection	Jul-16	95.0%	272	66.6%	\$25.30	\$26.40	\$4,579	GSA - PEO STRI (US Dept of Defence)
	Central Fairwinds	Apr-14	90.0%	168	88.5%	\$24.13	\$24.13	\$3,593	Fairwinds Credit Union
	FRP Ingenuity Drive	Nov-14	100.0%	125	100.0%	\$21.00	\$29.00	\$2,615	Kaplan, Inc.
Portland, OR (3.9%)	AmberGlen	Apr-14	76.0%	201	96.0%	\$19.47	\$21.98	\$3,760	Planar Systems, Inc.
Total / Weighted Average - Excluding Assets Held for Sale ³				4,623	88.5%	\$23.37	\$25.19	\$95,590	
Boise, ID (11.2%)	Washington Group Plaza	Apr-14	100.0%	581	81.3%	\$17.67	\$17.67	\$8,341	St. Lukes Regional Medical Center
Total / Weighted Average - December 31, 2017 ³				5,204	87.7%	\$22.78	\$24.41	\$103,931	

- (1) For Superior Pointe, FRP Ingenuity Drive, Lake Vista Pointe, and Sorrento Mesa the annualized base rent per square foot on a triple net basis was increased by \$12, \$8, \$8, and \$5 respectively, to estimate a gross equivalent base rent. AmberGlen has a net lease for one tenant which has been grossed-up by \$7 on a pro rata basis. FRP Collection has net leases for three tenants which have been grossed up by \$8 on a pro-rata basis. 2525 McKinnon has net leases for seven tenants which have been grossed up by \$16 on a pro-rata basis.
- (2) Annualized base rent is calculated by multiplying (i) rental payments (defined as cash rents before abatements) for the month ended December 31, 2017 by (ii) 12.
- (3) Averages weighted based on the property's NRA, adjusted for occupancy

Papago Tech

Recent
Acquisition

Key Metrics

Purchase Price: \$33.3M / \$205 PSF

Closing Date: October 19, 2017

Property Size: 162,748 SF

Year 1 Projected Cash Net Operating Income Yield: ~7.5%

Estimated Replacement Cost: ~\$300+ PSF

Occupancy at Closing: 98%

Acquisition Characteristics

- Papago Tech is a 162,748 SF two-building complex located in the desirable Tempe submarket
- Located in the geographic center of the Phoenix MSA, with easy access to freeways, light rail and Phoenix Sky Harbor International Airport
- Proximity to vibrant Tempe amenities and Arizona State University is a significant draw for tenants looking to appeal to a well-educated workforce
- Property has undergone an extensive recent renovation and features exceptional tenant buildouts

1600 Building



1700 Building



Net Income

(in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Revenues:				
Rental income	\$ 26,956	\$ 18,783	\$ 92,357	\$ 63,702
Expense reimbursement	3,482	1,991	11,164	7,140
Other	743	530	2,966	1,619
Total Revenues	31,181	21,304	106,487	72,461
Operating Expenses:				
Property operating expenses	11,908	8,526	42,886	28,305
General and administrative ¹	1,556	1,890	6,792	6,429
Base management fee	-	-	-	109
External advisor acquisition	-	-	-	7,045
Acquisition costs	-	353	-	692
Depreciation and amortization	12,499	9,345	41,594	30,178
Total Operating Expenses	25,963	20,114	91,272	72,758
Operating income/(loss)	5,218	1,190	15,215	(297)
Interest Expense:				
Contractual interest expense	(5,780)	(3,598)	(18,721)	(13,804)
Amortization of deferred financing costs	(425)	(285)	(1,452)	(957)
	(6,205)	(3,883)	(20,173)	(14,761)
Change in fair value of earn-out	-	(500)	-	(500)
Change in fair value of contingent consideration	-	-	2,000	-
Net gain on sale of real estate property	-	-	12,116	15,934
Net (loss)/income	(987)	(3,193)	9,158	376
Less:				
Net income attributable to non-controlling interests in properties	(78)	(111)	(3,402)	(354)
Net loss/(income) attributable to Operating Partnership unitholders' non-controlling interests	-	5	-	(865)
Net (loss)/income attributable to the Company	(1,065)	(3,299)	5,756	(843)
Preferred stock distributions	(1,855)	(1,781)	(7,411)	(1,781)
Net loss attributable to common stockholders	\$ (2,920)	\$ (5,080)	\$ (1,655)	\$ (2,624)
Net loss per common share and unit:				
Basic and diluted	\$ (0.09)	\$ (0.21)	\$ (0.05)	\$ (0.13)
Weighted average common shares outstanding:				
Basic and diluted	30,887	24,382	30,198	20,460
Dividend distributions declared per common share and unit	\$ 0.235	\$ 0.235	\$ 0.940	\$ 0.940

(1) Stock based compensation, which was previously presented as a separate line item, has been grouped with general and administrative in accordance with SEC rules following our internalization of management. Stock based compensation for the three months ended December 31, 2017 and December 31, 2016 was \$0.2 million and \$0.6 million respectively, and for the year ended was \$1.7 million and \$2.4 million respectively.

Balance Sheet

(in thousands, except par value and share data)

	December 31, 2017	December 31, 2016
Assets		
Real estate properties		
Land	\$ 188,110	\$ 115,634
Building and improvement	534,473	423,707
Tenant improvement	53,427	49,813
Furniture, fixtures and equipment	291	222
	<u>776,301</u>	<u>589,376</u>
Accumulated depreciation	(48,234)	(39,052)
	<u>728,067</u>	<u>550,324</u>
Cash and cash equivalents	12,301	13,703
Restricted cash	22,713	15,948
Rents receivable, net ¹	20,087	17,257
Deferred leasing costs, net	7,793	5,422
Acquired lease intangible assets, net	65,088	56,214
Prepaid expenses and other assets	2,013	2,626
Assets held for sale	38,427	-
Total Assets	<u>\$ 896,489</u>	<u>\$ 661,494</u>
Liabilities and Equity		
Liabilities:		
Debt	\$ 489,509	\$ 370,057
Accounts payable and accrued liabilities	17,605	12,976
Deferred rent	4,223	5,558
Tenant rent deposits	3,523	2,621
Acquired lease intangible liabilities, net	8,649	4,302
Dividend distributions payable	10,318	7,521
Earn-out liability	-	2,400
Liabilities related to assets held for sale	2,830	-
Total Liabilities	<u>536,657</u>	<u>405,435</u>
Commitments and Contingencies		
Equity:		
6.625% Series A Preferred stock, \$0.01 par value per share, 5,600,000 and 4,600,000 shares authorized as of December 31, 2017 and 2016, respectively, 4,480,000 issued and outstanding	112,000	112,000
Common stock, \$0.01 par value, 100,000,000 shares authorized, 36,012,086 and 24,382,226 shares issued and outstanding as of December 31, 2017 and December 31, 2016 respectively	360	244
Additional paid-in capital	334,241	195,566
Accumulated deficit	(86,977)	(53,608)
Total Stockholders' Equity	<u>359,832</u>	<u>256,059</u>
Operating Partnership unitholders' non-controlling interests	-	108
Non-controlling interests in properties	208	1,749
Total Equity	<u>359,832</u>	<u>256,059</u>
Total Liabilities and Equity	<u>\$ 896,489</u>	<u>\$ 661,494</u>

(1) Rents receivable includes \$18.2 million of straight-line rent receivables. Our pro-rata share of straight-line rents receivable was \$17.2 million.

Statements of Cash Flows

(in thousands)

	Year Ended December 31	
	2017	2016
Cash Flows from Operating Activities:		
Net income	\$ 9,158	\$ 376
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,594	30,178
Amortization of deferred financing costs	1,452	957
Amortization of above/below market leases	(337)	299
Increase in straight-line rent	(2,820)	(3,751)
Non-cash stock compensation	1,671	2,436
Earn-out termination payment	(2,400)	500
Internalization shares issued	-	3,464
Net gain on sale of real estate property	(12,116)	(15,934)
Changes in non-cash working capital:		
Rents receivable, net	(1,647)	(4,331)
Prepaid expenses and other assets	349	(587)
Accounts payable and accrued liabilities	670	3,135
Deferred rent	324	2,743
Tenant rent deposits	655	(338)
Net Cash Provided By Operating Activities	36,553	19,147
Cash Flows to Investing Activities:		
Additions to real estate properties	(8,189)	(8,729)
Acquisition of real estate	(249,299)	(248,957)
Net proceeds from sale of real estate	16,993	42,984
Deferred leasing costs	(4,289)	(2,074)
Net Cash Used In Investing Activities	(244,784)	(216,776)
Cash Flows from Financing Activities:		
Proceeds from sale of preferred stock	-	108,127
Proceeds from sale of common stock	136,941	86,785
Debt issuance and extinguishment costs	(1,716)	(2,414)
Proceeds from mortgage loans payable	166,340	47,938
Repayment of mortgage loans payable	(27,772)	(20,199)
Proceeds from Secured Credit Facility	226,000	95,500
Repayment of Secured Credit Facility	(245,000)	(93,000)
Contributions from non-controlling interests in properties	-	2,525
Distributions to non-controlling interests in properties	(4,943)	(455)
Dividend distributions paid to stockholders and Operating Partnership unitholders	(36,256)	(20,841)
Change in restricted cash	(6,765)	(772)
Net Cash Provided By Financing Activities	206,829	203,194
Net Increase in Cash and Cash Equivalents	(1,402)	5,565
Cash and Cash Equivalents, Beginning of Period	13,703	8,138
Cash and Cash Equivalents, End of Period	\$ 12,301	\$ 13,703

FFO, Core FFO and AFFO Reconciliation

(in thousands, except per share data)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net (loss)/income attributable to common stockholders	\$ (2,920)	\$ (3,630)	\$ 8,208	\$ (3,313)	\$ (5,080)
(+) Depreciation and amortization	12,499	9,449	9,148	10,498	9,345
(-) Net gain on sale of real estate property	-	-	(12,116)	-	-
(-) Operating Partnership unitholders' non-controlling interest	-	-	-	-	(5)
	<u>9,579</u>	<u>5,819</u>	<u>5,240</u>	<u>7,185</u>	<u>4,260</u>
Non-controlling interests in properties:					
(+) Share of net income	78	52	3,104	168	111
(-) Share of FFO	(261)	(245)	(286)	(373)	(303)
Funds from Operations ("FFO")	<u>\$ 9,396</u>	<u>\$ 5,626</u>	<u>\$ 8,058</u>	<u>\$ 6,980</u>	<u>\$ 4,068</u>
(+) Stock based compensation	241	259	352	827	649
(-) Change in fair value of contingent consideration	-	-	(2,000)	-	-
(+) Acquisition costs	-	-	-	-	353
(+) Change in fair value of earn-out	-	-	-	-	500
Core FFO	<u>\$ 9,637</u>	<u>\$ 5,885</u>	<u>\$ 6,410</u>	<u>\$ 7,807</u>	<u>\$ 5,570</u>
(+) Net recurring straight line rent adjustment	(255)	114	104	(129)	328
(+) Net amortization of above and below market leases	(213)	(53)	(80)	(3)	159
(+) Net amortization of deferred financing costs	419	366	325	315	277
(-) Net recurring tenant improvements and incentives	(1,125)	(627)	(426)	(253)	(565)
(-) Net recurring leasing commissions	(1,442)	(379)	(551)	(1,281)	(998)
(-) Net recurring capital expenditures	(457)	(272)	(446)	(431)	(568)
Adjusted Funds from Operations ("AFFO")	<u>\$ 6,564</u>	<u>\$ 5,034</u>	<u>\$ 5,336</u>	<u>\$ 6,025</u>	<u>\$ 4,203</u>
Core FFO per common share and unit	<u>\$ 0.31</u>	<u>\$ 0.19</u>	<u>\$ 0.21</u>	<u>\$ 0.26</u>	<u>\$ 0.23</u>
AFFO per common share and unit	<u>\$ 0.21</u>	<u>\$ 0.16</u>	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>
Dividends per common share and unit	\$ 0.235	\$ 0.235	\$ 0.235	\$ 0.235	\$ 0.235
Core FFO Payout Ratio	76%	122%	112%	90%	104%
AFFO Payout Ratio	112%	143%	135%	116%	138%
Weighted average common stock and common units outstanding	31,193	30,562	30,563	29,804	24,689

Net Operating Income Reconciliation

(in thousands)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net (loss)/income	\$ (987)	\$ (1,723)	\$ 13,167	\$ (1,299)	\$ (3,193)
Adjustments to net loss/income:					
General and administrative	1,556	1,446	1,597	2,193	1,890
Contractual interest expense	5,780	4,513	4,356	4,072	3,598
Amortization of deferred financing costs	425	372	331	323	285
Depreciation and amortization	12,499	9,449	9,148	10,498	9,345
Acquisition costs	-	-	-	-	353
Change in fair value of earn-out	-	-	-	-	500
Change in fair value of contingent consideration	-	-	(2,000)	-	-
Net gain on sale of real estate property	-	-	(12,116)	-	-
Net Operating Income ("NOI")	\$ 19,273	\$ 14,057	\$ 14,483	\$ 15,787	\$ 12,778
Net recurring straight line rent adjustment	(255)	114	104	(814)	116
Net amortization of above and below market leases	(213)	(53)	(80)	(3)	159
Portfolio Adjusted Cash NOI	\$ 18,805	\$ 14,118	\$ 14,507	\$ 14,970	\$ 13,053
Non-controlling interests in properties - share in cash NOI	(355)	(339)	(382)	(474)	(412)
Adjusted Cash NOI (CIO share)	\$ 18,450	\$ 13,779	\$ 14,125	\$ 14,496	\$ 12,641

Same Store Analysis

(in thousands)

THREE MONTHS ENDED	Same Store Portfolio			
	Q4 2017	Q4 2016	Variance	% Change
Revenues	\$ 14,969	\$ 15,027	\$ (58)	(0.4%)
Property Operating Expenses	6,157	5,799	(358)	(6.2%)
Net Operating Income	\$ 8,812	\$ 9,228	\$ (416)	(4.5%)
Less: termination fee income	(35)	(308)	273	
Less: straight line rent adjustment	76	264	(188)	
Less: above and below market leases	30	24	6	
Less: NCI in properties - Cash NOI	(284)	(288)	4	
Cash NOI, excluding termination fees	\$ 8,599	\$ 8,920	\$ (321)	(3.6%)
Number of Properties	13	13		
Square feet (in thousands)	2,570	2,570		
Occupancy % (end of period)	90%	95%		

Recently Acquired ⁽¹⁾		Repositioning ⁽²⁾		Dispositions ⁽³⁾		All Properties			
Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Variance	% Change
\$ 13,404	\$ 2,471	\$ 2,808	\$ 3,192	\$ -	\$ 614	\$ 31,181	\$ 21,304	\$ 9,877	46%
4,375	921	1,376	1,488	-	318	11,908	8,526	(3,382)	(40%)
\$ 9,029	\$ 1,550	\$ 1,432	\$ 1,704	\$ -	\$ 296	\$ 19,273	\$ 12,778	\$ 6,495	51%
(697)	-	-	(321)	-	-	(732)	(629)	(103)	
(318)	(162)	(13)	(22)	-	36	(255)	116	(371)	
(231)	18	(12)	117	-	-	(213)	159	(372)	
(71)	(53)	-	-	-	(71)	(355)	(412)	57	
\$ 7,712	\$ 1,353	\$ 1,407	\$ 1,478	\$ -	\$ 261	\$ 17,718	\$ 12,012	\$ 5,706	48%

(1) Recently acquired assets excluded consist of Park Tower, 5090 N 40th St, SanTan, 2525 McKinnon, Mission City, Sorrento Mesa and Papago Tech

(2) Properties undergoing repositioning consist of Plaza 25 which began in Q4 2016 and is on-going and WGP which occurred in Q1 and Q2 of 2016 and is currently held for sale

(3) Dispositions excluded consist of two of the AmberGlen Building

TWELVE MONTHS ENDED	Same Store Portfolio			
	Q4 2017	Q4 2016	Variance	% Change
Revenues	\$ 53,742	\$ 53,806	\$ (64)	(0.1%)
Property Operating Expenses	21,384	20,507	(877)	(4.3%)
Net Operating Income	\$ 32,358	\$ 33,299	\$ (941)	(2.8%)
Less: termination fee income	(58)	(318)	260	
Less: straight line rent adjustment	382	(1,741)	2,123	
Less: above and below market leases	32	1	31	
Less: NCI in properties - Cash NOI	(1,138)	(914)	(224)	
Cash NOI, excluding termination fees	\$ 31,576	\$ 30,327	\$ 1,249	4.1%
Number of Properties	13	13		
Square feet (in thousands)	2,570	2,570		
Occupancy % (end of period)	90%	95%		

Recently Acquired ⁽¹⁾		Repositioning ⁽²⁾		Dispositions ⁽³⁾		All Properties			
Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Variance	% Change
\$ 41,144	\$ 3,860	\$ 11,398	\$ 11,697	\$ 203	\$ 3,098	\$ 106,487	\$ 72,461	\$ 34,026	47%
15,380	1,342	6,002	5,589	120	867	42,886	28,305	(14,581)	(52%)
\$ 25,764	\$ 2,518	\$ 5,396	\$ 6,108	\$ 83	\$ 2,231	\$ 63,601	\$ 44,156	\$ 19,445	44%
(697)	(12)	(127)	(725)	-	-	(882)	(1,055)	173	
(1,206)	(341)	(19)	(467)	(8)	(1,225)	(851)	(3,774)	2,923	
(410)	50	29	237	-	-	(349)	288	(637)	
(434)	(101)	-	-	22	(246)	(1,550)	(1,261)	(289)	
\$ 23,017	\$ 2,114	\$ 5,279	\$ 5,153	\$ 97	\$ 760	\$ 59,969	\$ 38,354	\$ 21,615	56%

(1) Recently acquired assets excluded consist of Park Tower, 5090 N 40th St, SanTan, 2525 McKinnon, Mission City, Sorrento Mesa and Papago Tech as of Q4 2017

(2) Properties undergoing repositioning consist of Plaza 25 which began in Q4 2016 and is on-going and WGP which occurred in Q1 and Q2 of 2016 and is currently held for sale as of Q4 2017

(3) Dispositions excluded consist of two of the AmberGlen Buildings as of Q4 2017

EBITDA Reconciliation

(in thousands)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net (loss)/income¹	\$ (987)	\$ (1,723)	\$ 13,167	\$ (1,299)	\$ (3,193)
Contractual interest expense	5,780	4,513	4,356	4,072	3,598
Amortization of deferred financing costs	425	372	331	323	285
Depreciation and amortization	12,499	9,449	9,148	10,498	9,345
Stock based compensation	241	259	352	827	649
Acquisition costs	-	-	-	-	353
Change in fair value of earn-out	-	-	-	-	500
Change in fair value of contingent consideration	-	-	(2,000)	-	-
Net gain on sale of real estate property	-	-	(12,116)	-	-
Portfolio EBITDA¹	\$ 17,958	\$ 12,870	\$ 13,238	\$ 14,421	\$ 11,537
Noncontrolling interest in properties interest in EBITDA	(355)	(339)	(382)	(474)	(412)
EBITDA (CIO share)¹	\$ 17,603	\$ 12,531	\$ 12,856	\$ 13,947	\$ 11,125
Park Tower - Full Quarter Adjustment ²	-	-	-	-	406
5090 N 40th St - Full Quarter Adjustment ²	-	-	-	-	458
SanTan - Full Quarter Adjustment ²	-	-	-	-	884
2525 McKinnon - Full Quarter Adjustment ²	-	-	-	238	-
AmberGlen Sale ³	-	-	(83)	-	-
San Diego Portfolio - Full Quarter Adjustment ²	-	3,128	-	-	-
Papago Tech - Full Quarter Adjustment ²	122	-	-	-	-
Adjusted EBITDA (adjusted for mid-quarter acquisitions and dispositions)¹	\$ 17,725	\$ 15,659	\$ 12,773	\$ 14,185	\$ 12,873

(1) Includes Park Tower results beginning November 2, 2016, 5090 N 40th St results beginning December 1, 2016, SanTan results beginning December 15, 2016, 2525 McKinnon results beginning January 12, 2017, San Diego Portfolio results beginning September 29, 2017 and Papago Tech results beginning October 19, 2017.

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

(3) Adjustment to exclude AmberGlen 1400 & 1600 building results from April 1, 2017 to May 2, 2017, the date of disposition.

Debt Summary

(in thousands)

Property	Ownership	Maturity	Interest Rate		Principal Amount Outstanding	CIO Share
			Variable	Fixed		
Fixed Rate						
Midland Loan ¹	99%	May-21	n/a	4.34%	\$88,582	\$87,390
Mission City	100%	Nov-27	n/a	3.78%	47,000	47,000
190 Office Center ²	100%	Oct-25	n/a	4.79%	41,250	41,250
SanTan ²	100%	Mar-27	n/a	4.56%	35,100	35,100
Intellicenter ²	100%	Oct-25	n/a	4.65%	33,563	33,563
Washington Group Plaza ³	100%	Jul-18	n/a	3.85%	32,290	32,290
FRP Collection ²	95%	Sep-23	n/a	3.85%	30,174	28,665
2525 McKinnon	100%	Apr-27	n/a	4.24%	27,000	27,000
5090 N 40th St	100%	Jan-27	n/a	3.92%	22,000	22,000
AmberGlen ^{2,4}	76%	May-27	n/a	3.69%	20,000	15,200
Lake Vista Pointe ³	100%	Aug-24	n/a	4.28%	18,358	18,358
FRP Ingenuity Drive ^{3,5}	100%	Dec-24	n/a	4.44%	17,000	17,000
Plaza 25 ^{2,3}	100%	Jul-25	n/a	4.10%	16,882	16,882
Carillon Point ²	100%	Oct-23	n/a	3.50%	16,671	16,671
Central Fairwinds ²	90%	Jun-24	n/a	4.00%	15,107	13,596
					<u>\$460,977</u>	<u>\$451,965</u>
Floating Rate						
Secured Credit Facility ⁶	100%	Jun-18	LIBOR + 225 bps ⁷	n/a	33,500	33,500
					<u>33,500</u>	<u>33,500</u>
Total Principal					\$494,477	\$485,465
Deferred financing costs, net					(4,968)	(4,870)
					<u>\$489,509</u>	<u>\$480,595</u>
				4.17%		
Total Debt as of December 31, 2017						

(1) The mortgage loan is cross-collateralized by DTC Crossroads, Cherry Creek and City Center. Interest on mortgage loan is payable monthly plus principal based on 360 months of amortization.

(2) The Company has various covenants including debt service coverage ratios that under certain conditions must be maintained no less than 1.15x, 1.20x, 1.20x, 1.40x, 1.15x, 1.45x, 1.35x and 1.35x respectively for each of 190 Office Center, SanTan, Intellicenter, FRP Collection, AmberGlen, Plaza 25, Carillon Point and Central Fairwinds.

(3) Interest on mortgage loan is payable monthly plus principal based on 360 months of amortization.

(4) On May 2, 2017, in conjunction with the sale of the 1400 and 1600 buildings at the AmberGlen property, the Company repaid the outstanding debt secured on the property of \$24.1 million plus closing costs and subsequently closed on a \$20 million loan secured by a first mortgage lien on the remaining buildings. The loan matures in May 2027. Interest is payable at a fixed rate of 3.69% per annum.

(5) The Company is required to maintain a minimum net worth of \$17 million, minimum liquidity of \$1.7 million and a debt service coverage ratio of no less than 1.15x.

(6) At December 31, 2017 the Secured Credit Facility had \$150 million authorized and \$33.5 million drawn. The Secured Credit Facility currently bears an interest rate of one month LIBOR plus 2.25% and requires us to maintain a minimum fixed charge coverage ratio of no less than 1.60x. The Secured Credit Facility has a maturity date of June 26, 2018 which may be extended to June 26, 2019 at the Company's option upon meeting certain conditions.

(7) As of December 31, 2017, the one month LIBOR rate was 1.56%.

Leverage and Coverage Ratios

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

	Dec 31, 2017
Market Capitalization	
CIO share of debt principal	\$ 485,465
CIO share of cash ¹	<u>(11,915)</u>
CIO share of net debt	473,550
Market value of common equity ²	472,511
Liquidation preference of preferred equity	112,000
Total enterprise value	<u>\$ 1,058,061</u>
Net Debt to Enterprise Value	<u><u>44.8%</u></u>
Leverage	
CIO share of net debt	\$ 473,550
Annualized adjusted EBITDA (adjusted for mid quarter acquisitions)	<u>70,900</u>
Net Debt / Annualized Adjusted EBITDA	<u><u>6.7x</u></u>
Net Debt including Restricted Cash / Annualized Adjusted EBITDA³	<u><u>6.4x</u></u>

	Q4 2017
Interest Coverage Ratio	
Cash interest expense ⁴	\$ 5,796
Non controlling interest in properties - cash interest expense	<u>(88)</u>
CIO share of cash interest expense	5,708
CIO share of annualized cash interest expense	22,832
CIO share of annualized adjusted EBITDA	<u>70,900</u>
Adjusted Interest Coverage Ratio	<u><u>3.1x</u></u>
Fixed Charge Coverage Ratio	
CIO share of cash interest expense	\$ 5,708
CIO share of secured debt principal amortization	994
Preferred stock dividends	<u>1,855</u>
CIO share of fixed charges	8,557
CIO share of annualized fixed charges	34,228
CIO share of annualized adjusted EBITDA	<u>70,900</u>
Fixed Charge Coverage Ratio	<u><u>2.1x</u></u>

(1) Excludes \$22.7 million (\$22.2 million CIO share) of restricted cash.

(2) Based on the December 31, 2017 closing stock price of \$13.01 per share of common stock.

(3) Includes \$22.7 million (\$22.2 million CIO share) of restricted cash.

(4) Includes a full quarter interest expense adjustment of \$16 for Mission City loan.

Top Tenant Profile

Top Ten Tenants	Credit Rating (S&P / Moody's) ¹	Tenant Since	NRA (000s)	Percentage of Portfolio NRA
State of Colorado Department of Health	Aa2	1993	319	6.1%
United Healthcare Services, Inc.	A+	2008	198	3.8%
St. Lukes Regional Medical Center	A3	2015	175	3.4%
Ally Financial Inc.	BB+	2008	163	3.1%
H. Lee Moffitt Cancer Center	A3	2008	155	3.0%
GSA US Attorneys Office ²	AA+	1998	144	2.8%
Toyota Motor Credit	AA-	2011	133	2.6%
Kaplan, Inc. ³	BB+	2008	125	2.4%
Idaho State Tax Commission	Aa1	1992	111	2.1%
Paychex, Inc.	--	2009	98	1.9%
Total			1,621	31.2%

(1) As of December 31, 2017 rating of the tenant or its parent entity.

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

(3) Parent entity is Graham Holding Company.

Leasing Activity

Q4 2017 Leasing Activity								
	Square Foot (000s)	Total Occupancy	Rate per Square Foot					Weighted Average Remaining Lease Term (Years)
	Leased		GAAP Rents	Tenant Improvements	Tenant per Year of Lease Term	Leasing Commissions	Leasing Commissions per Year of Lease Term	
September 30, 2017 - Occupied	4,469	88.7%						
Acquisition of Papago Tech	160							
Leases commenced	45							
Vacated	(111)							
December 31, 2017 - Occupied	4,563	87.7%						
Leases not commenced - signed in Q4 2017	58							
Leases not commenced - signed prior to Q4 2017	19							
December 31, 2017 - Committed & Occupied	4,640	89.2%						
New leasing - signed in Q4 2017 ¹	137		\$ 25.99	\$ 20.08	\$ 3.51	\$ 9.00	\$ 1.57	5.7
Renewals - signed in Q4 2017	141		\$ 22.43	\$ 7.30	\$ 1.50	\$ 6.60	\$ 1.36	4.9
Q4 2017 total new leasing and renewals²	278		\$ 24.18	\$ 13.58	\$ 2.57	\$ 7.78	\$ 1.47	5.3

(1) Includes a 78,470 SF lease at FRP Ingenuity Drive with a current sublease. The term of the lease will be 5 years commencing in 2022 upon the expiration of tenant's sublease.

(2) All leasing activity signed in Q4 2017 will commence subsequent to quarter end.

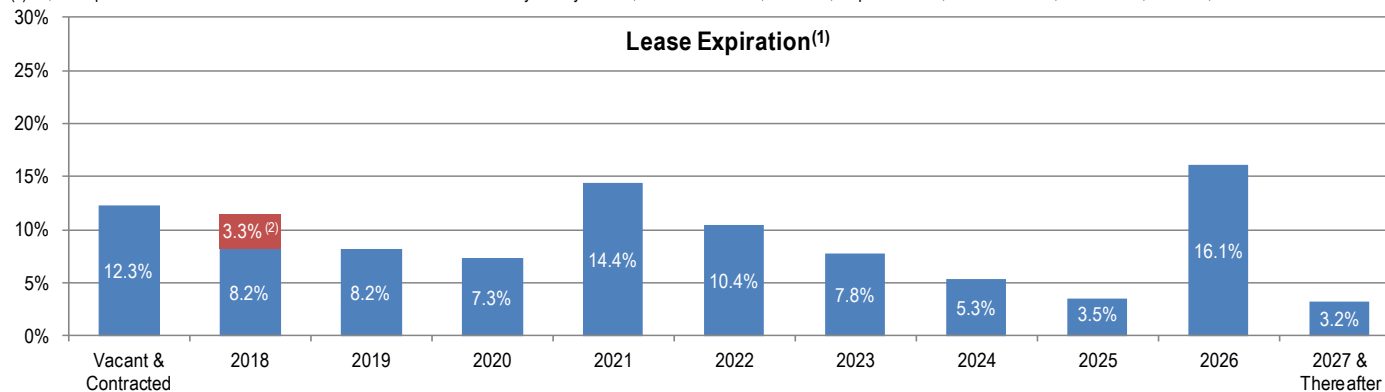
Lease Expirations (w/ Annualized Rent)

Year of Lease Expiration	Number of Leases Expiring	NRA of Expiring Leases (000s)	Percentage of NRA	Annualized Rent ⁽¹⁾	Percentage of Total Properties Rent	Annualized Rent per Leased Square Foot Expiring ⁽²⁾	Annualized Base Rent (including Rent Abatement at Dec 31, 2017)	Annualized Rent per Leased Square Foot Expiring (Including Rent Abatement at Dec 31, 2017)
Vacant & Contracted ⁽³⁾	-	639	12.3%	-	0.0%	-	-	-
2018	52	597	11.5%	13,144	12.6%	22.04	13,008	21.82
2019	56	429	8.2%	10,376	10.0%	24.20	10,376	24.20
2020	40	378	7.3%	9,230	8.9%	24.44	9,146	24.21
2021	46	747	14.4%	17,260	16.6%	23.11	17,052	22.83
2022	38	542	10.4%	12,802	12.3%	23.64	12,639	23.34
2023	14	404	7.8%	9,413	9.1%	23.31	8,234	20.39
2024	12	278	5.3%	6,863	6.6%	24.75	6,863	24.75
2025	9	183	3.5%	3,972	3.8%	21.78	3,972	21.78
2026	13	843	16.1%	17,157	16.5%	20.36	16,902	20.05
2027 & Thereafter	2	164	3.2%	3,714	3.6%	22.61	3,650	22.22
Total/Weighted Average	282	5,204	100.0%	103,931	100.0%	\$ 22.78	101,842	\$ 22.32

(1) Annualized rent is calculated by multiplying (i) rental payments (defined as cash rents before abatements) for the month of December 31, 2017, by (ii) 12

(2) Annualized rent per leased square foot expiring reflects rental payments for the month ended December 31, 2017, multiplied by 12 and divided by the NRA of expiring leases

(3) 77,591 square feet of contracted NRA related to fourteen tenants collectively at City Center, Central Fairwinds, Plaza 25, Superior Pointe, FRP Collection, Park Tower, San Tan, and 2525 McKinnon



(1) Percentage represents the NRA of the leases divided by the total NRA of the portfolio, as of December 31, 2017

(2) 3.3% represents Washington Group Plaza which was under contract for sale at December 31, 2017

Leasing and Capital Expenditures

(in thousands)

	For the 3 months ended December 31, 2017		
	Consolidated	Non-controlling interests	CIO Share ²
Recurring			
Tenant Improvements and incentives	1,178	(53)	1,125
Leasing Commissions	1,479	(37)	1,442
Capital Expenditures	481	(24)	457
Total Recurring	3,138	(114)	3,024
Non-Recurring			
Tenant Improvements and incentives ¹	1,378	(31)	1,347
Leasing Commissions	1,020	(4)	1,016
Capital Expenditures	1,460	(50)	1,410
Total Non-Recurring²	3,858	(85)	3,773
Total	6,996	(199)	6,797

(1) We exclude leasing costs including free rent amounts embedded within straight line rent for first generation leases, planned at acquisition or paid by the seller. Free rent for the three months ended December 31, 2017 include the following for Mission City (\$80k) and Papago Tech (\$96k).

(2) CIO share of tenant improvements, incentives, leasing commissions and capital expenditures represent actual costs attributable to CIO for the quarter ended December 31, 2017. Non-Recurring tenant improvements, incentives, leasing commissions and capital expenditures for the three months ended December 31, 2017 include the following for Plaza 25 (\$874k), FRP Ingenuity Drive (\$734), FRP Collection (\$13k), Park Tower (\$1,562k), 5090 N 40th St (\$6k), SanTan (\$55k), Mission City (\$197k), Sorrento Mesa (\$236k) and Papago Tech (\$96k).

Definitions

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

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

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

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

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

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

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



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