

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2024

OR

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

Commission file number 001-37616

THE RMR GROUP INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State of Organization)

47-4122583

(IRS Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, MA 02458-1634

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code **617-796-8230**

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

Title Of Each Class	Trading Symbol	Name Of Each Exchange On Which Registered
Class A common stock, \$0.001 par value per share	RMR	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

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 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 in Section 13(a) of the Exchange Act. ☐

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

As of May 3, 2024, there were 15,730,629 shares of Class A common stock, par value \$0.001 per share, 1,000,000 shares of Class B-1 common stock, par value \$0.001 per share, and 15,000,000 shares of Class B-2 common stock, par value \$0.001 per share outstanding.

THE RMR GROUP INC.

FORM 10-Q

March 31, 2024

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PART I. Financial Information
Item 1. Financial Statements

The RMR Group Inc.
Condensed Consolidated Balance Sheets
(dollars in thousands, except per share amounts)
(unaudited)

	March 31, 2024	September 30, 2023
Assets		
Cash and cash equivalents held by The RMR Group Inc.	\$ 25,918	\$ 26,802
Cash and cash equivalents held by The RMR Group LLC	166,190	241,187
Due from related parties	87,336	111,323
Prepaid and other current assets	11,562	6,997
Total current assets	291,006	386,309
Property and equipment, net of accumulated depreciation of \$3,328 and \$3,212, respectively	15,210	5,446
Due from related parties, net of current portion	6,236	7,261
Equity method investments	22,068	18,651
Goodwill	71,620	1,859
Intangible assets, net of accumulated amortization of \$1,991 and \$983, respectively	20,477	167
Operating lease right of use assets	29,366	29,032
Deferred tax asset	16,947	18,220
Other assets, net of accumulated amortization of \$83,032 and \$78,324, respectively	110,771	115,479
Total assets	\$ 583,701	\$ 582,424
Liabilities and Equity		
Reimbursable accounts payable and accrued expenses	\$ 51,103	\$ 77,924
Accounts payable and accrued expenses	32,569	22,578
Operating lease liabilities	5,941	5,068
Total current liabilities	89,613	105,570
Operating lease liabilities, net of current portion	24,350	25,044
Amounts due pursuant to tax receivable agreement, net of current portion	20,886	20,886
Other liabilities	19,932	7,261
Mortgage note payable	4,759	—
Total liabilities	159,540	158,761
Commitments and contingencies		
Equity:		
Class A common stock, \$0.001 par value; 31,950,000 shares authorized; 15,731,049 and 15,712,007 shares issued and outstanding, respectively	16	16
Class B-1 common stock, \$0.001 par value; 1,000,000 shares authorized, issued and outstanding	1	1
Class B-2 common stock, \$0.001 par value; 15,000,000 shares authorized, issued and outstanding	15	15
Additional paid in capital	117,954	116,010
Retained earnings	425,955	413,096
Cumulative common distributions	(302,440)	(289,072)
Total shareholders' equity	241,501	240,066
Noncontrolling interest in The RMR Group LLC	182,230	183,597
Noncontrolling interest in consolidated entity	430	—
Total noncontrolling interests	182,660	183,597
Total equity	424,161	423,663
Total liabilities and equity	\$ 583,701	\$ 582,424

See accompanying notes.

The RMR Group Inc.
Condensed Consolidated Statements of Income
(amounts in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Revenues:				
Management services	\$ 48,460	\$ 47,070	\$ 93,554	\$ 95,618
Incentive fees	60	—	359	—
Advisory services	1,126	1,139	2,251	2,230
Total management, incentive and advisory services revenues	49,646	48,209	96,164	97,848
Reimbursable compensation and benefits	22,629	14,883	39,457	29,206
Reimbursable equity based compensation	242	3,232	2,569	5,521
Other reimbursable expenses	145,232	142,095	341,230	326,584
Total reimbursable costs	168,103	160,210	383,256	361,311
Total revenues	217,749	208,419	479,420	459,159
Expenses:				
Compensation and benefits	44,168	34,536	78,940	67,800
Equity based compensation	700	3,769	3,529	6,619
Separation costs	410	500	3,954	938
Total compensation and benefits expense	45,278	38,805	86,423	75,357
General and administrative	11,641	9,460	21,152	18,623
Other reimbursable expenses	145,232	142,095	341,230	326,584
Transaction and acquisition related costs	2,628	—	6,615	—
Depreciation and amortization	1,223	272	1,646	540
Total expenses	206,002	190,632	457,066	421,104
Operating income	11,747	17,787	22,354	38,055
Interest income	2,523	2,234	6,031	4,004
Gain on equity method investments	563	28,164	4,612	22,850
Income before income tax expense	14,833	48,185	32,997	64,909
Income tax expense	(2,120)	(6,883)	(4,758)	(9,367)
Net income	12,713	41,302	28,239	55,542
Net income attributable to noncontrolling interest in The RMR Group LLC	(6,863)	(22,829)	(15,394)	(30,732)
Net loss attributable to noncontrolling interest in consolidated entity	12	—	14	—
Net income attributable to The RMR Group Inc.	\$ 5,862	\$ 18,473	\$ 12,859	\$ 24,810
Weighted average common shares outstanding - basic	16,515	16,408	16,511	16,406
Weighted average common shares outstanding - diluted	31,539	31,430	31,525	31,422
Net income attributable to The RMR Group Inc. per common share - basic	\$ 0.35	\$ 1.11	\$ 0.77	\$ 1.49
Net income attributable to The RMR Group Inc. per common share - diluted	\$ 0.34	\$ 1.11	\$ 0.75	\$ 1.48

Substantially all revenues are earned from related parties. See accompanying notes.

The RMR Group Inc.
Condensed Consolidated Statements of Shareholders' Equity
(dollars in thousands)
(unaudited)

				Noncontrolling Interests in:							
	Class A Common Stock	Class B-1 Common Stock	Class B-2 Common Stock	Additional Paid In Capital	Retained Earnings	Cumulative Common Distributions	Total Shareholders' Equity	The RMR Group LLC	Consolidated Entity	Total Equity	
Balance at September 30, 2023	\$ 16	\$ 1	\$ 15	\$ 116,010	\$ 413,096	\$ (289,072)	\$ 240,066	\$ 183,597	\$ —	\$ 423,663	
Share awards, net	—	—	—	588	—	—	588	—	—	588	
Net income	—	—	—	—	6,997	—	6,997	8,531	(2)	15,526	
Tax distributions to member	—	—	—	—	—	—	—	(4,102)	—	(4,102)	
Common share distributions	—	—	—	—	—	(6,684)	(6,684)	(4,800)	—	(11,484)	
Acquisition of MPC Partnership Holdings LLC	—	—	—	—	—	—	—	—	444	444	
Balance at December 31, 2023	16	1	15	116,598	420,093	(295,756)	240,967	183,226	442	424,635	
Share awards, net	—	—	—	1,356	—	—	1,356	—	—	1,356	
Net income	—	—	—	—	5,862	—	5,862	6,863	(12)	12,713	
Tax distributions to member	—	—	—	—	—	—	—	(3,059)	—	(3,059)	
Common share distributions	—	—	—	—	—	(6,684)	(6,684)	(4,800)	—	(11,484)	
Balance at March 31, 2024	<u>\$ 16</u>	<u>\$ 1</u>	<u>\$ 15</u>	<u>\$ 117,954</u>	<u>\$ 425,955</u>	<u>\$ (302,440)</u>	<u>\$ 241,501</u>	<u>\$ 182,230</u>	<u>\$ 430</u>	<u>\$ 424,161</u>	
Balance at September 30, 2022	\$ 16	\$ 1	\$ 15	\$ 113,136	\$ 355,949	\$ (262,496)	\$ 206,621	\$ 163,118	\$ —	\$ 369,739	
Share awards, net	—	—	—	594	—	—	594	—	—	594	
Net income	—	—	—	—	6,337	—	6,337	7,903	—	14,240	
Tax distributions to member	—	—	—	—	—	—	—	(3,839)	—	(3,839)	
Common share distributions	—	—	—	—	—	(6,642)	(6,642)	(4,800)	—	(11,442)	
Balance at December 31, 2022	16	1	15	113,730	362,286	(269,138)	206,910	162,382	—	369,292	
Share awards, net	—	—	—	1,015	—	—	1,015	—	—	1,015	
Net income	—	—	—	—	18,473	—	18,473	22,829	—	41,302	
Tax distributions to member	—	—	—	—	—	—	—	(4,545)	—	(4,545)	
Common share distributions	—	—	—	—	—	(6,641)	(6,641)	(4,800)	—	(11,441)	
Balance at March 31, 2023	<u>\$ 16</u>	<u>\$ 1</u>	<u>\$ 15</u>	<u>\$ 114,745</u>	<u>\$ 380,759</u>	<u>\$ (275,779)</u>	<u>\$ 219,757</u>	<u>\$ 175,866</u>	<u>\$ —</u>	<u>\$ 395,623</u>	

See accompanying notes.

The RMR Group Inc.
Condensed Consolidated Statements of Cash Flows
(dollars in thousands)
(unaudited)

	Six Months Ended March 31,	
	2024	2023
Cash Flows from Operating Activities:		
Net income	\$ 28,239	\$ 55,542
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,646	540
Straight line office rent	(155)	(147)
Amortization expense related to other assets	4,708	4,708
Provision for deferred income taxes	1,273	3,860
Operating expenses paid in The RMR Group Inc. common shares	2,068	1,688
Distributions from investments	1,195	1,025
Gain on equity method investments	(4,612)	(22,850)
Changes in assets and liabilities:		
Due from related parties	29,366	(8,718)
Prepaid and other current assets	(3,192)	(158)
Reimbursable accounts payable and accrued expenses	(26,821)	598
Accounts payable and accrued expenses	1,301	6,027
Net cash from operating activities	<u>35,016</u>	<u>42,115</u>
Cash Flows from Investing Activities:		
Acquisition of MPC Partnership Holdings LLC, net of cash acquired	(78,771)	—
Purchase of property and equipment	(1,873)	(1,878)
Net cash used in investing activities	<u>(80,644)</u>	<u>(1,878)</u>
Cash Flows from Financing Activities:		
Distributions to noncontrolling interests	(16,761)	(17,984)
Distributions to common shareholders	(13,368)	(13,283)
Repurchase of common shares	(124)	(79)
Net cash used in financing activities	<u>(30,253)</u>	<u>(31,346)</u>
(Decrease) increase in cash and cash equivalents	(75,881)	8,891
Cash and cash equivalents at beginning of period	267,989	189,088
Cash and cash equivalents at end of period	<u>\$ 192,108</u>	<u>\$ 197,979</u>
Supplemental Disclosures:		
Income taxes paid	<u>\$ 6,537</u>	<u>\$ 5,857</u>
Non-cash investing and financing activities:		
Recognition of right of use assets and related lease liabilities	<u>\$ 2,961</u>	<u>\$ 4,023</u>
Recognition of earnout liability	<u>\$ 14,547</u>	<u>\$ —</u>
Write-off of fully depreciated property and equipment	<u>\$ 522</u>	<u>\$ 229</u>
Assumption of mortgage note payable	<u>\$ 5,429</u>	<u>\$ —</u>

RMR Group Inc.
Condensed Consolidated Statements of Cash Flows (Continued)
(dollars in thousands)
(unaudited)

Supplemental Reconciliation of Cash and Cash Equivalents:

The following table provides a reconciliation of cash and cash equivalents reported within the consolidated balance sheets to the amounts shown in the consolidated statements of cash flows:

	March 31,	
	2024	2023
Cash and cash equivalents held by The RMR Group Inc.	\$ 25,918	\$ 22,052
Cash and cash equivalents held by The RMR Group LLC	166,190	175,927
Total cash and cash equivalents shown in the statements of cash flows	<u>\$ 192,108</u>	<u>\$ 197,979</u>

See accompanying notes.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(dollars in thousands, except per share amounts)

Note 1. Organization

The RMR Group Inc., or RMR Inc., is a holding company and substantially all of its business is conducted by its majority owned subsidiary, The RMR Group LLC, or RMR LLC. RMR Inc. is a Maryland corporation and RMR LLC is a Maryland limited liability company. RMR Inc. serves as the sole managing member of RMR LLC and, in that capacity, operates and controls the business and affairs of RMR LLC. In these condensed consolidated financial statements, unless otherwise indicated, “we”, “us” and “our” refer to RMR Inc. and its direct and indirect subsidiaries, including RMR LLC.

As of March 31, 2024, RMR Inc. owned 15,731,049 class A membership units of RMR LLC, or Class A Units, and 1,000,000 class B membership units of RMR LLC, or Class B Units. The aggregate RMR LLC membership units RMR Inc. owns represented 52.7% of the economic interest of RMR LLC as of March 31, 2024. We refer to economic interest as the right of a holder of a Class A Unit or Class B Unit to share in distributions made by RMR LLC and, upon liquidation, dissolution or winding up of RMR LLC, to share in the assets of RMR LLC after payments to creditors. A wholly owned subsidiary of ABP Trust, a Maryland statutory trust, owns 15,000,000 redeemable Class A Units, representing 47.3% of the economic interest of RMR LLC as of March 31, 2024, which is presented as noncontrolling interest in The RMR Group LLC within the condensed consolidated financial statements. Adam D. Portnoy, the Chair of our Board, one of our Managing Directors and our President and Chief Executive Officer, is the sole trustee of ABP Trust, and owns all of ABP Trust’s voting securities.

RMR LLC provides management services to four publicly traded equity real estate investment trusts, or REITs: Diversified Healthcare Trust, or DHC, which owns medical office and life science properties, senior living communities and other healthcare related properties; Industrial Logistics Properties Trust, or ILPT, which owns and leases industrial and logistics properties; Office Properties Income Trust, or OPI, which owns and leases office properties primarily to single tenants and those with high credit quality characteristics; and Service Properties Trust, or SVC, which owns a diverse portfolio of hotels and service-focused retail net lease properties. DHC, ILPT, OPI and SVC are collectively referred to as the Managed Equity REITs.

RMR LLC’s wholly owned subsidiary, Tremont Realty Capital LLC, or Tremont, an investment adviser registered with the Securities and Exchange Commission, or SEC, provides advisory services for Seven Hills Realty Trust, or SEVN. SEVN is a publicly traded mortgage REIT that focuses on originating and investing in first mortgage loans secured by middle market and transitional commercial real estate. Tremont may also act as a transaction broker for non-investment advisory clients for negotiated fees, which we refer to as the Tremont business.

RMR LLC also provided management services to TravelCenters of America Inc., or TA, until it was acquired by BP Products North America Inc., or BP, on May 15, 2023. TA, a publicly traded operating company until the time BP acquired it, operates and franchises travel centers primarily along the United States, or U.S., interstate highway system, many of which are owned by SVC, and standalone truck service facilities. The Managed Equity REITs, SEVN, and until May 15, 2023, TA, are collectively referred to as the Perpetual Capital clients.

RMR LLC provides management services to AlerisLife Inc., or AlerisLife, an operator of senior living communities, many of which are owned by DHC, and Sonesta International Hotels Corporation, or Sonesta, a privately owned franchisor and operator of hotels, resorts and cruise ships in the United States, Latin America, the Caribbean and the Middle East, and many of the U.S. hotels that Sonesta operates are owned by SVC.

On December 19, 2023, or the Acquisition Date, RMR LLC acquired MPC Partnership Holdings LLC, or MPC, or the Acquisition. In connection with the Acquisition, RMR LLC started providing management services through MPC and its subsidiaries to multiple private funds and the underlying residential real estate assets of the funds, as well as property management services to third party owners. The residential real estate we manage through MPC and its subsidiaries are presented as RMR Residential in these condensed consolidated financial statements. For additional information regarding the Acquisition, see Note 3, *Acquisition of MPC Partnership Holdings LLC*.

In addition, RMR LLC provides management services to other private capital vehicles including ABP Trust and other private entities that own commercial real estate, of which certain of our Managed Equity REITs own minority equity interests. These other private clients, along with AlerisLife, Sonesta and clients of RMR Residential are collectively referred to as the Private Capital clients.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

Note 2. Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited. Certain information and disclosures required by U.S. generally accepted accounting principles, or GAAP, for complete financial statements have been condensed or omitted. We believe the disclosures made are adequate to make the information presented not misleading. However, the accompanying condensed consolidated financial statements should be read in conjunction with the financial statements and notes contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, or our 2023 Annual Report. In the opinion of management, all adjustments considered necessary for a fair statement of results for the interim period have been included. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated. Our operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

We report our results in a single reportable segment, which reflects how our chief operating decision maker, or the CODM, allocates resources and evaluates our financial results. Preparation of these financial statements in conformity with GAAP requires our management to make certain estimates and assumptions that may affect the amounts reported in these condensed consolidated financial statements and related notes. Significant estimates in the accompanying condensed consolidated financial statements include purchase price allocations, useful lives of intangibles and the fair value of certain assets and liabilities. The actual results could differ from these estimates.

Recent Accounting Pronouncements

Segments. On November 27, 2023, the Financial Accounting Standards Board, or the FASB, issued Accounting Standards Update, or ASU, No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, or ASU No. 2023-07, which requires public entities to: i) provide disclosures of significant segment expenses and other segment items if they are regularly provided to the CODM and included in each reported measure of segment profit or loss; ii) provide all annual disclosures about a reportable segment's profit or loss and assets currently required by Accounting Standards Codification, or ASC, 280, Segment Reporting, or ASC 280, in interim periods; and iii) disclose the CODM's title and position, as well as an explanation of how the CODM uses the reported measures and other disclosures. Public entities with a single reportable segment must apply all the disclosure requirements of ASU No. 2023-07, as well as all the existing segment disclosures under ASC 280. The amendments in ASU No. 2023-07 are incremental to the requirements in ASC 280 and do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. ASU No. 2023-07 should be applied retrospectively to all prior periods presented in the financial statements and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact ASU No. 2023-07 will have on our consolidated financial statements and disclosures.

Income Taxes. On December 14, 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, or ASU No. 2023-09, which requires public entities to enhance its annual income tax disclosures by requiring: i) consistent categories and greater disaggregation of information in the rate reconciliation, and ii) income taxes paid disaggregated by jurisdiction. ASU No. 2023-09 should be applied prospectively but entities have the option to apply it retrospectively to all prior periods presented in the financial statements. ASU No. 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact ASU No. 2023-09 will have on our consolidated financial statements and disclosures.

Note 3. Acquisition of MPC Partnership Holdings LLC

On the Acquisition Date, RMR LLC acquired all of the issued and outstanding equity interests of MPC, excluding certain assets (including co-investment interests of legacy investment funds managed by MPC and the rights to future distributions and income allocations in respect of such interests) and liabilities (including liabilities related to such excluded assets), for \$80,000 in cash, subject to customary adjustments for cash, debt, transaction expenses and working capital at closing, which are expected to be finalized during this fiscal year, plus up to an additional \$20,000 subject to the deployment of remaining capital commitments in investment funds managed by MPC prior to the end of such funds' investment period, or the Earnout. In addition to the Earnout, we agreed to pay retention payments to certain employees of MPC in an aggregate amount of \$4,200 for their continued employment through December 31, 2025, or the Retention Payments. The Retention Payments are recognized as transaction and acquisition related costs and are forfeitable upon termination of employment prior to the end of the service period.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

The Earnout represents contingent consideration of the Acquisition. The fair value of the Earnout was determined using a Monte Carlo simulation model based on significant unobservable inputs (Level 3), including management's estimates of the deployment of capital remaining in investment funds managed by MPC, adjusted for historical volatility of similar transactions, and a discount rate based on credit ratings of companies similar to RMR LLC. For additional information, see Note 7, *Fair Value of Financial Instruments*.

The following table summarizes the consideration transferred as of the Acquisition Date, excluding transaction costs:

Cash consideration paid by RMR LLC	\$	84,474
Earnout		14,547
Total consideration	\$	99,021

The Acquisition was accounted for as a business combination under the FASB ASC Topic 805, *Business Combinations*. The purchase price has been allocated to the assets acquired and liabilities assumed based on estimates of fair values as of the Acquisition Date. We expect to finalize the purchase price allocation as soon as practicable, but no later than one year from the Acquisition Date.

Goodwill of \$69,762 has been recognized based on the amount that the purchase price exceeds the fair value of the net identifiable assets acquired less the amounts attributable to noncontrolling interests in consolidated entity. Goodwill is expected to be deductible for income tax purposes and is primarily attributable to the workforce of the acquired business and synergies that can be achieved subsequent to the Acquisition.

The following table summarizes the fair value amounts recognized for the assets acquired and liabilities assumed and resulting goodwill as of the Acquisition Date:

Assets acquired:

Cash and cash equivalents	\$	5,703
Real estate		8,460
Due from related parties		6,788
Prepaid and other current assets		1,373
Intangible assets:		
Property management and investment management agreements		13,694
Trade name		5,047
Investor relationships		1,874
Acquired leases		703
Total intangible assets		21,318
Total assets acquired		43,642

Liabilities assumed:

Mortgage note payable		4,726
Other liabilities		9,213
Total liabilities		13,939
Net identifiable assets acquired		29,703
Noncontrolling interests in consolidated entity		(444)
Goodwill		69,762
Total consideration	\$	99,021

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

Real estate, acquired leases and mortgage note payable

We acquired a 90.0% economic ownership interest in 260 Woodstock Investor, LLC, a mixed-use apartment complex located in Woodstock, GA, or the Woodstock Property. The allocation of the fair value of the Woodstock Property and related acquired leases as of the Acquisition Date is as follows:

Land	\$	1,400
Building and improvements		7,060
Acquired leases		703
Total real estate and acquired leases	\$	9,163

We determined the fair value of the Woodstock Property and related acquired leases using Level 3 inputs and standard industry valuation methods, including discounted cash flow analyses and sales comparisons. Building and improvements had a remaining useful life of 25 years and the weighted average amortization period for acquired leases was 2.9 years as of the Acquisition Date.

A mortgage note payable with an acquisition date fair value of \$4,726 and an aggregate principal amount outstanding of \$5,429 is secured by the Woodstock Property, bears interest at a fixed rate of 3.71% per annum and matures in August 2029. Interest only payments are due on a monthly basis until September 2025, at which time payments of principal and interest are due monthly until the loan matures in August 2029. We determined the fair value of the mortgage note payable by discounting the expected cash flows at a rate comparable with interest rates for similar debt as of the Acquisition Date (Level 3 inputs). Principal payments due during the next five fiscal years are: \$0 in 2024, \$8 in 2025, \$98 in 2026, \$102 in 2027 \$5,221 in 2028 and thereafter.

The Woodstock Property is consolidated in these condensed consolidated financial statements. The Woodstock Property is included in property and equipment, net, and the related acquired leases are included in goodwill and intangibles assets, net of amortization, in our condensed consolidated balance sheets. The Acquisition Date fair value of the noncontrolling interest in the Woodstock Property (10% ownership we did not acquire) of \$444 is reflected in noncontrolling interests in consolidated entity in our condensed consolidated balance sheets.

Property management and investment management agreements

As of the Acquisition Date, MPC managed 66 properties, including 14 in which MPC did not have an economic ownership interest in, or the Third Party Managed Properties, through its property management agreements and managed four funds through its investment management agreements. The property management agreements may be terminated upon written notice and generally provide for property management fees ranging from 2.5% to 3.5% of gross collected rents, construction management fees of 5.0% of construction costs and reimbursement of costs incurred to manage the properties. The investment management agreements generally provide for fees that are based on the lesser of a percentage of invested capital and a fixed fee ranging from \$100 to \$200 annually. The weighted average remaining useful life of these agreements was 5.6 years.

Trade name

MPC operates many of its residential properties under the trade name ARIUM. We concluded this asset has an indefinite life.

Investor relationships

MPC has relationships with institutional investors that have invested in, and may continue to invest in, the funds managed by MPC. The weighted average remaining useful life of these relationships was 5.0 years.

Managed funds

As of the Acquisition Date and pursuant to the Equity Purchase Agreement, dated as of July 29, 2023, by and among RMR LLC, MPC, and the sellers and seller owners set forth therein, we managed four funds that invest in residential real estate. Three of the four funds have no unfunded capital commitments remaining. As of the Acquisition Date, CARROLL Multifamily Venture VII, LP, or Fund VII, had \$208,026 in unfunded capital commitments remaining from total capital commitments of \$342,825. In the future, we will be eligible to participate in distributions and profits interests on investments from capital

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commitments we provide to Fund VII, or Investment Interest; however, we had no Investment Interest in Fund VII as of the Acquisition Date, and as of the Acquisition Date, we had no obligations nor rights to any distributions or profits interests from investments of capital contributed on or prior to the Acquisition Date.

As of March 31, 2024, we have not contributed any capital to Fund VII or any of the other funds we manage. Accordingly, the results of such funds are not reflected in our condensed consolidated financial statements.

Pro Forma Financial Information

Unaudited pro forma financial information for the three and six months ended March 31, 2024 and 2023, is presented below. Pro forma financial information presented does not include adjustments related to the Earnout or to reflect any potential synergies that may be achievable in connection with the Acquisition. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of future operations or results had the Acquisition been completed as of October 1, 2022.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Total revenues	\$ 217,749	\$ 225,331	\$ 491,038	\$ 492,983
Net income	14,406	36,247	24,350	40,341
Net income attributable to The RMR Group Inc.	6,617	16,267	11,132	18,135

The amounts above reflect certain pro forma adjustments that were directly attributable to the Acquisition as follows:

- adjustments to eliminate the revenues and expenses attributable to certain assets and liabilities of MPC excluded from the Acquisition, including co-investment interests of investment funds owned by MPC and the rights to future distributions and income allocations of those co-investment interests, and the liabilities related to such assets;
- adjustments to amortize the intangible assets recognized as a result of the Acquisition;
- adjustments to the historical depreciation of MPC's property and equipment to reflect the depreciation resulting from the fair value measurement of such property and equipment;
- adjustments to interest expense resulting from the fair value measurement of the mortgage note payable; and
- adjustments to reflect the related transaction costs of \$5,962 as if they had occurred as of October 1, 2022.

Note 4. Revenue Recognition

Revenues from services we provide are recognized as earned over time as the services provided represent performance obligations that are satisfied over time.

Management Agreements with the Managed Equity REITs

We are party to a business management and a property management agreement with each Managed Equity REIT. The following is a summary of the fees we earn pursuant to our business management agreements with the Managed Equity REITs. For a summary of the fees we earn pursuant to our property management agreements with the Managed Equity REITs, see *Property Management Agreements*, below.

Base Business Management Fees — We earn annual base business management fees from the Managed Equity REITs by providing continuous services pursuant to business management agreements equal to the lesser of:

- the sum of (a) 0.5% of the historical cost of transferred real estate assets, if any, as defined in the applicable business management agreement, plus (b) 0.7% of the average invested capital (exclusive of the transferred real estate assets), as defined in the applicable business management agreement, up to \$250,000, plus (c) 0.5% of the average invested capital exceeding \$250,000; and

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- the sum of (a) 0.7% of the average market capitalization, as defined in the applicable business management agreement, up to \$250,000, plus (b) 0.5% of the average market capitalization exceeding \$250,000.

The foregoing base business management fees are paid in cash monthly in arrears.

We earned aggregate base business management fees from the Managed Equity REITs of \$21,246 and \$21,484 for the three months ended March 31, 2024 and 2023, respectively, and \$42,796 and \$42,857 for the six months ended March 31, 2024 and 2023, respectively.

Incentive Business Management Fees — We also may earn annual incentive business management fees from the Managed Equity REITs under the business management agreements. The incentive business management fees, which are payable in cash, are contingent performance based fees recognized only when earned at the end of each respective measurement period. Incentive business management fees are excluded from the transaction price until it becomes probable that there will not be a significant reversal of cumulative revenue recognized.

The incentive business management fees are calculated for each Managed Equity REIT as 12.0% of the product of (a) the equity market capitalization of the Managed Equity REIT, as defined in the applicable business management agreement, on the last trading day of the year immediately prior to the relevant measurement period and (b) the amount, expressed as a percentage, by which the Managed Equity REIT's total return per share, as defined in the applicable business management agreement, exceeded the applicable benchmark total return per share, as defined in the applicable business management agreement, of a specified REIT index identified in the applicable business management agreement for the measurement period, as adjusted for net share issuances during the period and subject to caps on the values of the incentive fees. The measurement period for the annual incentive business management fees is defined as the three year period ending on December 31 of the year for which such fee is being calculated.

We did not earn incentive business management fees from the Managed Equity REITs for calendar years 2023 or 2022.

Other Management Agreements

We earn management fees by providing continuous services pursuant to the management agreements with ABP Trust regarding AlerisLife; with Sonesta and, until May 15, 2023, with TA; equal to 0.6% of: (i) in the case of AlerisLife, AlerisLife's revenues from all sources reportable under GAAP, less any revenues reportable by AlerisLife with respect to properties for which it provides management services, plus the gross revenues at those properties determined in accordance with GAAP, payable in cash monthly in arrears; (ii) in the case of Sonesta, Sonesta's estimated revenues from all sources reportable under GAAP, less any estimated revenues reportable by Sonesta with respect to hotels for which it provides management services, plus the estimated gross revenues at those hotels determined in accordance with GAAP, payable in cash monthly in advance; and (iii) in the case of TA, the sum of TA's gross fuel margin, as defined in the applicable agreement, plus TA's total nonfuel revenues, payable in cash monthly in advance.

We also earn management fees from certain other Private Capital clients based on a percentage of average invested capital, as defined in the applicable management agreements. These management fees are payable in cash monthly in arrears.

We earned aggregate base business management fees from TA and the Private Capital clients of \$6,613 and \$10,162 for the three months ended March 31, 2024 and 2023, respectively, and \$13,295 and \$20,740 for the six months ended March 31, 2024 and 2023, respectively.

Property Management Agreements

We earn property management fees by providing continuous services pursuant to property management agreements with the Managed Equity REITs, SEVN, RMR Residential and certain Private Capital clients. We generally earn fees under these agreements between 2.5% to 3.5% of gross collected rents. Also, under the terms of the property management agreements, we receive additional fees for construction supervision services up to 5.0% of the cost of such construction. In addition, we earn fees under our RMR Residential property management agreements for providing certain marketing, information technology and other management services, as defined in the applicable management agreements, and the related costs are included in general and administrative expenses in our condensed consolidated financial statements. These management fees are payable in cash monthly in arrears.

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For the three months ended March 31, 2024 and 2023, we earned aggregate property management fees of \$20,601 and \$15,424, respectively, including construction supervision fees of \$3,611 and \$4,016, respectively. For the six months ended March 31, 2024 and 2023, we earned aggregate property management fees of \$37,463 and \$32,021, respectively, including construction supervision fees of \$8,882 and \$9,702, respectively.

Management Agreements with Advisory Clients

Tremont is primarily compensated pursuant to its management agreement with SEVN at an annual rate of 1.5% of equity, as defined in the applicable agreement. Tremont may also earn an incentive fee under its management agreement with SEVN equal to the difference between: (a) the product of (i) 20% and (ii) the difference between (A) core earnings, as defined in the agreement, for the most recent 12 month period (or such lesser number of completed calendar quarters, if applicable), including the calendar quarter (or part thereof) for which the calculation of the incentive fee is being made, and (B) the product of (1) equity in the most recent 12 month period (or such lesser number of completed calendar quarters, if applicable), including the calendar quarter (or part thereof) for which the calculation of the incentive fee is being made, and (2) 7% per year and (b) the sum of any incentive fees paid to Tremont with respect to the first three calendar quarters of the most recent 12 month period (or such lesser number of completed calendar quarters preceding the applicable period, if applicable). No incentive fee shall be payable with respect to any calendar quarter unless core earnings for the 12 most recently completed calendar quarters in the aggregate is greater than zero. The incentive fee may not be less than zero. Tremont earned incentive fees from SEVN of \$60 and \$359 for the three and six months ended March 31, 2024, respectively. Tremont did not earn incentive fees from SEVN for the three or six months ended March 31, 2023.

We earned advisory services revenue of \$1,126 and \$1,139 for the three months ended March 31, 2024 and 2023, respectively, and \$2,251 and \$2,230 for the six months ended March 31, 2024 and 2023, respectively.

Reimbursable Costs

We determined we control the services provided by third parties for certain of our clients and therefore account for the cost of these services and the related reimbursement revenue on a gross basis.

Reimbursable Compensation and Benefits — Reimbursable compensation and benefits include reimbursements, at cost, that arise primarily from services our employees provide pursuant to our property management agreements at the properties of our clients. A significant portion of these compensation and benefits are charged or passed through to and paid by tenants of our clients. We recognize the revenue for reimbursements when we incur the related reimbursable compensation and benefits expense on behalf of our clients.

Reimbursable Equity Based Compensation — Reimbursable equity based compensation includes awards of common shares by our clients directly to certain of our officers and employees in connection with the provision of management services to those clients. The revenue in respect of each award is based on the fair value as of the award date for those shares that have vested, with subsequent changes in the fair value of the unvested awards being recognized in our condensed consolidated statements of income over the requisite service periods. We record an equal, offsetting amount as equity based compensation expense for the value of these awards.

Other Reimbursable Expenses — Other reimbursable expenses include reimbursements that arise from services we provide pursuant to our property management agreements, which include third party costs related to matters such as maintenance and repairs, development costs, security and cleaning services, a significant portion of which are charged or passed through to and paid by tenants of our clients.

Note 5. Equity Method Investments

Seven Hills Realty Trust

As of March 31, 2024, Tremont owned 1,708,058, or approximately 11.5%, of SEVN's outstanding common shares. We account for our investment in SEVN using the equity method of accounting because we are deemed to exert significant influence, but not control, over SEVN's most significant activities. We elected the fair value option to account for our equity method investment in SEVN and determine fair value using the closing price of SEVN's common shares as of the end of the period, which is a Level 1 fair value input. The aggregate market value of our investment in SEVN as of March 31, 2024 and September 30, 2023, based on quoted market prices, was \$22,068 and \$18,651, respectively. The unrealized gain in our condensed consolidated statements of income related to our investment in SEVN was \$563 and \$2,221 for the three months

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ended March 31, 2024 and 2023, respectively, and \$4,612 and \$2,597 for the six months ended March 31, 2024 and 2023, respectively. We received distributions from SEVN of \$597 and \$598 for the three months ended March 31, 2024 and 2023, respectively, and \$1,195 and \$1,025 for the six months ended March 31, 2024 and 2023, respectively.

TravelCenters of America Inc.

Until BP acquired TA on May 15, 2023, we owned 621,853, or approximately 4.1%, of TA's outstanding common shares, that had a cost of \$13,701. We previously accounted for our investment in TA using the equity method of accounting because we were deemed to exert significant influence, but not control, over TA's most significant activities. Under the fair value option, we determined fair value using the closing price of TA's common shares as of the end of the period, which was a Level 1 fair value input, and recorded changes in fair value in earnings in our condensed consolidated statements of income. We recorded gains in our consolidated statements of income related to our investment in TA of \$25,943 and \$20,253 for the three and six months ended March 31, 2023, respectively.

Note 6. Income Taxes

We are the sole managing member of RMR LLC. We are a corporation subject to U.S. federal and state income tax with respect to our allocable share of any taxable income of RMR LLC and its tax consolidated subsidiaries. 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, based on each member's respective ownership percentage.

For the three months ended March 31, 2024 and 2023, we recognized estimated income tax expense of \$2,120 and \$6,883, respectively, which includes \$1,635 and \$5,043, respectively, of U.S. federal income tax and \$485 and \$1,840, respectively, of state income taxes. For the six months ended March 31, 2024 and 2023, we recognized estimated income tax expense of \$4,758 and \$9,367, respectively, which includes \$3,336 and \$6,863, respectively, of U.S. federal income tax and \$1,422 and \$2,504, respectively, of state income taxes.

A reconciliation of the statutory income tax rate to the effective tax rate is as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Income taxes computed at the federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	2.5 %	3.1 %	2.6 %	3.0 %
Permanent items	0.5 %	0.2 %	0.6 %	0.3 %
Net income attributable to noncontrolling interest	(9.7)%	(10.0)%	(9.8)%	(9.9)%
Total	14.3 %	14.3 %	14.4 %	14.4 %

ASC 740, *Income Taxes*, provides a model for how a company should recognize, measure and present in its financial statements uncertain tax positions that have been taken or are expected to be taken with respect to all open years and in all significant jurisdictions. Pursuant to this topic, we recognize a tax benefit only if it is "more likely than not" that a particular tax position will be sustained upon examination or audit. To the extent the "more likely than not" standard has been satisfied, the benefit associated with a tax position is measured as the largest amount that is greater than 50.0% likely to be realized upon settlement. As of March 31, 2024 and 2023, we had no uncertain tax positions.

Note 7. Fair Value of Financial Instruments

As of March 31, 2024 and September 30, 2023, the fair values of our financial instruments, which include cash and cash equivalents, amounts due from related parties, accounts payable and reimbursable accounts payable, were not materially different from their carrying values due to the short term nature of these financial instruments. As of March 31, 2024, our fixed rate mortgage note payable had a carrying value of \$4,759 and a fair value of \$4,824. We estimate the fair value of our fixed rate mortgage note payable using significant unobservable inputs (Level 3), including discounted cash flow analyses and prevailing market interest rates.

On a recurring basis, we measure certain financial assets and financial liabilities at fair value based upon quoted market prices. ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques

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used to measure fair value. The hierarchy gives the highest priority to inputs from unadjusted quoted prices in active markets for identical assets and liabilities, or Level 1, the lowest priority to unobservable inputs, or Level 3, and significant other observable inputs, or Level 2. A financial asset's or financial liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The tables below presents our financial assets and liabilities measured at fair value on a recurring basis:

March 31, 2024				
	Total	Level 1	Level 2	Level 3
Due from related parties related to share based payment awards	\$ 8,261	\$ 8,261	\$ —	\$ —
Equity method investment in SEVN	22,068	22,068	—	—
Employer compensation liability related to share based payment awards	8,261	8,261	—	—
Earnout liability	14,847	—	—	14,847

September 30, 2023				
	Total	Level 1	Level 2	Level 3
Due from related parties related to share based payment awards	\$ 10,695	\$ 10,695	\$ —	\$ —
Equity method investment in SEVN	18,651	18,651	—	—
Employer compensation liability related to share based payment awards	10,695	10,695	—	—

The following table presents additional information about the valuation techniques and significant unobservable inputs for financial assets and liabilities that are measured at fair value and categorized within Level 3 as of March 31, 2024:

	Fair Value	Valuation Technique	Unobservable Input	Range
Earnout liability	\$ 14,847	Monte Carlo	Capital deployment volatility	15.00%
			Discount rate	5.80%

The table below presents a summary of the changes in fair value for our Earnout liability measured on a recurring basis:

	Three Months Ended March 31, 2024	Six Months Ended March 31, 2024
Beginning balance	\$ 14,547	\$ —
Acquisition of MPC Partnership Holdings LLC	—	14,547
Changes in fair value for our Earnout liability measured on a recurring basis	300	300
Ending balance	\$ 14,847	\$ 14,847

Note 8. Related Person Transactions

Adam D. Portnoy, Chair of our Board, one of our Managing Directors and our President and Chief Executive Officer, is the sole trustee, an officer and the controlling shareholder of our controlling shareholder, ABP Trust, and owns all of ABP Trust's voting securities and a majority of the economic interests of ABP Trust. RMR Inc.'s executive officers are officers and employees of RMR LLC, and Jennifer B. Clark, our other Managing Director, and Matthew P. Jordan, our Executive Vice President, Chief Financial Officer and Treasurer, are also officers of ABP Trust.

Mr. Portnoy is the chair of the board and a managing trustee of each of the Perpetual Capital clients, the controlling shareholder and a director of Sonesta (and its parent) and was the chair of the board and a managing director of AlerisLife until March 20, 2023 when AlerisLife was acquired by ABP Trust. Since March 20, 2023, Mr. Portnoy is the sole director of AlerisLife. Mr. Portnoy was the chair of the board and a managing director of TA until May 15, 2023 when TA was acquired by BP. Ms. Clark is a managing trustee of OPI and a director of Sonesta (and its parent), and she previously served as a managing director of AlerisLife until March 20, 2023. Ms. Clark also serves as the secretary of all the Perpetual Capital clients, Sonesta and AlerisLife.

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As of March 31, 2024, Mr. Portnoy beneficially owned 13.5% of SEVN's outstanding common shares (including through Tremont and ABP Trust) and 9.8% of DHC's outstanding common shares (including through ABP Trust). In addition, Mr. Portnoy beneficially owns shares of ILPT, OPI, SVC, and prior to May 15, 2023, TA, comprising less than 5.0% of the outstanding shares of each of those respective companies.

The Managed Equity REITs and SEVN have no employees. RMR LLC provides or arranges for all the personnel, overhead and services required for the operation of the Managed Equity REITs pursuant to management agreements with them. The officers of the Managed Equity REITs are officers or employees of RMR LLC. All the officers, overhead and required office space of SEVN are provided or arranged by Tremont. All of SEVN's officers are officers or employees of Tremont or RMR LLC. Some of the executive officers of TA (prior to May 15, 2023), one of the executive officers of AlerisLife and one of the executive officers of Sonesta are (or were with respect to TA) officers or employees of RMR LLC. Our executive officers are also managing trustees of certain of the Perpetual Capital clients.

Additional information about our related person transactions appears in Note 9, *Shareholders' Equity*, and in our 2023 Annual Report.

Revenues from Related Parties

For the three months ended March 31, 2024 and 2023, we recognized revenues from related parties as set forth in the following table:

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Total Management and Advisory Services Revenues	Total Reimbursable Costs	Total Revenues	Total Management and Advisory Services Revenues	Total Reimbursable Costs	Total Revenues
Perpetual Capital:						
DHC	\$ 6,089	\$ 26,789	\$ 32,878	\$ 5,482	\$ 28,597	\$ 34,079
ILPT	9,289	8,939	18,228	9,244	9,215	18,459
OPI	7,708	47,914	55,622	9,877	83,449	93,326
SVC	11,090	60,139	71,229	9,970	20,230	30,200
Total Managed Equity REITs	34,176	143,781	177,957	34,573	141,491	176,064
SEVN	1,195	1,478	2,673	1,139	1,186	2,325
TA ⁽¹⁾	—	—	—	3,785	1,748	5,533
	35,371	145,259	180,630	39,497	144,425	183,922
Private Capital:						
AlerisLife ⁽²⁾	1,451	—	1,451	1,369	—	1,369
Sonesta	2,000	—	2,000	2,032	29	2,061
RMR Residential	5,462	7,413	12,875	—	—	—
Other private entities	5,362	15,431	20,793	5,311	15,756	21,067
	14,275	22,844	37,119	8,712	15,785	24,497
Total revenues	\$ 49,646	\$ 168,103	\$ 217,749	\$ 48,209	\$ 160,210	\$ 208,419

(1) On May 15, 2023, BP acquired TA and TA terminated its management agreement with us.

(2) On March 20, 2023, AlerisLife merged with and into a subsidiary of ABP Trust and ceased to be a public company. As a result, the revenues earned with respect to AlerisLife are characterized as Private Capital for all periods presented. For further information about this transaction please see "ABP Trust's Acquisition of AlerisLife" below.

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For the six months ended March 31, 2024 and 2023, we recognized revenues from related parties as set forth in the following table:

	Six Months Ended March 31, 2024			Six Months Ended March 31, 2023		
	Total Management and Advisory Services Revenues	Total Reimbursable Costs	Total Revenues	Total Management and Advisory Services Revenues	Total Reimbursable Costs	Total Revenues
Perpetual Capital:						
DHC	\$ 12,410	\$ 72,005	\$ 84,415	\$ 11,938	\$ 80,469	\$ 92,407
ILPT	18,330	19,615	37,945	18,264	19,951	38,215
OPI	16,187	116,291	132,478	20,085	178,984	199,069
SVC	22,713	133,938	156,651	19,738	40,825	60,563
Total Managed Equity REITs	69,640	341,849	411,489	70,025	320,229	390,254
SEVN	2,628	3,012	5,640	2,230	2,323	4,553
TA ⁽¹⁾	—	—	—	7,976	3,476	11,452
	72,268	344,861	417,129	80,231	326,028	406,259
Private Capital:						
AlerisLife ⁽²⁾	2,833	—	2,833	2,633	97	2,730
Sonesta	4,223	—	4,223	4,158	544	4,702
RMR Residential	6,176	8,325	14,501			
Other private entities	10,664	30,070	40,734	10,826	34,642	45,468
	23,896	38,395	62,291	17,617	35,283	52,900
Total revenues	\$ 96,164	\$ 383,256	\$ 479,420	\$ 97,848	\$ 361,311	\$ 459,159

(1) On May 15, 2023, BP acquired TA and TA terminated its management agreement with us.

(2) On March 20, 2023, AlerisLife merged with and into a subsidiary of ABP Trust and ceased to be a public company. As a result, the revenues earned with respect to AlerisLife are characterized as Private Capital for all periods presented. For further information about this transaction please see “*ABP Trust’s Acquisition of AlerisLife*” below.

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Amounts Due From Related Parties

The following table presents amounts due from related parties as of the dates indicated:

	March 31, 2024			September 30, 2023		
	Accounts Receivable	Reimbursable Costs	Total	Accounts Receivable	Reimbursable Costs	Total
Perpetual Capital:						
DHC	\$ 5,614	\$ 9,420	\$ 15,034	\$ 5,953	\$ 13,434	\$ 19,387
ILPT	4,269	5,272	9,541	4,597	5,869	10,466
OPI	7,075	27,116	34,191	7,427	51,912	59,339
SVC	5,307	9,422	14,729	5,528	8,423	13,951
Total Managed Equity REITs	22,265	51,230	73,495	23,505	79,638	103,143
SEVN	1,251	1,412	2,663	1,663	1,921	3,584
	23,516	52,642	76,158	25,168	81,559	106,727
Private Capital:						
AlerisLife ⁽¹⁾	551	—	551	74	—	74
Sonesta	83	—	83	89	—	89
RMR Residential	5,497	—	5,497	—	—	—
Other private entities	4,561	6,722	11,283	4,634	7,060	11,694
	10,692	6,722	17,414	4,797	7,060	11,857
	\$ 34,208	\$ 59,364	\$ 93,572	\$ 29,965	\$ 88,619	\$ 118,584

(1) On March 20, 2023, AlerisLife merged with and into a subsidiary of ABP Trust and ceased to be a public company. As a result, the amounts due with respect to AlerisLife are characterized as Private Capital for all periods presented. For further information about this transaction please see “ABP Trust’s Acquisition of AlerisLife” below.

Leases

As of March 31, 2024, RMR LLC leased from ABP Trust and certain Managed Equity REITs office space for use as our headquarters and local offices. We incurred rental expense under related party leases aggregating \$1,438 and \$1,398 for the three months ended March 31, 2024 and 2023, respectively, and \$2,745 and \$2,831 for the six months ended March 31, 2024 and 2023, respectively.

Tax-Related Payments

Pursuant to our tax receivable agreement with ABP Trust, RMR Inc. pays to ABP Trust 85.0% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that RMR Inc. realizes as a result of (a) the increases in tax basis attributable to RMR Inc.’s dealings with ABP Trust and (b) tax benefits related to imputed interest deemed to be paid by RMR Inc. as a result of the tax receivable agreement. As of March 31, 2024, our condensed consolidated balance sheet reflects a liability related to the tax receivable agreement of \$23,229, including \$2,343 classified as a current liability in accounts payable and accrued expenses that we expect to pay to ABP Trust during the fourth quarter of fiscal year 2024.

Under the RMR LLC operating agreement, RMR LLC is also required to make certain pro rata distributions to each member of RMR LLC quarterly on the basis of the estimated tax liabilities of its members, estimated quarterly, subject to future adjustment based on actual results. For the six months ended March 31, 2024 and 2023, RMR LLC made required quarterly tax distributions to holders of its membership units totaling \$15,253 and \$17,755, respectively, of which \$8,092 and \$9,371, respectively, was distributed to us and \$7,161 and \$8,384, respectively, was distributed to ABP Trust. The amounts distributed to us were eliminated in our condensed consolidated financial statements, and the amounts distributed to ABP Trust were recorded as a reduction of its noncontrolling interest. We used funds from these distributions to pay certain of our U.S. federal and state income tax liabilities and to pay part of our obligations under the tax receivable agreement.

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Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

ABP Trust's Acquisition of AlerisLife

On March 20, 2023, ABP Trust acquired AlerisLife, or the AlerisLife Acquisition. In connection with the AlerisLife Acquisition, AlerisLife terminated its management agreement with RMR LLC and RMR LLC waived its right to receive payment of the termination fee that would have otherwise resulted due to such termination. In consideration of this waiver, RMR LLC and ABP Trust amended and restated their management agreement to provide that (i) RMR LLC will also provide services to AlerisLife at ABP Trust's request, (ii) ABP Trust will pay to RMR LLC management fees with respect to AlerisLife, which fees are calculated based upon AlerisLife's revenues in the same manner as such fees would have been calculated under AlerisLife's terminated management agreement with RMR LLC, and (iii) AlerisLife's properties will not be subject to ABP Trust's property management agreement with RMR LLC.

Separation Arrangements

We enter into retirement agreements with certain of our former executive officers. Pursuant to these agreements, we make various cash payments and accelerate the vesting of unvested shares of RMR Inc. previously awarded to these retiring officers. We also enter into separation arrangements from time to time with executive and nonexecutive officers and employees of ours. All costs associated with separation arrangements, for which there remain no substantive performance obligations, are recorded in our condensed consolidated statements of income as separation costs.

RMR LLC entered into a letter agreement, or the Retirement Agreement, dated November 15, 2023, with Jennifer Francis, a former Executive Vice President of RMR LLC. Ms. Francis also served as president and chief executive officer and was a managing trustee of DHC. Ms. Francis resigned as our Executive Vice President, effective December 31, 2023, and will continue to serve as a managing trustee of DHC until the earlier of (i) the DHC 2024 annual meeting of shareholders, (ii) July 1, 2024 or (iii) as requested by RMR LLC or the board of trustees of DHC. In addition, Ms. Francis will continue to serve as an employee of RMR LLC until July 1, 2024, or the Retirement Date. Pursuant to the Retirement Agreement, RMR LLC paid Ms. Francis her then current cash salary compensation through December 31, 2023 and is paying her \$10 per month from January 1, 2024 until the Retirement Date. In addition, RMR LLC agreed to pay Ms. Francis a combined cash payment in the amount of \$2,250 with half of that amount paid on January 31, 2024 and the other half expected to be paid on or about August 1, 2024, subject to her execution of a customary release. Pursuant to the Retirement Agreement, RMR LLC recommended that the Company's Compensation Committee approve the acceleration of vesting of Ms. Francis' unvested shares of the Company, effective as of the Retirement Date. We recorded approximately \$176 of equity based separation costs related to the acceleration of these shares for the three months ended March 31, 2024. The Retirement Agreement contains other customary terms and conditions, including confidentiality, non-solicitation, and other covenants and a waiver and release.

For the three months ended March 31, 2024 and 2023, we recognized separation costs of \$410 and \$500, respectively, including equity based separation costs of \$410 and \$68, respectively, and cash separation costs of \$0 and \$432, respectively. For the six months ended March 31, 2024 and 2023, we recognized separation costs of \$3,954 and \$938, respectively, including equity based separation costs of \$508 and \$126, respectively, and, cash separation costs of \$3,446 and \$812, respectively.

Note 9. Shareholders' Equity

We award our Class A common stock, or Class A Common Shares, to our Directors, officers and employees under the Amended and Restated 2016 Omnibus Equity Plan, or the 2016 Plan. Director share awards vest immediately. Officer and employee share awards vest in five equal, consecutive, annual installments, with the first installment vesting on the date of award. We recognize forfeitures as they occur. Compensation expense related to share awards is determined based on the market value of our shares on the date of award, with the aggregate value of the awarded shares amortized to expense over the related vesting period. Expense recognized for Director share awards are included in general and administrative expenses and expense recognized for officer and employee share awards are included in equity based compensation in our condensed consolidated statements of income.

On March 27, 2024, we awarded 4,219 of our Class A Common Shares, valued at \$23.70 per share, the closing price of our Class A Common Shares on The Nasdaq Stock Market LLC, or Nasdaq, on that day, to each of our Directors as part of his or her annual compensation for serving as a Director. For the six months ended March 31, 2024, we recorded general and administrative expense of \$600 for these awards.

Equity based compensation expense related to shares awarded to certain officers and employees was \$458 and \$537 for the three months ended March 31, 2024 and 2023, respectively, and \$960 and \$1,098 for the six months ended March 31, 2024 and

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

2023, respectively. As of March 31, 2024, we had 189,800 unvested shares outstanding which are scheduled to vest as follows: 76,280 shares in 2024, 51,960 shares in 2025, 39,840 shares in 2026 and 21,720 in 2027.

In connection with the vesting and issuance of awards of our Class A Common Shares to our Directors, officers and employees, we provide for the ability to repurchase our Class A Common Shares to satisfy tax withholding and payment obligations for those eligible to do so. The repurchase price is based on the closing price of our Class A Common Shares on the date of repurchase. The aggregate value of 4,892 Class A Common Shares repurchased during the six months ended March 31, 2024 was \$124, which is recorded as a decrease to additional paid in capital included in shareholders' equity in our condensed consolidated balance sheets.

In connection with the issuances and repurchases of our Class A Common Shares, and as required by the RMR LLC operating agreement, RMR LLC concurrently issues or acquires an identical number of Class A Units from RMR Inc.

Distributions

During the six months ended March 31, 2024 and 2023, we declared and paid dividends on our Class A Common Shares and Class B-1 common stock, or Class B-1 Common Shares, as follows:

Declaration Date	Record Date	Paid Date	Distributions Per Common Share	Total Distributions
<i>Six Months Ended March 31, 2024</i>				
10/12/2023	10/23/2023	11/16/2023	\$ 0.40	\$ 6,684
1/11/2024	1/22/2024	2/15/2024	0.40	6,684
			<u>\$ 0.80</u>	<u>\$ 13,368</u>
<i>Six Months Ended March 31, 2023</i>				
10/13/2022	10/24/2022	11/17/2022	\$ 0.40	\$ 6,642
1/12/2023	1/23/2023	2/16/2023	0.40	6,641
			<u>\$ 0.80</u>	<u>\$ 13,283</u>

These dividends were funded in part by distributions from RMR LLC to holders of its membership units as follows:

Declaration Date	Record Date	Paid Date	Distributions Per RMR LLC Membership Unit	Total RMR LLC Distributions	RMR LLC Distributions to RMR Inc.	RMR LLC Distributions to ABP Trust
<i>Six Months Ended March 31, 2024</i>						
10/12/2023	10/23/2023	11/16/2023	\$ 0.32	\$ 10,148	\$ 5,348	\$ 4,800
1/11/2024	1/22/2024	2/15/2024	0.32	10,147	5,347	4,800
			<u>\$ 0.64</u>	<u>\$ 20,295</u>	<u>\$ 10,695</u>	<u>\$ 9,600</u>
<i>Six Months Ended March 31, 2023</i>						
10/13/2022	10/24/2022	11/17/2022	\$ 0.32	\$ 10,114	\$ 5,314	\$ 4,800
1/12/2023	1/23/2023	2/16/2023	0.32	10,113	5,313	4,800
			<u>\$ 0.64</u>	<u>\$ 20,227</u>	<u>\$ 10,627</u>	<u>\$ 9,600</u>

The remainder of the dividends noted above were funded with cash accumulated at RMR Inc.

On April 11, 2024, we declared a quarterly dividend on our Class A Common Shares and Class B-1 Common Shares to our shareholders of record as of April 22, 2024, in the amount of \$0.45 per Class A Common Share and Class B-1 Common Share, or \$7,529. This dividend will be partially funded by a distribution from RMR LLC to holders of its membership units in the amount of \$0.32 per unit, or \$10,154, of which \$5,354 will be distributed to us based on our aggregate ownership of 16,730,629 membership units of RMR LLC and \$4,800 will be distributed to ABP Trust based on its ownership of 15,000,000 membership units of RMR LLC. The remainder of this dividend will be funded with cash held by RMR Inc. We expect to pay this dividend on or about May 16, 2024.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

Note 10. Per Common Share Amounts

We calculate basic earnings per share using the two-class method. Unvested Class A Common Shares awarded to our employees are deemed participating securities for purposes of calculating basic earnings per common share because they have dividend rights. Under the two-class method, we allocate earnings proportionately to vested Class A Common Shares and Class B-1 Common Shares outstanding and unvested Class A Common Shares outstanding for the period. Accordingly, earnings attributable to unvested Class A Common Shares are excluded from basic earnings per share under the two-class method. Our Class B-2 common stock of RMR Inc., or Class B-2 Common Shares, which are paired with ABP Trust's Class A Units, have no independent economic interest in RMR Inc. and thus are not included as common shares outstanding for purposes of calculating basic earnings per common share.

Diluted earnings per share is calculated using the treasury stock method for unvested Class A Common Shares and the if-converted method for Class B-2 Common Shares. The 15,000,000 Class A Units that we do not own may be redeemed for our Class A Common Shares on a one-for-one basis, or upon such redemption, we may elect to pay cash instead of issuing Class A Common Shares. Upon redemption of a Class A Unit, the Class B-2 Common Share "paired" with such unit is canceled for no additional consideration. In computing the dilutive effect, if any, the assumed redemption would have on earnings per share, we considered net income available to holders of our Class A Common Shares would increase due to elimination of the noncontrolling interest offset by any tax effect, which may be dilutive. For the three months and six months ended March 31, 2024 and 2023, the assumed redemption is dilutive to earnings per share as presented in the table below.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

The calculation of basic and diluted earnings per share for the three and six months ended March 31, 2024 and 2023, is as follows (amounts in thousands, except per share amounts):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Numerators:				
Net income attributable to The RMR Group Inc.	\$ 5,862	\$ 18,473	\$ 12,859	\$ 24,810
Less: income attributable to unvested participating securities	(78)	(219)	(159)	(298)
Net income attributable to The RMR Group Inc. used in calculating basic EPS	5,784	18,254	12,700	24,512
Effect of dilutive securities:				
Add back: income attributable to unvested participating securities	78	219	159	298
Add back: net income attributable to noncontrolling interest in The RMR Group LLC ⁽¹⁾	6,863	22,829	15,394	30,732
Add back: income tax expense	2,120	6,883	4,758	9,367
Less: income tax expense assuming redemption of noncontrolling interest's Class A Units for Class A Common Shares ⁽²⁾	(4,268)	(13,308)	(9,398)	(18,289)
Net income used in calculating diluted EPS	\$ 10,577	\$ 34,877	\$ 23,613	\$ 46,620
Denominators:				
Common shares outstanding	16,731	16,620	16,731	16,620
Less: unvested participating securities and incremental impact of weighted average	(216)	(212)	(220)	(214)
Weighted average common shares outstanding - basic	16,515	16,408	16,511	16,406
Effect of dilutive securities:				
Add: assumed redemption of noncontrolling interest's Class A Units for Class A Common Shares	15,000	15,000	15,000	15,000
Add: incremental unvested shares	24	22	14	16
Weighted average common shares outstanding - diluted	31,539	31,430	31,525	31,422
Net income attributable to The RMR Group Inc. per common share - basic	\$ 0.35	\$ 1.11	\$ 0.77	\$ 1.49
Net income attributable to The RMR Group Inc. per common share - diluted	\$ 0.34	\$ 1.11	\$ 0.75	\$ 1.48

(1) Net loss attributable to noncontrolling interest in consolidated entity is not adjusted when calculating diluted earnings per share.

(2) Income tax expense assumes the hypothetical conversion of the noncontrolling interest in The RMR Group LLC, which results in estimated tax rates of 28.7% and 27.6% for the three months ended March 31, 2024 and 2023, respectively, and 28.5% and 28.2% for the six months ended March 31, 2024 and 2023, respectively.

The RMR Group Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)
(dollars in thousands, except per share amounts)

Note 11. Net Income Attributable to RMR Inc.

Net income attributable to RMR Inc. for the three and six months ended March 31, 2024 and 2023, is calculated as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Income before income tax expense	\$ 14,833	\$ 48,185	\$ 32,997	\$ 64,909
RMR Inc. franchise tax expense and interest income	(297)	(71)	(429)	(145)
Net income before noncontrolling interest	14,536	48,114	32,568	64,764
Net income attributable to noncontrolling interest in The RMR Group LLC	(6,863)	(22,829)	(15,394)	(30,732)
Net income attributable to noncontrolling interest in consolidated entity	12	—	14	—
Net income attributable to RMR Inc. before income tax expense	7,685	25,285	17,188	34,032
Income tax expense attributable to RMR Inc.	(2,120)	(6,883)	(4,758)	(9,367)
RMR Inc. franchise tax expense and interest income	297	71	429	145
Net income attributable to RMR Inc.	\$ 5,862	\$ 18,473	\$ 12,859	\$ 24,810

Note 12. Subsequent Events

In April 2024, we accepted a loan application from a prospective borrower for a floating rate first mortgage loan secured by a hotel property in Revere, MA for a total commitment of \$40,000. We also plan to make additional commitments for similar type loans in the coming months and we plan to finance these loan investments through a repurchase facility with a bank. These activities are part of a strategic initiative to expand our private capital business. Our plan is to amass a small portfolio of loans over the coming months and bring in third party investors to invest in a Tremont managed investment vehicle that holds these loans and to continue growing the vehicle by making additional loans in the future.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with our condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our 2023 Annual Report.

OVERVIEW (dollars in thousands)

RMR Inc. is a holding company and substantially all of its business is conducted by RMR LLC. RMR Inc. has no employees, and the personnel and various services it requires to operate are provided by RMR LLC. RMR LLC manages a diverse portfolio of real estate and real estate related businesses.

Acquisition of MPC Partnership Holdings LLC

On December 19, 2023, we completed our acquisition of MPC (now known as RMR Residential), a vertically integrated residential platform. This acquisition further advances our strategic focus on continuing to grow our private capital business, adding approximately \$5.5 billion in assets under management and over 20 new institutional relationships. This acquisition also allows us to further diversify our revenue sources, to enter the only major commercial real estate sector in which we did not have a significant presence, and brings infrastructure and digital marketing capabilities that may be leveraged across our platform.

Business Environment and Outlook

The continuation and growth of our business depends upon our ability to operate the Managed Equity REITs, our private capital clients and SEVN so as to maintain, grow and increase the value of their businesses, to assist AlerisLife and Sonesta to grow their businesses and operate profitably, and to successfully expand our business through the execution of new business ventures and additional investments, such as our recently completed acquisition of MPC. Our business and the businesses of our clients generally follow the business cycle of the U.S. real estate industry, but with certain property type and regional geographic variations. Typically, as the general U.S. economy expands, commercial real estate occupancies increase and new real estate development occurs; new development frequently leads to increased real estate supply and reduced occupancies; and then the cycle repeats. These general trends can be impacted by property type characteristics or regional factors; for example, demographic factors such as the aging U.S. population, the growth of e-commerce retail sales or net population migration across different geographic regions can slow, accelerate, overwhelm or otherwise impact general cyclical trends. Because of such multiple factors, we believe it is often possible to grow real estate based businesses in selected property types or geographic areas despite general national trends.

Beyond general real estate industry trends, we also take into account general economic factors impacting our clients. More specifically, in the U.S., the Federal Reserve has increased the federal funds rate multiple times since the beginning of calendar 2022 in an attempt to slow inflation, contributing to macroeconomic uncertainty and market volatility in the U.S. and in the commercial real estate markets. Increased borrowing costs and concerns of a possible or pending economic recession have resulted in an overall decline in commercial real estate transactions. Additionally, concerns about the capital adequacy and liquidity of the banking sector caused by the bank failures in 2023, as well as stricter lending standards, have resulted in decreased lending activity from traditional sources such as banks and life insurance companies and may negatively impact the businesses of our clients and our clients' tenants. Rising or sustained high interest rates also adversely impact our clients with floating rate debt, which they, in some instances, attempt to address with interest rate caps and other strategic actions to reduce leverage. Further, while the Federal Reserve is looking to slow inflation, its efforts may not be successful or fully achieve targeted results and they may take longer to achieve. The impact of rising costs, both for goods and services, insurance and human capital, are impacting us and our clients and we and our clients are continuing to implement mitigation strategies to minimize the impact of increased costs on our and our clients' earnings, where possible.

Both we and our clients consider industry and general economic factors and attempt to take advantage of opportunities when they arise. For example: (i) since March 2020, ILPT and DHC have completed several joint venture transactions with institutional investors and subsequently grown some of those ventures by acquiring additional properties; (ii) SVC transitioned over 200 hotels from other hotel operators to Sonesta, which on March 17, 2021, completed its acquisition of RLH Corporation, establishing it as one of the largest hotel companies in the U.S. and expanding its franchising capabilities; and (iii) on February 25, 2022, ILPT completed its acquisition of 126 new, Class A, single tenant, net leased, e-commerce focused industrial properties as a result of its acquisition of Monmouth Real Estate Investment Corporation, or MNR, in an all-cash transaction valued at approximately \$4.0 billion. More recently, on December 19, 2023, we completed our previously announced agreement to acquire 100% of the equity interest in MPC for total consideration of \$99,021, which added residential capabilities to RMR LLC. In addition, we balance our pursuit of growth of our and our clients' businesses by executing, on behalf of our clients, prudent capital recycling or business arrangement restructurings in an attempt to help our clients prudently manage

leverage and increased operating costs. We also look to reposition their portfolios and businesses when circumstances warrant such changes or when other more desirable opportunities are identified.

Managed Equity REITs

The base business management fees we earn from the Managed Equity REITs are calculated monthly in accordance with the applicable business management agreement and are based on a percentage of the lower of (i) the average historical cost of each REIT's properties and (ii) each REIT's average market capitalization. The property management fees we earn from the Managed Equity REITs are principally based on a percentage of the gross rents collected at certain managed properties owned by the Managed Equity REITs, excluding rents or other revenues from hotels, travel centers, senior living properties and wellness centers, which are separately managed by AlerisLife, Sonesta or a third party. Also under the terms of the property management agreements, we receive construction supervision fees in connection with certain construction activities undertaken at the properties owned by the Managed Equity REITs based on a percentage of the cost of such construction. For further information regarding the fees we earn, see Note 4, *Revenue Recognition*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The following table presents for each Managed Equity REIT a summary of its primary strategy and the lesser of the historical cost of its assets under management and its market capitalization as of March 31, 2024 and 2023, as applicable:

REIT	Primary Strategy	Lesser of Historical Cost of Assets Under Management or Total Market Capitalization as of March 31,	
		2024	2023
DHC	Medical office and life science properties, senior living communities and other healthcare related properties	\$ 3,644,100	\$ 3,153,102
ILPT	Industrial and logistics properties	4,603,897	4,486,121
OPI	Office properties primarily leased to single tenants and those with high credit quality characteristics	2,728,780	3,104,337
SVC	Hotels and service-focused retail net lease properties	6,756,986	7,457,879
		<u>\$ 17,733,763</u>	<u>\$ 18,201,439</u>

A Managed Equity REIT's historical cost of assets under management includes the real estate it owns and its consolidated assets invested directly or indirectly in equity interests in or loans secured by real estate and personal property owned in connection with such real estate (including acquisition related costs which may be allocated to intangibles or are unallocated), all before reserves for depreciation, amortization, impairment charges or bad debts or other similar non-cash reserves. A Managed Equity REIT's average market capitalization includes the average value of the Managed Equity REIT's outstanding common equity value during the period, plus the daily weighted average of each of the aggregate liquidation preference of preferred shares and the principal amount of consolidated indebtedness during the period. The table above presents for each Managed Equity REIT, the lesser of the historical cost of its assets under management and its market capitalization as of the end of each period.

The basis on which our base business management fees are calculated for the three and six months ended March 31, 2024 and 2023 may differ from the basis at the end of the periods presented in the table above. As of March 31, 2024, the market capitalization was lower than the historical cost of assets under management for each of the Managed Equity REITs; the historical cost of assets under management for DHC, ILPT, OPI and SVC as of March 31, 2024, were \$7,719,866, \$5,693,869, \$5,905,126 and \$11,424,841, respectively.

The fee revenues we earned from the Managed Equity REITs for the three and six months ended March 31, 2024 and 2023 are set forth in the following tables:

	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023			
	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total
REIT								
DHC	\$ 4,154	\$ 1,415	\$ 520	\$ 6,089	\$ 3,415	\$ 1,490	\$ 577	\$ 5,482
ILPT	5,875	3,341	73	9,289	5,791	3,315	138	9,244
OPI	3,307	3,630	771	7,708	3,720	3,537	2,620	9,877
SVC	7,910	1,484	1,696	11,090	8,558	945	467	9,970
	<u>\$ 21,246</u>	<u>\$ 9,870</u>	<u>\$ 3,060</u>	<u>\$ 34,176</u>	<u>\$ 21,484</u>	<u>\$ 9,287</u>	<u>\$ 3,802</u>	<u>\$ 34,573</u>
	Six Months Ended March 31, 2024				Six Months Ended March 31, 2023			
	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total
REIT								
DHC	\$ 7,961	\$ 2,873	\$ 1,576	\$ 12,410	\$ 7,079	\$ 2,982	\$ 1,877	\$ 11,938
ILPT	11,753	6,380	197	18,330	11,693	6,263	308	18,264
OPI	6,627	7,077	2,483	16,187	7,359	6,941	5,785	20,085
SVC	16,455	2,380	3,878	22,713	16,726	1,935	1,077	19,738
	<u>\$ 42,796</u>	<u>\$ 18,710</u>	<u>\$ 8,134</u>	<u>\$ 69,640</u>	<u>\$ 42,857</u>	<u>\$ 18,121</u>	<u>\$ 9,047</u>	<u>\$ 70,025</u>

Other Clients

We provide business management services to AlerisLife, Sonesta and until May 15, 2023, TA. AlerisLife operates senior living communities throughout the U.S., many of which are owned by and managed for DHC. Sonesta manages and franchises hotels, resorts and cruise ships in the United States, Latin America, the Caribbean and the Middle East; many of the U.S. hotels that Sonesta operates are owned by SVC. TA operates, leases and franchises travel centers along the U.S. interstate highway system, many of which are owned by SVC, and standalone truck service facilities. Generally, our fees earned from business management services to AlerisLife, Sonesta and until May 15, 2023, TA, are based on a percentage of certain revenues. In connection with BP's acquisition of TA on May 15, 2023, TA terminated its business management agreement with us and in accordance with its terms paid us the applicable termination fee of \$45,282.

In addition, we also provide management services to certain other Private Capital clients, including high-quality institutional investors relationships we assumed as part of our MPC acquisition, and earn fees based on a percentage of average invested capital, as defined in the applicable agreements, property management fees based on a percentage of rents collected from managed properties and construction supervision fees based on a percentage of the cost of construction activities. The recent MPC acquisition also provides us the potential to generate promote fees on any new co-investments in the future.

Our management fee revenues from services to these clients for the three and six months ended March 31, 2024 and 2023, are set forth in the following tables:

	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023			
	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total
AlerisLife	\$ 1,451	\$ —	\$ —	\$ 1,451	\$ 1,369	\$ —	\$ —	\$ 1,369
Sonesta	2,000	—	—	2,000	2,032	—	—	2,032
RMR Residential	154	4,902	406	5,462	—	—	—	—
Other private entities	3,008	2,209	145	5,362	2,976	2,121	214	5,311
SEVN	—	9	—	9	—	—	—	—
TA	—	—	—	—	3,785	—	—	3,785
	<u>\$ 6,613</u>	<u>\$ 7,120</u>	<u>\$ 551</u>	<u>\$ 14,284</u>	<u>\$ 10,162</u>	<u>\$ 2,121</u>	<u>\$ 214</u>	<u>\$ 12,497</u>

	Six Months Ended March 31, 2024				Six Months Ended March 31, 2023			
	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Base Property Management Revenues	Construction Supervision Revenues	Total
AlerisLife	\$ 2,833	\$ —	\$ —	\$ 2,833	\$ 2,633	\$ —	\$ —	\$ 2,633
Sonesta	4,223	—	—	4,223	4,143	—	15	4,158
RMR Residential	175	5,528	473	6,176	—	—	—	—
Other private entities	6,064	4,325	275	10,664	5,988	4,198	640	10,826
SEVN	—	18	—	18	—	—	—	—
TA	—	—	—	—	7,976	—	—	7,976
	<u>\$ 13,295</u>	<u>\$ 9,871</u>	<u>\$ 748</u>	<u>\$ 23,914</u>	<u>\$ 20,740</u>	<u>\$ 4,198</u>	<u>\$ 655</u>	<u>\$ 25,593</u>

Advisory Business

Tremont provides advisory services to SEVN, a publicly traded mortgage REIT that focuses on originating and investing in first mortgage loans secured by middle market and transitional commercial real estate. Tremont is primarily compensated pursuant to its management agreement with SEVN based on a percentage of equity, as defined in the applicable agreement.

Tremont earned advisory services revenue of \$1,126 and \$1,139 for the three months ended March 31, 2024 and 2023, respectively, and \$2,251 and \$2,230 for the six months ended March 31, 2024 and 2023, respectively. Tremont also earned incentive fees from SEVN of \$60 and \$359 for the three and six months ended March 31, 2024, respectively. Tremont did not earn incentive fees from SEVN for the three or six months ended March 31, 2023.

RESULTS OF OPERATIONS (dollars in thousands)

Three Months Ended March 31, 2024, Compared to the Three Months Ended March 31, 2023

The following table presents the changes in our operating results for the three months ended March 31, 2024 compared to the three months ended March 31, 2023:

	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Revenues:				
Management services	\$ 48,460	\$ 47,070	\$ 1,390	3.0%
Incentive fees	60	—	60	n/m
Advisory services	1,126	1,139	(13)	(1.1)%
Total management, incentive and advisory services revenues	49,646	48,209	1,437	3.0%
Reimbursable compensation and benefits	22,629	14,883	7,746	52.0%
Reimbursable equity based compensation	242	3,232	(2,990)	(92.5)%
Other reimbursable expenses	145,232	142,095	3,137	2.2%
Total reimbursable costs	168,103	160,210	7,893	4.9%
Total revenues	217,749	208,419	9,330	4.5%
Expenses:				
Compensation and benefits	44,168	34,536	9,632	27.9%
Equity based compensation	700	3,769	(3,069)	(81.4)%
Separation costs	410	500	(90)	(18.0)%
Total compensation and benefits expense	45,278	38,805	6,473	16.7%
General and administrative	11,641	9,460	2,181	23.1%
Other reimbursable expenses	145,232	142,095	3,137	2.2%
Transaction and acquisition related costs	2,628	—	2,628	n/m
Depreciation and amortization	1,223	272	951	n/m
Total expenses	206,002	190,632	15,370	8.1%
Operating income	11,747	17,787	(6,040)	(34.0)%
Interest income	2,523	2,234	289	12.9%
Gain on equity method investments	563	28,164	(27,601)	(98.0)%
Income before income tax expense	14,833	48,185	(33,352)	(69.2)%
Income tax expense	(2,120)	(6,883)	4,763	69.2%
Net income	12,713	41,302	(28,589)	(69.2)%
Net income attributable to noncontrolling interest in The RMR Group LLC	(6,863)	(22,829)	15,966	69.9%
Net loss attributable to noncontrolling interest in consolidated entity	12	—	12	n/m
Net income attributable to The RMR Group Inc.	\$ 5,862	\$ 18,473	\$ (12,611)	(68.3)%

n/m - not meaningful

Management services revenue. Management services revenue increased \$1,390 primarily due to growth in management services revenue of \$5,462 related to our acquisition of MPC in December 2023, partially offset by declines in management fees earned from TA of \$3,785 as a result of the termination of its business management agreement with us on May 15, 2023.

Reimbursable compensation and benefits. Reimbursable compensation and benefits include reimbursements, at cost, that arise primarily from services our employees provide pursuant to our property management agreements at the properties of our clients. A significant portion of these compensation and benefits are charged or passed through to and paid by tenants of our clients. Reimbursable compensation and benefits increased \$7,746 primarily due to the impact of our acquisition of MPC and annual merit increases that were effective October 1, 2023.

Reimbursable equity based compensation. Reimbursable equity based compensation includes awards of common shares by our clients directly to certain of our officers and employees in connection with the provision of management services to those clients. We record an equal, offsetting amount as equity based compensation expense for the value of these awards. Reimbursable equity based compensation revenue decreased \$2,990 primarily as a result of decreases in certain of our clients' respective share prices.

Other reimbursable expenses. For further information about these reimbursements, see Note 4, *Revenue Recognition*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Compensation and benefits. Compensation and benefits consist of employee salaries and other employment related costs, including health insurance expenses and contributions related to our employee retirement plan. Compensation and benefits expense increased \$9,632 primarily due to the impact of our acquisition of MPC, which was partially offset by cost containment measures that reduced headcount.

Equity based compensation. Equity based compensation consists of the value of vested shares awarded to certain of our employees under our and our clients' equity compensation plans. Equity based compensation decreased \$3,069 primarily as a result of decreases in certain of our clients' respective share prices.

Separation costs. Separation costs consist of employment termination costs. For further information about these costs, see Note 8, *Related Person Transactions*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

General and administrative. General and administrative expenses consist of office related expenses, information technology related expenses, employee training, travel, professional services expenses, director compensation and other administrative expenses. General and administrative costs increased \$2,181 primarily due to the impact of our acquisition of MPC and increases in third party costs related to our expanded role in construction oversight at hotel and senior living properties.

Transaction and acquisition related costs. Transaction and acquisition related costs in the 2024 fiscal period primarily represent costs associated with integration expenses related to our acquisition of MPC.

Depreciation and amortization. Depreciation and amortization increased \$951 primarily due to amortization of MPC related intangible assets in the current period.

Interest income. Interest income increased \$289 due to higher interest earned during the 2024 fiscal period as a result of higher interest rates.

Gain on equity method investments. Gain on equity method investments represents the unrealized and realized gains or losses on our investments in SEVN and TA common shares. For further information, see Note 5, *Investments*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Income tax expense. The decrease in income tax expense of \$4,763 is primarily attributable to lower taxable income for the 2024 fiscal period compared to the same period in the prior fiscal year.

Six Months Ended March 31, 2024, Compared to the Six Months Ended March 31, 2023

The following table presents the changes in our operating results for the six months ended March 31, 2024 compared to the six months ended March 31, 2023:

	Six Months Ended March 31,			
	2024	2023	\$ Change	% Change
Revenues:				
Management services	\$ 93,554	\$ 95,618	\$ (2,064)	(2.2)%
Incentive fees	359	—	359	n/m
Advisory services	2,251	2,230	21	0.9%
Total management, incentive and advisory services revenues	96,164	97,848	(1,684)	(1.7)%
Reimbursable compensation and benefits	39,457	29,206	10,251	35.1%
Reimbursable equity based compensation	2,569	5,521	(2,952)	(53.5)%
Other reimbursable expenses	341,230	326,584	14,646	4.5%
Total reimbursable costs	383,256	361,311	21,945	6.1%
Total revenues	479,420	459,159	20,261	4.4%
Expenses:				
Compensation and benefits	78,940	67,800	11,140	16.4%
Equity based compensation	3,529	6,619	(3,090)	(46.7)%
Separation costs	3,954	938	3,016	n/m
Total compensation and benefits expense	86,423	75,357	11,066	14.7%
General and administrative	21,152	18,623	2,529	13.6%
Other reimbursable expenses	341,230	326,584	14,646	4.5%
Transaction and acquisition related costs	6,615	—	6,615	n/m
Depreciation and amortization	1,646	540	1,106	n/m
Total expenses	457,066	421,104	35,962	8.5%
Operating income	22,354	38,055	(15,701)	(41.3)%
Interest income	6,031	4,004	2,027	50.6%
Gain on equity method investments	4,612	22,850	(18,238)	(79.8)%
Income before income tax expense	32,997	64,909	(31,912)	(49.2)%
Income tax expense	(4,758)	(9,367)	4,609	49.2%
Net income	28,239	55,542	(27,303)	(49.2)%
Net income attributable to noncontrolling interest in The RMR Group LLC	(15,394)	(30,732)	15,338	49.9%
Net loss attributable to noncontrolling interest in consolidated entity	14	—	14	n/m
Net income attributable to The RMR Group Inc.	\$ 12,859	\$ 24,810	\$ (11,951)	(48.2)%

n/m - not meaningful

Management services revenue. Management services revenue decreased \$2,064 primarily due to declines in management fees earned from TA of \$7,976 as a result of the termination of its business management agreement with us on May 15, 2023, partially offset by growth in management services revenue of \$6,176 related to our acquisition of MPC in the current period.

Reimbursable compensation and benefits. Reimbursable compensation and benefits increased \$10,251 primarily due to the impact of our acquisition of MPC and annual merit increases that were effective October 1, 2023.

Reimbursable equity based compensation. Reimbursable equity based compensation decreased \$2,952 primarily as a result of our clients' annual employee share awards and decreases in certain of our clients' respective share prices.

Other reimbursable expenses. For further information about these reimbursements, see Note 4, *Revenue Recognition*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Compensation and benefits. Compensation and benefits expense increased \$11,140 primarily due to the impact of our acquisition of MPC and annual merit and benefit increases.

Equity based compensation. Equity based compensation decreased \$3,090 primarily as a result of decreases in certain of our clients' respective share prices.

Separation costs. For further information about these costs, see Note 8, *Related Person Transactions*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

General and administrative. General and administrative costs increased \$2,529 primarily due to the impact of our acquisition of MPC, strategic technology investments and increases in third party costs related to our expanded role in construction oversight.

Transaction and acquisition related costs. Transaction and acquisition related costs in the 2024 fiscal period primarily represent costs associated with our acquisition of MPC and related integration expenses.

Depreciation and amortization. Depreciation and amortization increased \$1,106 primarily due to amortization of MPC acquisition related intangible assets in the current period.

Interest income. Interest income increased \$2,027 primarily due to higher interest earned during the 2024 fiscal period primarily as a result of higher interest rates and higher average cash balances invested compared to the prior period.

Gain on equity method investments. Gain on equity method investments represents the unrealized and realized gains or losses on our investments in SEVN and TA common shares. For further information, see Note 5, *Investments*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Income tax expense. The decrease in income tax expense of \$4,609 is primarily attributable to lower taxable income for the 2024 fiscal period compared to the same period in the prior fiscal year.

LIQUIDITY AND CAPITAL RESOURCES (dollars in thousands, except per share amounts)

Our current assets have historically been comprised predominantly of cash, cash equivalents and receivables for business management, property management and advisory services fees. As of March 31, 2024 and September 30, 2023, we had cash and cash equivalents of \$192,108 and \$267,989, respectively, of which \$25,918 and \$26,802, respectively, was held by RMR Inc., with the remainder being held at RMR LLC. Cash and cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. As of March 31, 2024 and September 30, 2023, \$180,444 and \$265,800, respectively, of our cash and cash equivalents were invested in money market bank accounts.

On December 19, 2023, we completed our acquisition of MPC for total cash consideration of \$84,474. We are also obligated to pay the Earnout, if earned, which we currently estimate at \$14,847 and which will be payable over the next three years, based on our current expectations for the deployment of capital remaining in investment funds managed by MPC prior to the end of such fund's investment period. In addition to the Earnout, we agreed to pay Retention Payments to certain employees of MPC in an aggregate amount of \$4,200 for their continued employment through December 31, 2025.

Our liquidity is highly dependent upon our receipt of fees from the businesses that we manage. Historically, we have funded our working capital needs with cash generated from our operating activities and we currently do not maintain any credit facilities. We expect that our future working capital needs will relate largely to our operating expenses, primarily consisting of employee compensation and benefits costs, our obligation to make quarterly tax distributions to the members of RMR LLC, our plan to make quarterly distributions on our Class A Common Shares and Class B-1 Common Shares and our plan to pay quarterly distributions to the members of RMR LLC in connection with the quarterly dividends to RMR Inc. shareholders.

We believe that our cash and cash equivalents leave us well positioned to pursue a range of capital allocation strategies, with a focus on the growth of our private capital business, to fund our operations and enhance our technology infrastructure, in the next twelve months. Our experienced platform and existing relationships with institutional investors has provided us with significant opportunities to continue expanding our private capital business. We intend to diversify and further grow our private capital revenues by sponsoring and managing new real estate related investment funds that may invest in the equity of real estate or provide commercial mortgage loans secured by middle market and transitional real estate in the U.S. We anticipate that using our capital for possible formation costs and co-investment in these funds will diversify our revenues and generate management fees, incentive fees and potential promote income.

In April 2024, we accepted a loan application from a prospective borrower for a floating rate first mortgage loan secured by a hotel property in Revere, MA for a total commitment of \$40,000. We also plan to make additional commitments for similar type loans in the coming months and we plan to finance these loan investments through a repurchase facility with a bank. These activities are part of a strategic initiative to expand our private capital business. Our plan is to amass a small portfolio of loans over the coming months and bring in third party investors to invest in a Tremont managed investment vehicle that holds these loans and to continue growing the vehicle by making additional loans in the future.

Cash Flows

The \$7,099 decrease in net cash from operating activities for the six months ended March 31, 2024 compared to the prior period reflects a decrease in net income partially offset by favorable changes in working capital. The \$78,766 increase in net cash used in investing activities for the six months ended March 31, 2024 compared to the prior period was due to our acquisition of MPC in the current fiscal period. Net cash used in financing activities for the six months ended March 31, 2024 was relatively unchanged compared to the prior period.

As of March 31, 2024, we had no off-balance sheet arrangements that have had or that we expect would be reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Tax Receivable Agreement

We are party to a tax receivable agreement which provides for the payment by RMR Inc. to ABP Trust of 85.0% of the amount of savings, if any, in U.S. federal, state and local income tax or franchise tax that RMR Inc. realizes as a result of (a) the increases in tax basis attributable to RMR Inc.'s dealings with ABP Trust and (b) tax benefits related to imputed interest deemed to be paid by it as a result of the tax receivable agreement. See Note 8, *Related Person Transactions*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and "Business—Our Organizational Structure—tax receivable agreement" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019. As of March 31, 2024, our condensed consolidated balance sheet reflects a liability related to the tax receivable agreement of \$23,229, of which we expect to pay \$2,343 to ABP Trust during the fourth quarter of fiscal year 2024.

Market Risk and Credit Risk

We have not invested in derivative instruments, borrowed through issuing debt securities or transacted in foreign currencies. As a result, we are not subject to significant direct market risk related to interest rate changes, changes to the market standard for determining interest rates, commodity price changes or credit risks; however, if any of these risks were to negatively impact our clients' businesses or market capitalization, our revenues would likely decline. To the extent we change our approach on the foregoing activities, or engage in other activities, our market and credit risks could change. See Part I, Item 1A "Risk Factors" of our 2023 Annual Report for the risks to us and our clients.

Risks Related to Cash and Short Term Investments

Our cash and cash equivalents include short term, highly liquid investments readily convertible to known amounts of cash that have original maturities of three months or less from the date of purchase. We invest a substantial amount of our cash in money market bank accounts. The majority of our cash is maintained in U.S. bank accounts. Some U.S. bank account balances exceed the Federal Deposit Insurance Corporation insurance limit. We believe our cash and short term investments are not subject to any material interest rate risk, equity price risk, credit risk or other market risk.

Related Person Transactions

We have relationships and historical and continuing transactions with Adam D. Portnoy, the Chair of our Board and one of our Managing Directors, as well as our clients. For further information about these and other such relationships and related person transactions, please see Note 8, *Related Person Transactions*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2023 Annual Report, our definitive Proxy Statement for our 2024 Annual Meeting of Shareholders and our other filings with the SEC. In addition, see the section captioned "Risk Factors" in our 2023 Annual Report for a description of risks that may arise as a result of these and other related person transactions and relationships. We may engage in additional transactions with related persons, including businesses to which RMR LLC or its subsidiaries provide management services.

Critical Accounting Estimates

The preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. A discussion of our critical accounting estimates is included in our 2023 Annual Report. In addition to the critical accounting estimates identified in our 2023 Annual Report, the estimation of fair values represents a critical accounting estimate in these condensed consolidated financial statements. The estimation of fair value involves a significant level of judgment and estimation uncertainty, and actual results could be materially different and have a material impact on our financial condition and results of operations.

We accounted for the Acquisition as a business combination. We used estimates and assumptions to assign fair values to assets acquired and liabilities assumed, including intangible assets. Determining the fair value of intangible assets requires us to use estimates and assumptions including, but not limited to, expected future cash inflows and outflows, useful lives, discount rates and income tax rates. Fair values were determined based on estimates and assumptions we believe to be reasonable, but that are unpredictable and inherently uncertain. Unanticipated events and circumstances may occur that could materially affect the accuracy of such estimates, assumptions or actual results.

The fair value of our Earnout liability was determined using a Monte Carlo simulation model and is inherently uncertain. Inputs into the model require estimates and assumptions regarding the timing and deployment of future capital, the historical volatility of similar market transactions, and discount rates and credit ratings for companies similar to ours. The Earnout liability is remeasured on a quarterly basis and changes to our estimates and assumptions are likely to have a significant impact on the fair value estimate of the Earnout liability. In addition, actual payments required under the Earnout may differ significantly from our estimates and could have a material impact to our results of operations and financial condition.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and Qualitative disclosures about market risk are set forth above in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operation—Market Risk and Credit Risk.”

Item 4. Controls and Procedures

As of the end of the period covered by this report, our management carried out an evaluation, under the supervision and with the participation of our President and Chief Executive Officer and our Executive Vice President, Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our President and Chief Executive Officer and our Executive Vice President, Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

On December 19, 2023, we completed the acquisition of MPC. We are in the process of integrating MPC into our systems and control environment as of September 30, 2024. For further information regarding this acquisition, see Note 3. *Acquisition of MPC Partnership Holdings LLC*, to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Subject to the foregoing, no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

WARNING CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: our business strategy; economic and industry conditions; the impact and opportunities for our and our clients’ businesses from business cycles in the U.S. real estate industry as well as economic and industry conditions; our belief that it is possible to grow real estate based businesses in selected property types or geographic areas despite general national trends; our cash and cash equivalents, including their sufficiency to pursue a range of capital allocation strategies and fund our operations and enhance our technology infrastructure and risk exposure; and our sustainability practices.

Forward-looking statements reflect our current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause our actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause actual results, performance or

achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

- The dependence of our revenues on a limited number of clients,
- The variability of our revenues,
- Risks related to supply chain constraints, commodity pricing and inflation, including inflation impacting wages and employee benefits,
- Changing market conditions, practices and trends, which may adversely impact our clients and the fees we receive from them,
- Potential terminations of the management agreements with our clients,
- Increases in or sustained high market interest rates, which may significantly reduce our revenues or impede our growth,
- Our dependence on the growth and performance of our clients,
- Our ability to obtain or create new clients for our business and other circumstances beyond our control,
- The ability of our clients to operate their businesses profitably, optimize their capital structures and to grow and increase their market capitalizations and total shareholder returns,
- Our ability to successfully provide management services to our clients,
- Our ability to maintain or increase the distributions we pay to our shareholders,
- Our ability to successfully pursue and execute capital allocation and new business strategies,
- Our ability to prudently invest in our business to enhance our operations, services and competitive positioning,
- Our ability to successfully integrate acquired businesses and realize our expected returns on our investments,
- Risk that cost savings and synergies anticipated to be realized by the MPC acquisition may not be fully realized or may take longer to realize than expected,
- Changes to our operating leverage or client diversity,
- Litigation risks,
- Risks related to acquisitions, dispositions and other activities by or among our clients,
- Allegations, even if untrue, of any conflicts of interest arising from our management activities,
- Our ability to retain the services of our managing directors and other key personnel,
- Our and our clients' risks associated with our and our clients' costs of compliance with laws and regulations, including securities regulations, exchange listing standards and other laws and regulations affecting public companies, and
- Other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in our periodic filings. The information contained in our filings with the SEC, including under the caption "Risk Factors" in our periodic reports, or incorporated therein, identifies important factors that could cause differences from the forward-looking statements in this Quarterly Report on Form 10-Q. Our filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon our forward-looking statements.

Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Part II. Other Information**Item 1A. Risk Factors**

There have been no material changes to the risk factors from those we previously provided in our 2023 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer purchases of equity securities.

The following table provides information about our purchases of our equity securities during the quarter ended March 31, 2024:

Calendar Month	Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2024	1,832	\$ 27.53	N/A	N/A
March 1 - March 31, 2024	2,568	24.21	N/A	N/A
Total	4,400	\$ 25.59	N/A	N/A

- (1) These Class A Common Share withholdings and purchases were made to satisfy tax withholding and payment obligations in connection with the vesting of awards of our Class A Common Shares. We withheld and purchased these shares at their fair market values based upon the trading prices of our Class A Common Shares at the close of trading on Nasdaq on the purchase dates.

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of the Registrant. (Incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 333-207423) filed with the SEC on October 14, 2015.).
3.2	Articles of Amendment, filed July 30, 2015. (Incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 333-207423) filed with the SEC on October 14, 2015.).
3.3	Articles of Amendment, filed September 11, 2015. (Incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 333-207423) filed with the SEC on October 14, 2015.).
3.4	Articles of Amendment, filed March 9, 2016. (Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-37616) filed with the SEC on March 11, 2016.).
3.5	Articles of Amendment, filed November 14, 2022. (Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-37616) filed with the SEC on November 14, 2022.).
3.6	Fourth Amended and Restated Bylaws of the Registrant adopted September 13, 2017. (Incorporated by reference to the Registrant's Current report on Form 8-K (File No. 001-37616) filed with the SEC on September 15, 2017.).
4.1	Form of The RMR Group Inc. Share Certificate for Class A Common Stock. (Incorporated by reference to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-207423) filed with the SEC on November 2, 2015.).
4.2	Registration Rights Agreement, dated as of June 5, 2015, by and between the Registrant and ABP Trust (formerly known as Reit Management and Research Trust). (Incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 333-207423) filed with the SEC on October 14, 2015.).
31.1	Rule 13a-14(a) Certification. (Filed herewith.)
31.2	Rule 13a-14(a) Certification. (Filed herewith.)
32.1	Section 1350 Certification. (Furnished herewith.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File. (formatted as Inline XBRL and contained in Exhibit 101.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Matthew P. Jordan

Matthew P. Jordan

*Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer and principal accounting officer)*

Dated: May 7, 2024

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Adam D. Portnoy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The RMR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Adam D. Portnoy

Adam D. Portnoy

Managing Director, President and Chief Executive Officer (principal executive officer)

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Matthew P. Jordan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The RMR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Matthew P. Jordan

Matthew P. Jordan

Executive Vice President, Chief Financial Officer and Treasurer (principal financial officer and principal accounting officer)

Certification Pursuant to 18 U.S.C. Sec. 1350

In connection with the filing by The RMR Group Inc. (the “Company”) of the Quarterly Report on Form 10-Q for the period ended March 31, 2024 (the “Report”), each of the undersigned hereby certifies, to the best of his knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adam D. Portnoy

Adam D. Portnoy

*Managing Director, President and Chief Executive Officer
(principal executive officer)*

/s/ Matthew P. Jordan

Matthew P. Jordan

*Executive Vice President, Chief Financial Officer and Treasurer (principal
financial officer and principal accounting officer)*

Date: May 7, 2024