

**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 June 30, 2025

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)

47-412583
(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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 August 1, 2025, there were 15,869,689 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

June 30, 2025

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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)

	June 30, 2025	September 30, 2024
Assets		
Cash and cash equivalents held by The RMR Group Inc.	\$ 22,086	\$ 23,189
Cash and cash equivalents held by The RMR Group LLC	99,198	118,410
Due from related parties	84,341	134,030
Prepaid and other current assets	15,746	9,789
Assets held for sale	—	8,700
Total current assets	221,371	294,118
Loans held for investment, net of allowance for credit losses of \$526 and \$343, respectively	63,824	56,221
Property and equipment, net of accumulated depreciation of \$6,265 and \$3,447, respectively	91,144	76,433
Due from related parties, net of current portion	6,013	9,350
Investments	35,469	23,733
Goodwill	71,761	71,761
Intangible assets, net of accumulated amortization of \$7,216 and \$3,719, respectively	21,955	20,299
Operating lease right of use assets	23,843	27,353
Deferred tax asset	13,637	15,163
Other assets, net of accumulated amortization of \$94,802 and \$87,740, respectively	99,001	106,063
Total assets	\$ 648,018	\$ 700,494
Liabilities and Equity		
Reimbursable accounts payable and accrued expenses	\$ 46,678	\$ 90,444
Accounts payable and accrued expenses	45,197	31,599
Current portion of Earnout liability	—	517
Operating lease liabilities	5,574	5,906
Liabilities held for sale	—	4,973
Total current liabilities	97,449	133,439
Operating lease liabilities, net of current portion	18,633	22,147
Amounts due pursuant to tax receivable agreement, net of current portion	18,442	18,442
Employer compensation liability, net of current portion	6,013	9,350
Earnout liability, net of current portion	6,108	11,441
Secured financing facility, net	46,681	41,109
Mortgage note payable, net	45,359	45,149
Total liabilities	238,685	281,077
Commitments and contingencies		
Equity:		
Class A common stock, \$0.001 par value; 32,500,000 and 31,950,000 shares authorized, respectively; 15,869,860 and 15,846,025 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	121,148	118,811
Retained earnings	450,408	436,226
Cumulative common distributions	(340,251)	(317,495)
Total shareholders' equity	231,337	237,574
Noncontrolling interest in The RMR Group LLC	175,409	181,439
Noncontrolling interest in other consolidated entities	2,587	404
Total noncontrolling interests	177,996	181,843
Total equity	409,333	419,417
Total liabilities and equity	\$ 648,018	\$ 700,494

See accompanying notes.

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

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenues:				
Management services	\$ 42,724	\$ 47,769	\$ 133,289	\$ 141,323
Incentive fees	229	370	316	729
Advisory services	1,115	1,127	3,360	3,378
Total management, incentive and advisory services revenues	44,068	49,266	136,965	145,430
Income from loan investments, net	677	—	1,869	—
Rental property revenues	2,033	191	5,080	415
Reimbursable compensation and benefits	18,337	22,786	60,738	62,243
Reimbursable equity based compensation	1,636	1,088	2,338	3,657
Other reimbursable expenses	87,977	132,339	333,882	473,569
Total reimbursable costs	107,950	156,213	396,958	539,469
Total revenues	154,728	205,670	540,872	685,314
Expenses:				
Compensation and benefits	38,603	45,031	123,216	123,971
Equity based compensation	2,090	1,614	3,822	5,143
Separation costs	1,880	771	5,335	4,725
Total compensation and benefits expense	42,573	47,416	132,373	133,839
General and administrative	9,631	11,436	32,161	32,643
Other reimbursable expenses	87,977	132,339	333,882	473,569
Rental property expenses	748	79	1,569	157
Transaction and acquisition related costs	820	915	2,156	7,230
Depreciation and amortization	3,006	1,234	7,810	2,880
Total expenses	144,755	193,419	509,951	650,318
Operating income	9,973	12,251	30,921	34,996
Interest income	1,182	2,638	4,115	8,669
Interest expense	(1,062)	(80)	(2,632)	(171)
Change in fair value of Earnout liability	1,170	1,064	5,850	764
(Loss) gain on investments	(215)	188	(1,995)	4,800
Gain on sale of real estate	—	—	445	—
Income before income tax expense	11,048	16,061	36,704	49,058
Income tax expense	(1,753)	(3,657)	(5,607)	(8,415)
Net income	9,295	12,404	31,097	40,643
Net income attributable to noncontrolling interest in The RMR Group LLC	(5,200)	(7,482)	(17,259)	(22,876)
Net loss attributable to other noncontrolling interests	91	13	344	27
Net income attributable to The RMR Group Inc.	\$ 4,186	\$ 4,935	\$ 14,182	\$ 17,794
Weighted average common shares outstanding - basic	16,660	16,542	16,630	16,522
Weighted average common shares outstanding - diluted	16,660	16,542	31,633	16,522
Net income attributable to The RMR Group Inc. per common share - basic	\$ 0.25	\$ 0.29	\$ 0.83	\$ 1.06
Net income attributable to The RMR Group Inc. per common share - diluted	\$ 0.25	\$ 0.29	\$ 0.82	\$ 1.06

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)

	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	Noncontrolling Interests in:		
								The RMR Group LLC	Other Consolidated Entities	Total Equity
Balance at September 30, 2024	\$ 16	\$ 1	\$ 15	\$ 118,811	\$ 436,226	\$ (317,495)	\$ 237,574	\$ 181,439	\$ 404	\$ 419,417
Share awards, net	—	—	—	550	—	—	550	—	—	550
Net income	—	—	—	—	6,380	—	6,380	7,722	6	14,108
Tax distributions to member	—	—	—	—	—	—	—	(2,886)	—	(2,886)
Common share distributions	—	—	—	—	—	(7,581)	(7,581)	(4,800)	—	(12,381)
Consolidation of investments	—	—	—	—	—	—	—	—	2,936	2,936
Balance at December 31, 2024	16	1	15	119,361	442,606	(325,076)	236,923	181,475	3,346	421,744
Share awards, net	—	—	—	1,328	—	—	1,328	—	—	1,328
Net income	—	—	—	—	3,616	—	3,616	4,337	(259)	7,694
Tax distributions to member	—	—	—	—	—	—	—	(3,052)	—	(3,052)
Common share distributions	—	—	—	—	—	(7,580)	(7,580)	(4,800)	—	(12,380)
Member distributions upon sale of 260 Woodstock	—	—	—	—	—	—	—	—	(409)	(409)
Balance at March 31, 2025	16	1	15	120,689	446,222	(332,656)	234,287	177,960	2,678	414,925
Share awards, net	—	—	—	459	—	—	459	—	—	459
Net income	—	—	—	—	4,186	—	4,186	5,200	(91)	9,295
Tax distributions to member	—	—	—	—	—	—	—	(2,951)	—	(2,951)
Common share distributions	—	—	—	—	—	(7,595)	(7,595)	(4,800)	—	(12,395)
Balance at June 30, 2025	\$ 16	\$ 1	\$ 15	\$ 121,148	\$ 450,408	\$ (340,251)	\$ 231,337	\$ 175,409	\$ 2,587	\$ 409,333

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

	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	Noncontrolling Interests in:		Total Equity
								The RMR Group LLC	Other Consolidated Entities	
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	16	1	15	117,954	425,955	(302,440)	241,501	182,230	430	424,161
Share awards, net	—	—	—	500	—	—	500	—	—	500
Net income	—	—	—	—	4,935	—	4,935	7,482	(13)	12,404
Tax distributions to member	—	—	—	—	—	—	—	(3,079)	—	(3,079)
Common share distributions	—	—	—	—	—	(7,529)	(7,529)	(4,800)	—	(12,329)
Balance at June 30, 2024	\$ 16	\$ 1	\$ 15	\$ 118,454	\$ 430,890	\$ (309,969)	\$ 239,407	\$ 181,833	\$ 417	\$ 421,657

See accompanying notes.

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

	Nine Months Ended June 30,	
	2025	2024
Cash Flows from Operating Activities:		
Net income	\$ 31,097	\$ 40,643
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,810	2,880
Straight line rent, net	(335)	(265)
Amortization expense related to other assets	7,062	7,062
Reversal of credit losses	(36)	—
Provision for deferred income taxes	1,526	1,545
Gain on sale of real estate	(445)	—
Change in fair value of Earnout liability	(5,850)	(764)
Operating expenses paid in The RMR Group Inc. common shares	2,500	2,594
Distributions from investments	1,793	1,793
Loss (gain) on investments	1,995	(4,800)
Changes in assets and liabilities:		
Due from related parties	45,570	17,757
Prepaid and other current assets	(5,957)	(246)
Reimbursable accounts payable and accrued expenses	(43,766)	(13,306)
Accounts payable and accrued expenses	17,154	12,176
Net cash provided by operating activities	<u>60,118</u>	<u>67,069</u>
Cash Flows from Investing Activities:		
Acquisition of MPC Partnership Holdings LLC, net of cash acquired	—	(78,771)
Rental property acquisition	(21,509)	—
Additional funding of loans held for investment	(7,430)	—
Purchase of property and equipment	(2,574)	(2,624)
Investment in fund	(768)	—
Investment in joint ventures	(11,134)	—
Proceeds from sale of property	4,198	—
Net cash used in investing activities	<u>(39,217)</u>	<u>(81,395)</u>
Cash Flows from Financing Activities:		
Proceeds from secured financing facility	5,573	—
Payment of deferred financing fees	(172)	—
Distributions to noncontrolling interests	(23,289)	(24,640)
Distributions to common shareholders	(22,756)	(20,897)
Member distributions upon sale of 260 Woodstock	(409)	—
Repurchase of common shares	(163)	(150)
Net cash used in financing activities	<u>(41,216)</u>	<u>(45,687)</u>
Decrease in cash and cash equivalents	(20,315)	(60,013)
Cash and cash equivalents at beginning of period	141,599	267,989
Cash and cash equivalents at end of period	<u>\$ 121,284</u>	<u>\$ 207,976</u>
Supplemental Disclosures:		
Income taxes paid	<u>\$ 4,240</u>	<u>\$ 8,362</u>
Interest paid	<u>\$ 4,488</u>	<u>\$ —</u>
Non-cash investing and financing activities:		
Recognition of right of use assets and related lease liabilities	<u>\$ 1,352</u>	<u>\$ 3,157</u>
Recognition of Earnout liability	<u>\$ —</u>	<u>\$ 14,547</u>

Assumption of mortgage note payable	\$	—	\$	5,429
Property and equipment accrued, not paid	\$	160	\$	618

See accompanying notes.

The RMR Group Inc.
Notes to 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 June 30, 2025, RMR Inc. owned 15,869,860 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 52.9% of the economic interest of RMR LLC as of June 30, 2025. 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 47.1% of the economic interest of RMR LLC as of June 30, 2025, which is presented as noncontrolling interest in the RMR Group LLC within the condensed consolidated financial statements. Adam 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. The Managed Equity REITs and SEVN 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, Canada, Latin America, the Caribbean and the Middle East, and many of the U.S. hotels that Sonesta operates are owned by SVC.

RMR LLC provides management services through certain of its subsidiaries to multiple private funds, joint ventures 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 these subsidiaries are presented as RMR Residential in these condensed consolidated financial statements.

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.

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, 2024, or our 2024 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.

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

Certain prior period amounts have been reclassified to conform with current period presentation. 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 condensed consolidated 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. The implementation of this ASU will not have a material impact on our consolidated financial statements and we will apply the requirements of ASU No. 2023-07 for our fiscal year ending September 30, 2025 and subsequent interim periods.

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. The implementation of this ASU will not have a material impact on our consolidated financial statements and we will apply the requirements of ASU No. 2023-07 for our fiscal year ending September 30, 2026.

Note 3. Acquisitions

MPC Partnership Holdings LLC

On December 19, 2023, or the Acquisition Date, RMR LLC acquired all of the issued and outstanding equity interests of MPC Partnership Holdings LLC, or MPC (now doing business as RMR Residential), or the Acquisition. The Acquisition was accounted for as a business combination under the FASB ASC Topic 805, *Business Combinations*. The purchase price of \$99,021 was allocated to the assets acquired and liabilities assumed based on estimates of fair values as of the Acquisition Date. We have completed the purchase price allocation for the Acquisition with no material adjustments from those disclosed within our 2024 Annual Report on Form 10-K.

As part of the Acquisition, 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. In January 2025, we sold the Woodstock Property for a sales price of \$9,800, excluding closing costs, and recorded a \$445 gain on sale of real estate for the nine months ended June 30, 2025. We received net proceeds of \$4,198 and made capital distributions to members of 260 Woodstock Investor, LLC of \$409 for the nine months ended June 30, 2025.

Wholly Owned Value-Add Retail

In the third fiscal quarter of 2025, we acquired a community shopping center near Chicago, IL in an all-cash transaction for a purchase price of \$21,250, excluding \$259 in capitalized acquisition costs. This transaction was accounted for as an asset acquisition. Our allocation of the purchase price of this acquisition is based on the relative fair value of the acquired assets and liabilities as follows:

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

Land	\$	5,405
Building and improvements		11,146
Acquired leases		5,498
Below market lease liability		(540)
Total consideration	\$	21,509

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
- 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 \$19,476 and \$20,604 for the three months ended June 30, 2025 and 2024, respectively, and \$59,453 and \$63,400 for the nine months ended June 30, 2025 and 2024, respectively.

Incentive Business Management Fees — We may also 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 2024 or 2023.

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

Other Management Agreements

We earn management fees by providing continuous services pursuant to the management agreements with ABP Trust regarding AlerisLife and with Sonesta; 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; and (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.

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 the Private Capital clients of \$7,216 and \$7,226 for the three months ended June 30, 2025 and 2024, respectively, and \$20,602 and \$20,521 for the nine months ended June 30, 2025 and 2024, 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.

For the three months ended June 30, 2025 and 2024, we earned aggregate property management fees of \$16,032 and \$19,939, respectively, including construction supervision fees of \$1,623 and \$3,567, respectively. For the nine months ended June 30, 2025 and 2024, we earned aggregate property management fees of \$52,570 and \$57,402, respectively, including construction supervision fees of \$7,247 and \$12,449, respectively.

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

Management Agreements with Joint Ventures

We enter into joint venture arrangements with the intent to acquire, improve and sell commercial real estate. We have management agreements with these joint ventures that entitle us to certain fees, such as property management, construction management fees and reimbursements of certain costs incurred on behalf of the joint ventures. Other applicable fees include:

Acquisition Fees — We recognize revenue when the performance obligation related to the acquisition services is satisfied, typically at the closing of the real estate transaction. Acquisition fees are recorded in management services in our condensed consolidated statements of income. We recognized acquisition fee revenue of \$664 for the nine months ended June 30, 2025.

Carried Interest Revenues — For certain investments, through our subsidiaries, we invest alongside limited partners in investment vehicles and are entitled to a pro-rata share of their results, or a pro-rata allocation. In addition to a pro-rata allocation, and assuming certain investment returns are achieved, we are entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as a carried interest. We recognize carried interest in accordance with the performance-based fee arrangements outlined in our investment management agreements. Carried interest is recognized when the performance criteria specified in the agreements are met, typically upon the realization of investment gains that exceed a predetermined hurdle rate. The recognition of such revenues is contingent upon the achievement of both the investment return threshold and the requisite performance period. This ensures that the earnings process is substantially complete, the amount is reasonably estimable and it is no longer probable that there will be significant reversals. Given the unique nature of each fee arrangement and need for significant judgment, contracts with our clients are evaluated on an individual basis to determine the timing of revenue recognition. Accordingly, a portion of fees we recognize may be partially related to services performed in prior periods that meet recognition criteria in the current period. We did not recognize any carried interest revenues for the three and nine months ended June 30, 2025 and 2024.

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 applicable agreements, 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.

For the three months ended June 30, 2025 and 2024, we earned incentive fees from SEVN of \$229 and \$370, respectively, and \$316 and \$729 for the nine months ended June 30, 2025 and 2024, respectively. We earned advisory services revenue of \$1,115 and \$1,127 for the three months ended June 30, 2025 and 2024, respectively, and \$3,360 and \$3,378 for the nine months ended June 30, 2025 and 2024, respectively.

Other Revenues

Income from our loan investments related to our commercial real estate mortgage loans is generally accrued based on the coupon rates applied to the outstanding principal balance of such loans. Fees, premiums and discounts, if any, will be amortized or accreted into income from loan investments over the remaining term of such loans using the effective interest method, as adjusted for any prepayments. For the three and nine months ended June 30, 2025, we earned income from loan investments, net of \$677 and \$1,869, respectively.

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

Leases with our residential and retail tenants provide for base rent payments and may include variable payments or non-lease components, such as property level operating expenses reimbursed by our tenants as well as other required lease payments. We have made the policy election not to separate the lease and non-lease components because (i) the lease components are operating leases and (ii) the timing and pattern of recognition of non-lease components are the same as those of the lease components. Rental income from these operating leases is recognized on a straight line basis when collectability of substantially all of the lease payments is probable. For the three months ended June 30, 2025 and 2024, we earned rental property revenues of \$2,033 and \$191, respectively, and \$5,080 and \$415 for the nine months ended June 30, 2025 and 2024, 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. Loans Held for Investment, Net

As part of our strategic initiative to expand our private capital business, our plan is to amass a small portfolio of loans, financed, in part, through a bank repurchase facility, in a Tremont managed vehicle and bring in third parties to invest in the vehicle. The vehicle would then continue growing by making additional loans.

Generally, these loans are classified as held for investment based upon our intent and ability to hold them until maturity. Loans that are held for investment are carried at cost, net of unamortized loan origination fees, accreted exit fees, unamortized premiums and unaccreted discounts, as applicable, that are required to be recognized in the carrying value of the loans in accordance with GAAP, unless the loans are determined to be collateral dependent.

During the three and nine months ended June 30, 2025, we funded an additional \$6,030 and \$7,430, respectively, to the borrower of our floating rate first mortgage loan secured by an industrial property in Wayne, PA.

During the three and nine months ended June 30, 2025, we amortized an aggregate \$121 and \$356, respectively, in deferred origination fees and exit fees. As of June 30, 2025 and September 30, 2024, deferred origination fees of \$439 and \$651, respectively, remain unamortized and we accrued \$179 and \$35, respectively, in exit fee receivables, which we include in loans held for investment in our condensed consolidated balance sheets.

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

The table below provides overall statistics for our loan portfolio as of June 30, 2025 and September 30, 2024:

	June 30, 2025	September 30, 2024
Number of loans	2	2
Total loan commitments	\$ 67,000	\$ 67,000
Unfunded loan commitments ⁽¹⁾	\$ 2,390	\$ 9,820
Principal balance	\$ 64,610	\$ 57,180
Weighted average coupon rate	8.40%	9.15%
Weighted average all in yield ⁽²⁾	9.27%	10.13%
Weighted average floor	4.34%	4.34%
Weighted average maximum maturity (years) ⁽³⁾	4.02	4.80

(1) Unfunded loan commitments are primarily used to finance property improvements and leasing capital and are generally funded over the term of the loan.

(2) All in yield represents the yield on a loan, including amortization of deferred fees over the initial term of the loan.

(3) Maximum maturity assumes all borrower loan extension options have been exercised, which options are subject to the borrower meeting certain conditions.

Credit Quality Information

We evaluate the credit quality of each of our loans at least quarterly by assessing a variety of risk factors in relation to each loan and assigning a risk rating to each loan based on those factors. The higher the number, the greater the risk level. As of June 30, 2025, our two loans had an internal risk rating of 3. See our 2024 Annual Report on Form 10-K for more information regarding our loan risk ratings.

Allowance for Credit Losses

The measurement of current expected credit losses, or CECL, is based upon historical experience, current conditions, and reasonable and supportable forecasts incorporating forward-looking information that affect the collectability of the reported amount. Accounting Standards Update, or ASU, No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* prescribes a forward-looking “expected loss” model that generally will result in the earlier recognition of credit losses and is applicable to financial assets measured at amortized cost and off-balance sheet credit exposures, such as unfunded loan commitments.

The allowance for credit losses required under ASU No. 2016-13 is a valuation account that is deducted from the related loans’ amortized cost basis in our consolidated balance sheets. Our loans typically include commitments to fund incremental proceeds to borrowers over the life of the loan; these future funding commitments are also subject to the CECL model. The allowance for credit losses related to unfunded loan commitments is included in accounts payable and accrued expenses in our condensed consolidated balance sheets.

Given the lack of historical loss data related to our loan portfolio, we estimate our expected losses using an analytical model that considers the likelihood of default and loss given default for each individual loan. This analytical model incorporates data from a third party database with historical loan loss information for commercial mortgage-backed securities, or CMBS, and commercial real estate, or CRE, loans since 1998. We estimate the allowance for credit losses for our loan portfolio, including unfunded loan commitments, at the individual loan level. We utilize the model to estimate credit losses over a reasonable and supportable economic forecast period, followed by a straight-line reversion period to average historical losses. Average historical losses are established using a population of third party historical loss data that approximates our portfolio as of the

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

measurement date. We evaluate the estimated allowance for each of our loans individually and we consider our internal loan risk rating as the primary credit quality indicator underlying our assessment.

We estimate credit losses over a reasonable and supportable forecast period of 12 months, followed by a straight-line reversion period of 12 months back to average historical losses. As of June 30, 2025 and September 30, 2024, we recorded an allowance for credit losses of \$526 and \$343, respectively, related to our then outstanding loans held for investment and increased accounts payable and accrued expenses by \$40 and \$259, respectively, related to then unfunded loan commitments. Aggregate provision for (reversal of) credit losses was \$117 and \$(36) for the three and nine months ended June 30, 2025, respectively.

We have elected to exclude accrued interest receivable from amortized cost and not to measure an allowance for credit losses on accrued interest receivable. Accrued interest receivables are generally written off when payments are 120 days past due. Such amounts, if any, are reversed against interest income and no further interest will be recorded until it is collected. As of June 30, 2025, we recognized \$388 in prepaid and other current assets in our condensed consolidated balance sheets related to accrued interest receivable on our loans and no amounts were written off for the three and nine months ended June 30, 2025.

As of June 30, 2025 and August 1, 2025, our borrowers with outstanding loans had paid their debt service obligations owed and due to us. Prior to June 30, 2025, the borrower of our floating rate first mortgage loan secured by a hotel in Revere, MA gave notice of its intent to make a \$3,000 partial repayment on its loan by August 10, 2025.

Note 6. Indebtedness

Secured Financing Facility, Net

Our secured financing facility is governed by our master repurchase agreement with UBS AG, or UBS, or our UBS Master Repurchase Agreement. See our 2024 Annual Report on Form 10-K for more information regarding our UBS Master Repurchase Agreement and secured financing facility.

During the three and nine months ended June 30, 2025, we borrowed an additional \$5,573 on our secured financing facility to fund advances to the borrower of our floating rate first mortgage loan secured by an industrial property in Wayne, PA.

Our secured financing facility has an aggregate maximum capacity of \$200,000 and the table below summarizes our secured financing facility as of June 30, 2025 and September 30, 2024:

	<u>Principal Balance</u>	<u>Carrying Value⁽¹⁾</u>	<u>Coupon Rate⁽²⁾</u>	<u>Remaining Maturity (years)</u>	<u>Maturity Date</u>	<u>Collateral Principal Balance</u>
June 30, 2025:						
Revere, MA (Hotel)	\$ 28,770	\$ 28,437	7.23%	1.00	7/1/2026	\$ 40,000
Wayne, PA (Industrial)	18,458	18,244	7.18%	2.05	7/18/2027	24,610
Total/weighted average	<u>\$ 47,228</u>	<u>\$ 46,681</u>	7.21%	1.40		<u>\$ 64,610</u>
September 30, 2024:						
Revere, MA (Hotel)	\$ 28,770	\$ 28,393	7.82%	1.75	7/1/2026	\$ 40,000
Wayne, PA (Industrial)	12,885	12,716	7.77%	2.80	7/18/2027	17,180
Total/weighted average	<u>\$ 41,655</u>	<u>\$ 41,109</u>	7.80%	2.10		<u>\$ 57,180</u>

(1) During the nine months ended June 30, 2025, we paid \$172 in deferred financing fees. Deferred financing costs of \$547 remain unamortized as of June 30, 2025.

(2) The coupon rate is determined using the Secured Overnight Financing Rate, or SOFR, plus a spread ranging from 2.85% to 2.90%, as applicable, for the respective borrowings under our secured financing facility as of the applicable date.

As of June 30, 2025, we were in compliance with the covenants and other terms of the agreements that govern our secured financing facility.

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

Mortgage Note Payable, Net

As of June 30, 2025, one of our residential properties is encumbered by a \$46,500 mortgage loan with a 5.34% fixed interest rate. This mortgage loan requires monthly payments of interest only until maturity in July 2029. Deferred financing fees incurred in connection with this mortgage financing are amortized over the term of the mortgage agreement and are recorded as a component of interest expense in our condensed consolidated statements of income. Unamortized deferred financing fees totaled \$1,141 as of June 30, 2025.

Senior Secured Revolving Credit Facility

In January 2025, we entered into a credit agreement, or our credit agreement, for a \$100,000 senior secured revolving credit facility, or our revolving credit facility. Our revolving credit facility is secured by certain of our assets and existing management agreements and provides us with enhanced financial flexibility as we continue to invest in our private capital initiatives and position ourselves to capitalize on long term growth opportunities. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayments on borrowings under our credit agreement are due until maturity. The maturity date of our credit agreement is January 22, 2028 and, subject to the payment of an extension fee and meeting certain other requirements, we can extend the maturity date of our revolving credit facility by one year. Interest is payable on borrowings under our credit agreement at a rate of SOFR plus a margin of 225 basis points. We are also required to pay a fee of 50 basis points per annum on the amount of unused lending commitments. Our credit agreement contains a number of covenants, including covenants that require us to maintain certain financial ratios and restrict our ability to incur additional debt in excess of calculated amounts. Availability of borrowings under our credit agreement is subject to ongoing minimum performance, our satisfying certain financial covenants and other credit facility conditions. As of June 30, 2025 and August 1, 2025, we had no amounts outstanding.

Note 7. Investments***Seven Hills Realty Trust***

As of June 30, 2025, Tremont owned 1,708,058, or approximately 11.4%, 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 investment in SEVN and determined 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 June 30, 2025 and September 30, 2024, based on quoted market prices, was \$20,617 and \$23,520, respectively. The unrealized (loss) gain in our condensed consolidated statements of income related to our investment in SEVN was \$(120) and \$188 for the three months ended June 30, 2025 and 2024, respectively, and \$(1,110) and \$4,800 for the nine months ended June 30, 2025 and 2024, respectively. We received distributions from SEVN of \$597 and \$598 for the three months ended June 30, 2025 and 2024, respectively, and \$1,793 for the nine months ended June 30, 2025 and 2024.

Carroll MF VII, LLC and Carroll Multifamily Venture VII, LP

Prior to December 2024, we accounted for our investment in Carroll MF VII, LLC, or MF VII, a co-investment vehicle managed by RMR Residential, using the equity method of accounting because we were deemed to exert significant influence, but not control, over MF VII's most significant activities. Accordingly, this investment was recorded in investments in our condensed consolidated balance sheets as of September 30, 2024 and was not consolidated.

In December 2024, we funded a \$768 capital call to MF VII and reevaluated our consolidation considerations. As a result of our increased equity interest of 14.3% and existing influence over MF VII's most significant activities, we concluded that we control MF VII and, therefore, consolidated its financial position and results as of and for the three and nine months ended June 30, 2025, which included \$687 in accounts payable and accrued expenses. As of June 30, 2025, MF VII owned a \$3,718 investment in Carroll Multifamily Venture VII, LP, or Fund VII. MF VII accounts for its investment in Fund VII using the equity method of accounting because it is deemed to exert significant influence, but not control, over Fund VII's most significant activities. MF VII elected the fair value option to account for its investment in Fund VII and determines fair value

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Notes to Condensed Consolidated Financial Statements (Continued)
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using unobservable Level 3 inputs. The unrealized loss in our condensed consolidated statements of income related to our investment in MF VII was \$95 and \$885 for the three and nine months ended June 30, 2025, respectively.

Joint Ventures

We own equity interests in two joint ventures: (i) a 225-unit residential community in Pompano Beach, FL, or the Pompano JV, and (ii) a 400-unit residential community in Sunrise, FL, or the Sunrise JV, which were acquired for an aggregate purchase price of \$190,100. As general partner of both joint ventures, we made an aggregate equity contribution of \$11,134 during the nine months ended June 30, 2025, with institutional investors funding the remaining equity. We are entitled to construction management and property management fees pursuant to management agreements with these joint ventures and are also entitled to a carried interest if we meet certain investment returns. We account for our investments in the Pompano JV and Sunrise JV using the equity method of accounting because we are deemed to exert significant influence, but not control, over these joint ventures' most significant activities. We elected the fair value option to account for our investments and determined their fair values using unobservable Level 3 inputs. There was no change in the fair value of our investments in the Pompano JV and Sunrise JV for the three and nine months ended June 30, 2025.

For further information regarding the fair value of these investments and the inputs used, see Note 9, *Fair Value of Financial Instruments*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Note 8. 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. During the three and nine months ended June 30, 2025 and 2024, all of our income before taxes was derived solely from domestic operations.

For the three months ended June 30, 2025 and 2024, we recognized estimated income tax expense of \$1,753 and \$3,657, respectively, which includes \$1,268 and \$1,557, respectively, of U.S. federal income tax and \$485 and \$2,100, respectively, of state income taxes. For the nine months ended June 30, 2025 and 2024, we recognized estimated income tax expense of \$5,607 and \$8,415, respectively, which includes \$4,066 and \$4,904, respectively, of U.S. federal income tax and \$1,541 and \$3,511, respectively, of state income taxes.

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Income taxes computed at the federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	3.1 %	3.0 %	3.1 %	2.8 %
Permanent items	1.4 %	0.9 %	0.9 %	0.7 %
Uncertain tax position reserve, net of federal benefit	0.3 %	7.7 %	0.2 %	2.5 %
Net income attributable to noncontrolling interest	(9.9)%	(9.8)%	(9.9)%	(9.8)%
Total	15.9 %	22.8 %	15.3 %	17.2 %

The components of the deferred tax assets as of June 30, 2025 and 2024 are entirely comprised of the outside basis difference in our partnership interest in RMR LLC.

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.

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We continue to be subject to federal, state, and local income tax audit examinations for open periods, which can lead to adjustments to our provision for income taxes, the resolution of which may be highly uncertain. We have accrued an uncertain tax position reserve related to an ongoing examination with a state jurisdiction for the fiscal years ending September 30, 2019 and thereafter, the impact of which is not significant to our condensed consolidated financial statements. Our policy is to include interest expense related to unrecognized tax benefits within the provision for income taxes in our condensed consolidated statements of income. We do not reasonably expect any significant changes relating to our unrecognized tax benefits within the next twelve months.

Note 9. Fair Value of Financial Instruments

We determine the estimated fair value of financial assets and liabilities using the three-tier fair value hierarchy established by GAAP, which prioritizes observable inputs in active markets when measuring fair value. The three levels of inputs that may be used to measure fair value in order of priority are as follows:

Level 1 — Inputs include quoted prices in active markets for identical assets or liabilities that we have the ability to access.

Level 2 — Inputs include quoted prices in markets that are less active or inactive or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Inputs include unobservable prices and are supported by little or no market activity and are significant to the overall fair value measurement.

As of June 30, 2025 and September 30, 2024, the fair values of our financial instruments, which include cash and cash equivalents, amounts due from related parties, accounts payable and accrued expenses and reimbursable accounts payable and accrued expenses, were not materially different from their carrying values due to the short term nature of these financial instruments.

We estimate the fair value of our fixed rate mortgage note payable, loans held for investment and outstanding principal balances under our secured financing facility using significant unobservable inputs (Level 3), including discounted cash flow analyses and prevailing market interest rates.

The table below provides information regarding these financial instruments not carried at fair value in our condensed consolidated balance sheets as of June 30, 2025 and September 30, 2024:

	As of June 30, 2025		As of September 30, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans held for investment	\$ 63,824	\$ 64,895	\$ 56,221	\$ 57,365
Secured financing facility	46,681	47,726	41,109	41,793
Mortgage note payable	45,359	46,070	45,149	46,520

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 used to measure fair value. The hierarchy gives the highest priority to 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.

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

The following tables present our financial assets and liabilities that have been measured at fair value on a recurring basis:

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Due from related parties related to share based payment awards	\$ 6,883	\$ 6,883	\$ —	\$ —
Investment in SEVN	20,617	20,617	—	—
Investment in Fund VII	3,718	—	—	3,718
Investment in joint ventures	11,134	—	—	11,134
Employer compensation liability related to share based payment awards	6,883	6,883	—	—
Earnout liability	6,108	—	—	6,108

	September 30, 2024			
	Total	Level 1	Level 2	Level 3
Due from related parties related to share based payment awards	\$ 14,339	\$ 14,339	\$ —	\$ —
Investment in SEVN	23,520	23,520	—	—
Employer compensation liability related to share based payment awards	14,339	14,339	—	—
Earnout liability	11,958	—	—	11,958

The following tables present 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 June 30, 2025 and September 30, 2024:

	June 30, 2025			
	Fair Value	Valuation Technique	Unobservable Input	Range
Investment in Fund VII	\$ 3,718	Discounted cash flow	Discount rates	6.50% - 7.00%
			Exit capitalization rates	5.00% - 5.50%
			Holding period	10 years
Investment in joint ventures	\$ 11,134	Discounted cash flow	Unlevered IRR	12.02% - 12.37%
			Exit capitalization rates	4.97% - 5.15%
			Holding period	3 years
Earnout liability	\$ 6,108	Monte Carlo	Capital deployment volatility	15.00%
			Discount rate	6.06%

	September 30, 2024			
	Fair Value	Valuation Technique	Unobservable Input	Range
Earnout liability	\$ 11,958	Monte Carlo	Capital deployment volatility	15.00%
			Discount rate	5.53%

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

The tables below present a summary of the changes in fair value of our investment in Fund VII and Earnout liability measured on a recurring basis:

	Three Months Ended June 30, 2025	Nine Months Ended June 30, 2025
Beginning balance	\$ 3,813	\$ —
Changes in fair value for our investment in Fund VII	(95)	3,718
Ending balance	<u>3,718</u>	<u>3,718</u>

	Three Months Ended June 30, 2025	Nine Months Ended June 30, 2025
Beginning balance	\$ 7,278	\$ 11,958
Changes in fair value for our Earnout liability	(1,170)	(5,850)
Ending balance	<u>6,108</u>	<u>6,108</u>

Note 10. Related Person Transactions

Adam 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. RMR Inc.'s executive officers serve as trustees or directors of certain companies to which we provide management services. For more information regarding these relationships, please see our definitive Proxy Statement for our 2025 Annual Meeting of Shareholders.

The Perpetual Capital clients 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. One of the executive officers of AlerisLife and one of the executive officers of Sonesta are 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 [11](#), *Shareholders' Equity*, and in our 2024 Annual Report.

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

Revenues from Related Parties

For the three months ended June 30, 2025 and 2024, we recognized revenues from related parties as set forth in the following table:

	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	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	\$ 5,292	\$ 21,453	\$ 26,745	\$ 5,847	\$ 24,175	\$ 30,022
ILPT	9,135	10,727	19,862	9,073	8,338	17,411
OPI	5,781	38,762	44,543	7,307	52,386	59,693
SVC	9,621	18,900	28,521	10,430	47,690	58,120
Total Managed Equity REITs	29,829	89,842	119,671	32,657	132,589	165,246
SEVN	1,360	1,264	2,624	1,511	1,401	2,912
	31,189	91,106	122,295	34,168	133,990	168,158
Private Capital:						
AlerisLife	1,452	—	1,452	1,442	—	1,442
Sonesta	2,628	—	2,628	2,624	—	2,624
RMR Residential	3,454	5,110	8,564	5,688	7,924	13,612
Other private entities	5,345	11,734	17,079	5,344	14,299	19,643
	12,879	16,844	29,723	15,098	22,223	37,321
Total revenues from related parties	44,068	107,950	152,018	49,266	156,213	205,479
Income from loan investments, net	—	—	677	—	—	—
Rental property revenues	—	—	2,033	—	—	191
Total revenues from unrelated parties	—	—	2,710	—	—	191
Total revenues	\$ 44,068	\$ 107,950	\$ 154,728	\$ 49,266	\$ 156,213	\$ 205,670

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

For the nine months ended June 30, 2025 and 2024, we recognized revenues from related parties as set forth in the following table:

	Nine Months Ended June 30, 2025			Nine Months Ended June 30, 2024		
	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	\$ 17,318	\$ 86,747	\$ 104,065	\$ 18,257	\$ 96,180	\$ 114,437
ILPT	27,503	29,349	56,852	27,403	27,953	55,356
OPI	18,188	120,061	138,249	23,494	168,677	192,171
SVC	29,532	92,846	122,378	33,143	181,628	214,771
Total Managed Equity REITs	92,541	329,003	421,544	102,297	474,438	576,735
SEVN	3,734	4,063	7,797	4,139	4,413	8,552
	96,275	333,066	429,341	106,436	478,851	585,287
Private Capital:						
AlerisLife	4,273	—	4,273	4,275	—	4,275
Sonesta	6,873	—	6,873	6,847	—	6,847
RMR Residential	13,878	18,499	32,377	11,864	16,249	28,113
Other private entities	15,666	45,393	61,059	16,008	44,369	60,377
	40,690	63,892	104,582	38,994	60,618	99,612
Total revenues from related parties	136,965	396,958	533,923	145,430	539,469	684,899
Income from loan investments, net	—	—	1,869	—	—	—
Rental property revenues	—	—	5,080	—	—	415
Total revenues from unrelated parties	—	—	6,949	—	—	415
Total revenues	\$ 136,965	\$ 396,958	\$ 540,872	\$ 145,430	\$ 539,469	\$ 685,314

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

Amounts Due From Related Parties

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

	June 30, 2025			September 30, 2024		
	Accounts Receivable	Reimbursable Costs	Total	Accounts Receivable	Reimbursable Costs	Total
Perpetual Capital:						
DHC	\$ 4,533	\$ 10,053	\$ 14,586	\$ 6,307	\$ 11,358	\$ 17,665
ILPT	4,236	6,003	10,239	4,244	7,968	12,212
OPI	4,705	22,105	26,810	5,877	20,132	26,009
SVC	7,251	4,927	12,178	5,470	8,591	14,061
Total Managed Equity REITs	20,725	43,088	63,813	21,898	48,049	69,947
SEVN	1,391	1,681	3,072	2,551	2,601	5,152
	22,116	44,769	66,885	24,449	50,650	75,099
Private Capital:						
AlerisLife	523	—	523	570	—	570
Sonesta	52	—	52	82	—	82
RMR Residential	11,045	—	11,045	9,587	—	9,587
Other private entities	3,056	8,793	11,849	3,909	54,133	58,042
	14,676	8,793	23,469	14,148	54,133	68,281
	\$ 36,792	\$ 53,562	\$ 90,354	\$ 38,597	\$ 104,783	\$ 143,380

Leases

As of June 30, 2025, 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 \$1,519 and \$1,435 for the three months ended June 30, 2025 and 2024, respectively, and \$4,251 and \$4,180 for the nine months ended June 30, 2025 and 2024, 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 June 30, 2025, our condensed consolidated balance sheet reflects a liability related to the tax receivable agreement of \$20,863, including \$2,421 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 2025.

Pursuant to the RMR LLC operating agreement, for the nine months ended June 30, 2025 and 2024, RMR LLC made required quarterly tax distributions to holders of its membership units totaling \$18,903 and \$21,886, respectively, of which \$10,014 and \$11,646, respectively, was distributed to us and \$8,889 and \$10,240, respectively, was distributed to ABP Trust, based on each membership unit holder's respective ownership percentage at the time of distribution. 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 use 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.

Separation Arrangements

We may 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 may also enter into separation arrangements from time to time with executive and non-executive 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.

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

For the three months ended June 30, 2025 and 2024, we recognized separation costs for certain officers and employees of \$1,880 and \$771, respectively, including cash separation costs of \$1,741 and \$771, respectively, and equity based separation costs of \$139 and \$0, respectively. For the nine months ended June 30, 2025 and 2024, we recognized separation costs for certain officers and employees of \$5,335 and \$4,725, respectively, including cash separation costs of \$4,919 and \$4,217, respectively, and equity based separation costs of \$416 and \$508, respectively.

Bridge Loan to Fund VI

On July 29, 2025, we provided a \$5,500 bridge loan to Carroll Multifamily Venture VI, LP, or Fund VI, for the repayment of existing indebtedness and general corporate purposes. The loan carries interest at a rate of SOFR plus a margin of 400 basis points with a maturity date on January 29, 2026. The general partner of Fund VI is an indirect, wholly owned subsidiary of RMR LLC.

Note 11. Shareholders' Equity

We award our Class A common stock, or Class A Common Shares, to our Directors, officers and employees under the Second Amended and Restated 2016 Omnibus Equity Plan adopted at our 2025 Annual Meeting of Shareholders. 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, 2025, we awarded 5,988 of our Class A Common Shares, valued at \$16.70 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 six Directors as part of his or her annual compensation for serving as a Director. For the nine months ended June 30, 2025, 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 \$454 and \$526 for the three months ended June 30, 2025 and 2024, respectively, and \$1,484 and \$1,486 for the nine months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, we had 201,584 unvested shares outstanding which are scheduled to vest as follows: 70,180 shares in 2025, 59,699 shares in 2026, 44,771 shares in 2027 and 26,934 in 2028.

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 the 8,710 and 10,381 Class A Common Shares repurchased during the three and nine months ended June 30, 2025, respectively, was \$134 and \$163, respectively, 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.

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

Distributions

During the nine months ended June 30, 2025 and 2024, 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>Nine Months Ended June 30, 2025</i>				
10/16/2024	10/28/2024	11/14/2024	\$ 0.45	\$ 7,581
1/16/2025	1/27/2025	2/20/2025	0.45	7,580
4/10/2025	4/22/2025	5/15/2025	0.45	7,595
			\$ 1.35	\$ 22,756
<i>Nine Months Ended June 30, 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
4/11/2024	4/22/2024	5/16/2024	0.45	7,529
			\$ 1.25	\$ 20,897

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>Nine Months Ended June 30, 2025</i>						
10/16/2024	10/28/2024	11/14/2024	\$ 0.32	\$ 10,191	\$ 5,391	\$ 4,800
1/16/2025	1/27/2025	2/20/2025	0.32	10,190	5,390	4,800
4/10/2025	4/22/2025	5/15/2025	0.32	10,201	5,401	4,800
			\$ 0.96	\$ 30,582	\$ 16,182	\$ 14,400
<i>Nine Months Ended June 30, 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
4/11/2024	4/22/2024	5/16/2024	0.32	10,154	5,354	4,800
			\$ 0.96	\$ 30,449	\$ 16,049	\$ 14,400

As of June 30, 2025 and September 30, 2024, we had cash and cash equivalents of \$121,284 and \$141,599, respectively, of which \$22,086 and \$23,189, respectively, was held by RMR Inc., and \$99,198 and \$118,410, respectively, was held by RMR LLC and its subsidiaries. The remainder of the dividends noted above were funded with cash accumulated at RMR Inc.

On July 10, 2025, we declared a quarterly dividend on our Class A Common Shares and Class B-1 Common Shares to our shareholders of record as of July 21, 2025, in the amount of \$0.45 per Class A Common Share and Class B-1 Common Share, or \$7,591. 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 \$10,198, of which \$5,398 will be distributed to us based on our aggregate ownership of 16,869,860 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 August 14, 2025.

Note 12. 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

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

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 ended June 30, 2025 and 2024, the assumed redemption is anti-dilutive to earnings per share. For the nine months ended June 30, 2025, the assumed redemption is dilutive to earnings per share, while the assumed redemption is anti-dilutive to earnings per share for the nine months ended June 30, 2024.

The calculation of basic and diluted earnings per share for the three and nine months ended June 30, 2025 and 2024, is as follows (amounts in thousands, except per share amounts):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Numerators:				
Net income attributable to The RMR Group Inc.	\$ 4,186	\$ 4,935	\$ 14,182	\$ 17,794
Less: income attributable to unvested participating securities	(101)	(76)	(310)	(235)
Net income attributable to The RMR Group Inc. used in calculating basic EPS	4,085	4,859	13,872	17,559
Effect of dilutive securities:				
Add back: income attributable to unvested participating securities	—	—	310	—
Add back: net income attributable to noncontrolling interest in The RMR Group LLC ⁽¹⁾	—	—	17,259	—
Add back: income tax expense	—	—	5,607	—
Less: income tax expense assuming redemption of noncontrolling interest's Class A Units for Class A Common Shares ⁽²⁾	—	—	(11,037)	—
Net income used in calculating diluted EPS	<u>\$ 4,085</u>	<u>\$ 4,859</u>	<u>\$ 26,011</u>	<u>\$ 17,559</u>
Denominators:				
Common shares outstanding	16,870	16,729	16,870	16,729
Less: unvested participating securities and incremental impact of weighted average	(210)	(187)	(240)	(207)
Weighted average common shares outstanding - basic	16,660	16,542	16,630	16,522
Effect of dilutive securities:				
Add: assumed redemption of noncontrolling interest's Class A Units for Class A Common Shares	—	—	15,000	—
Add: incremental unvested shares	—	—	3	—
Weighted average common shares outstanding - diluted	<u>16,660</u>	<u>16,542</u>	<u>31,633</u>	<u>16,522</u>
Net income attributable to The RMR Group Inc. per common share - basic	<u>\$ 0.25</u>	<u>\$ 0.29</u>	<u>\$ 0.83</u>	<u>\$ 1.06</u>
Net income attributable to The RMR Group Inc. per common share - diluted	<u>\$ 0.25</u>	<u>\$ 0.29</u>	<u>\$ 0.82</u>	<u>\$ 1.06</u>

(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 an estimated tax rate of 29.8% for the nine months ended June 30, 2025.

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

Note 13. Net Income Attributable to RMR Inc.

Net income attributable to RMR Inc. for the three months ended June 30, 2025 and 2024, is calculated as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Income before income tax expense	\$ 11,048	\$ 16,061	\$ 36,704	\$ 49,058
RMR Inc. franchise tax expense and interest income	(107)	(187)	(354)	(616)
Net income before noncontrolling interest	10,941	15,874	36,350	48,442
Net income attributable to noncontrolling interest in The RMR Group LLC	(5,200)	(7,482)	(17,259)	(22,876)
Net loss attributable to other noncontrolling interests	91	13	344	27
Net income attributable to RMR Inc. before income tax expense	5,832	8,405	19,435	25,593
Income tax expense attributable to RMR Inc.	(1,753)	(3,657)	(5,607)	(8,415)
RMR Inc. franchise tax expense and interest income	107	187	354	616
Net income attributable to RMR Inc.	<u>\$ 4,186</u>	<u>\$ 4,935</u>	<u>\$ 14,182</u>	<u>\$ 17,794</u>

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 2024 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.

Business Environment and Outlook

The continuation and growth of our business depends upon our ability to manage 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. 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, or CRE, 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.

U.S. trade and fiscal policy, coupled with ongoing geopolitical tensions, has caused uncertainty in financial markets. As a result, we believe many CRE investors continue to remain on the sidelines, waiting until they have greater clarity on the outcomes of negotiations with U.S. trade partners, new tariff announcements, domestic fiscal policy initiatives and the path of interest rates to make buy and sell decisions.

Despite the macroeconomic uncertainty, both we and our clients will continue to 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, 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 June 30, 2025 and 2024, as applicable:

REIT	Primary Strategy	Lesser of Historical Cost of Assets Under Management or Total Market Capitalization as of June 30,	
		2025	2024
DHC	Medical office and life science properties, senior living communities and other healthcare related properties	\$ 3,576,962	\$ 3,845,905
ILPT	Industrial and logistics properties	4,525,348	4,559,824
OPI	Office properties primarily leased to single tenants and those with high credit quality characteristics	2,448,412	2,422,103
SVC	Hotels and service-focused retail net lease properties	6,224,431	6,535,337
		<u>\$ 16,775,153</u>	<u>\$ 17,363,169</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 nine months ended June 30, 2025 and 2024 may differ from the basis at the end of the periods presented in the table above. As of June 30, 2025, 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 June 30, 2025, were \$7,359,403, \$5,708,810, \$5,362,975 and \$11,375,020, respectively.

The fee revenues we earned from the Managed Equity REITs for the three and nine months ended June 30, 2025 and 2024 are set forth in the following tables:

REIT	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total
DHC	\$ 3,859	\$ 1,220	\$ 213	\$ 5,292	\$ 4,101	\$ 1,413	\$ 333	\$ 5,847
ILPT	5,793	3,237	105	9,135	5,854	3,104	115	9,073
OPI	2,778	2,628	375	5,781	3,057	3,172	1,078	7,307
SVC	7,046	2,110	465	9,621	7,592	1,504	1,334	10,430
	<u>\$ 19,476</u>	<u>\$ 9,195</u>	<u>\$ 1,158</u>	<u>\$ 29,829</u>	<u>\$ 20,604</u>	<u>\$ 9,193</u>	<u>\$ 2,860</u>	<u>\$ 32,657</u>

REIT	Nine Months Ended June 30, 2025				Nine Months Ended June 30, 2024			
	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total
DHC	\$ 12,057	\$ 3,851	\$ 1,410	\$ 17,318	\$ 12,062	\$ 4,286	\$ 1,909	\$ 18,257
ILPT	17,471	9,716	316	27,503	17,607	9,484	312	27,403
OPI	8,608	8,203	1,377	18,188	9,684	10,249	3,561	23,494
SVC	21,317	5,704	2,511	29,532	24,047	3,884	5,212	33,143
	<u>\$ 59,453</u>	<u>\$ 27,474</u>	<u>\$ 5,614</u>	<u>\$ 92,541</u>	<u>\$ 63,400</u>	<u>\$ 27,903</u>	<u>\$ 10,994</u>	<u>\$ 102,297</u>

Other Clients

We provide business management services to AlerisLife and Sonesta. 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. Generally, our fees earned from business management services to AlerisLife and Sonesta are based on a percentage of certain revenues.

In addition, we also provide management services to certain other Private Capital clients, including high-quality institutional investors relationships we maintain through RMR Residential, 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. RMR Residential also provides us the potential to generate a carried interest on any new co-investments in the future.

Our management fee revenues from services to these clients for the three and nine months ended June 30, 2025 and 2024, are set forth in the following tables:

	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total
AlerisLife	\$ 1,452	\$ —	\$ —	\$ 1,452	\$ 1,442	\$ —	\$ —	\$ 1,442
Sonesta	2,628	—	—	2,628	2,624	—	—	2,624
RMR Residential	118	2,958	378	3,454	153	4,985	550	5,688
Other private entities	3,018	2,240	87	5,345	3,007	2,180	157	5,344
SEVN	—	16	—	16	—	14	—	14
	<u>\$ 7,216</u>	<u>\$ 5,214</u>	<u>\$ 465</u>	<u>\$ 12,895</u>	<u>\$ 7,226</u>	<u>\$ 7,179</u>	<u>\$ 707</u>	<u>\$ 15,112</u>

	Nine Months Ended June 30, 2025				Nine Months Ended June 30, 2024			
	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total	Base Business Management Revenues	Property Management and Other Revenues	Construction Supervision Revenues	Total
AlerisLife	\$ 4,273	\$ —	\$ —	\$ 4,273	\$ 4,275	\$ —	\$ —	\$ 4,275
Sonesta	6,873	—	—	6,873	6,847	—	—	6,847
RMR Residential	392	12,356	1,130	13,878	328	10,513	1,023	11,864
Other private entities	9,064	6,104	498	15,666	9,071	6,505	432	16,008
SEVN	—	53	5	58	—	32	—	32
	<u>\$ 20,602</u>	<u>\$ 18,513</u>	<u>\$ 1,633</u>	<u>\$ 40,748</u>	<u>\$ 20,521</u>	<u>\$ 17,050</u>	<u>\$ 1,455</u>	<u>\$ 39,026</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 \$1,115 and \$1,127 for the three months ended June 30, 2025 and 2024, respectively, and \$3,360 and \$3,378 for the nine months ended June 30, 2025 and 2024, respectively. Tremont also earned incentive fees from SEVN of \$229 and \$370 for the three months ended June 30, 2025 and 2024, respectively, and \$316 and \$729 for the nine months ended June 30, 2025 and 2024, respectively.

RESULTS OF OPERATIONS (dollars in thousands)
Three Months Ended June 30, 2025, Compared to the Three Months Ended June 30, 2024

The following table presents the changes in our operating results for the three months ended June 30, 2025 compared to the three months ended June 30, 2024:

	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenues:				
Management services	\$ 42,724	\$ 47,769	\$ (5,045)	(10.6)%
Incentive fees	229	370	(141)	(38.1)%
Advisory services	1,115	1,127	(12)	(1.1)%
Total management, incentive and advisory services revenues	44,068	49,266	(5,198)	(10.6)%
Income from loan investments, net	677	—	677	n/m
Rental property revenues	2,033	191	1,842	n/m
Reimbursable compensation and benefits	18,337	22,786	(4,449)	(19.5)%
Reimbursable equity based compensation	1,636	1,088	548	50.4%
Other reimbursable expenses	87,977	132,339	(44,362)	(33.5)%
Total reimbursable costs	107,950	156,213	(48,263)	(30.9)%
Total revenues	154,728	205,670	(50,942)	(24.8)%
Expenses:				
Compensation and benefits	38,603	45,031	(6,428)	(14.3)%
Equity based compensation	2,090	1,614	476	29.5%
Separation costs	1,880	771	1,109	143.8%
Total compensation and benefits expense	42,573	47,416	(4,843)	(10.2)%
General and administrative	9,631	11,436	(1,805)	(15.8)%
Other reimbursable expenses	87,977	132,339	(44,362)	(33.5)%
Rental property expenses	748	79	669	n/m
Transaction and acquisition related costs	820	915	(95)	(10.4)%
Depreciation and amortization	3,006	1,234	1,772	143.6%
Total expenses	144,755	193,419	(48,664)	(25.2)%
Operating income	9,973	12,251	(2,278)	(18.6)%
Interest income	1,182	2,638	(1,456)	(55.2)%
Interest expense	(1,062)	(80)	(982)	n/m
Change in fair value of Earnout liability	1,170	1,064	106	10.0%
(Loss) gain on investments	(215)	188	(403)	n/m
Income before income tax expense	11,048	16,061	(5,013)	(31.2)%
Income tax expense	(1,753)	(3,657)	1,904	52.1%
Net income	9,295	12,404	(3,109)	(25.1)%
Net income attributable to noncontrolling interest in The RMR Group LLC	(5,200)	(7,482)	2,282	30.5%
Net loss attributable to other noncontrolling interests	91	13	78	n/m
Net income attributable to The RMR Group Inc.	\$ 4,186	\$ 4,935	\$ (749)	(15.2)%

n/m - not meaningful

Management services revenue. Management services revenue decreased \$5,045 primarily due to lower construction supervision revenues of \$1,944 due to declines in capital spend at our Managed Equity REITs, lower property management revenues of \$1,294 due to third party management transitions within RMR Residential and a decrease in base business management revenues from the Managed Equity REITs of \$1,128 due to declines in their respective enterprise values.

Income from loan investments, net. Income from loan investments, net includes loan investment interest income of \$1,498 for loans originated, partially offset by interest expense of \$821 incurred as part of our private capital business which began in the fourth fiscal quarter of 2024.

Rental property revenues. Rental property revenues includes base rental income and non-cash straight line rent adjustments for our rental properties. Rental property revenues increased \$1,842 primarily due to our acquisition of properties in Denver, CO and Chicago, IL after the third fiscal quarter of 2024.

Reimbursable compensation and benefits. Reimbursable compensation and benefits includes 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 decreased \$4,449 primarily due to cost containment measures that included headcount reductions over the last twelve months.

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 increased \$548 primarily as a result of increases in certain of our clients' respective share prices in the current fiscal period.

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 consists of employee salaries and other employment related costs, including health insurance expenses and contributions related to our employee retirement plan. Compensation and benefits expense decreased \$6,428 due to cost containment measures that included headcount reductions over the last twelve months.

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. We record an equal offsetting amount as reimbursable equity based compensation revenue for the value of awards under our clients' equity compensation plans to certain of our employees. Equity based compensation increased \$476 primarily as a result of increases in certain of our clients' respective share prices in the current fiscal period.

Separation costs. Separation costs consists of employment termination costs. For further information about these costs, see Note [10](#), *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 consists of office related expenses, information technology related expenses, employee training, travel, professional services expenses, director compensation and other administrative expenses. General and administrative costs decreased \$1,805 primarily due to declines in third party construction supervision fees and certain professional fees.

Rental property expenses. Rental property expenses includes property operating expenses, such as real estate taxes, repairs and maintenance and utility costs incurred at our owned properties. Rental property expenses increased \$669 primarily due to our acquisition of properties in Denver, CO and Chicago, IL after the third fiscal quarter of 2024.

Transaction and acquisition related costs. Transaction and acquisition related costs primarily represent costs associated with our acquisition of MPC and related integration expenses.

Depreciation and amortization. Depreciation and amortization increased \$1,772 primarily due to depreciation in the current fiscal quarter of our owned properties in Denver, CO and Chicago, IL, which were acquired after the third fiscal quarter of 2024.

Interest income. Interest income decreased \$1,456 due to a lower amount of investable cash and lower average interest rates during the current fiscal period compared to the prior period.

Interest expense. Interest expense increased \$982 primarily due to a mortgage note encumbering our owned property in Denver, CO, which was acquired in the fourth fiscal quarter of 2024.

Change in fair value of Earnout liability. For further information about the Earnout liability, see Note [9](#), *Fair Value of Financial Instruments* to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(Loss) gain on investments. (Loss) gain on investments represents the unrealized and realized gains or losses on our investment in SEVN common shares and investment in Carroll Multifamily Venture VII, LP, or Fund VII. For further information, see Note [7](#), *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 \$1,904 is primarily attributable to lower taxable income.

Nine Months Ended June 30, 2025, Compared to the Nine Months Ended June 30, 2024

The following table presents the changes in our operating results for the nine months ended June 30, 2025 compared to the nine months ended June 30, 2024:

	Nine Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenues:				
Management services	\$ 133,289	\$ 141,323	\$ (8,034)	(5.7)%
Incentive fees	316	729	(413)	(56.7)%
Advisory services	3,360	3,378	(18)	(0.5)%
Total management, incentive and advisory services revenues	136,965	145,430	(8,465)	(5.8)%
Income from loan investments, net	1,869	—	1,869	n/m
Rental property revenues	5,080	415	4,665	n/m
Reimbursable compensation and benefits	60,738	62,243	(1,505)	(2.4)%
Reimbursable equity based compensation	2,338	3,657	(1,319)	(36.1)%
Other reimbursable expenses	333,882	473,569	(139,687)	(29.5)%
Total reimbursable costs	396,958	539,469	(142,511)	(26.4)%
Total revenues	540,872	685,314	(144,442)	(21.1)%
Expenses:				
Compensation and benefits	123,216	123,971	(755)	(0.6)%
Equity based compensation	3,822	5,143	(1,321)	(25.7)%
Separation costs	5,335	4,725	610	12.9%
Total compensation and benefits expense	132,373	133,839	(1,466)	(1.1)%
General and administrative	32,161	32,643	(482)	(1.5)%
Other reimbursable expenses	333,882	473,569	(139,687)	(29.5)%
Rental property expenses	1,569	157	1,412	n/m
Transaction and acquisition related costs	2,156	7,230	(5,074)	(70.2)%
Depreciation and amortization	7,810	2,880	4,930	171.2%
Total expenses	509,951	650,318	(140,367)	(21.6)%
Operating income	30,921	34,996	(4,075)	(11.6)%
Interest income	4,115	8,669	(4,554)	(52.5)%
Interest expense	(2,632)	(171)	(2,461)	n/m
Change in fair value of Earnout liability	5,850	764	5,086	n/m
(Loss) gain on investments	(1,995)	4,800	(6,795)	(141.6)%
Gain on sale of real estate	445	—	445	n/m
Income before income tax expense	36,704	49,058	(12,354)	(25.2)%
Income tax expense	(5,607)	(8,415)	2,808	33.4%
Net income	31,097	40,643	(9,546)	(23.5)%
Net income attributable to noncontrolling interest in The RMR Group LLC	(17,259)	(22,876)	5,617	24.6%
Net loss attributable to other noncontrolling interests	344	27	317	n/m
Net income attributable to The RMR Group Inc.	\$ 14,182	\$ 17,794	\$ (3,612)	(20.3)%

n/m - not meaningful

Management services revenue. Management services revenue decreased \$8,034 primarily due to lower construction supervision revenues at the Managed Equity REITs of \$5,380 due to lower levels of capital spend and lower base business management revenues from the Managed Equity REITs of \$3,947 due to declines in their respective enterprise values, partially offset by growth in management services revenues of \$2,014 related to RMR Residential.

Income from loan investments, net. Income from loan investments, net includes loan investment interest income of \$4,361 for loans originated, partially offset by interest expense of \$2,492 incurred as part of our private capital business which began in the fourth fiscal quarter of 2024.

Rental property revenues. Rental property revenues increased \$4,665 primarily due to our acquisition of properties in Denver, CO and Chicago, IL after the third fiscal quarter of 2024.

Reimbursable compensation and benefits. Reimbursable compensation and benefits decreased \$1,505 primarily due to cost containment measures that included headcount reductions over the last twelve months, partially offset by the impact of a full period of RMR Residential's operations following our MPC acquisition in December 2023.

Reimbursable equity based compensation. Reimbursable equity based compensation revenue decreased \$1,319 primarily as a result of decreases in certain of our clients' respective share prices in the current fiscal period.

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 decreased \$755 due to cost containment measures that included headcount reductions over the last twelve months, partially offset by the impact of a full nine-month period of RMR Residential's operations following our MPC acquisition in December 2023.

Equity based compensation. Equity based compensation decreased \$1,321 primarily as a result of decreases in certain of our clients' respective share prices in the current fiscal period.

Separation costs. For further information about these costs, see Note 10, *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 decreased \$482 primarily due to declines in third party construction supervision fees, partially offset by the incremental costs generated by RMR Residential and other professional fees.

Rental property expenses. Rental property expenses increased \$1,412 primarily due to our acquisition of properties in Denver, CO and Chicago, IL after the third fiscal quarter of 2024.

Transaction and acquisition related costs. Transaction and acquisition related costs primarily represent costs associated with our acquisition of MPC and related integration expenses.

Depreciation and amortization. Depreciation and amortization increased \$4,930 primarily due to full period amortization of MPC acquisition related intangible assets and depreciation of our owned properties in the current fiscal period.

Interest income. Interest income decreased \$4,554 due to a lower amount of investable cash and lower average interest rates during the current fiscal period compared to the prior period.

Interest expense. Interest expense increased \$2,461 primarily due to a mortgage note encumbering our owned property in Denver, CO, which was acquired in the fourth fiscal quarter of 2024.

Change in fair value of Earnout liability. For further information about the Earnout liability, see Note 9, *Fair Value of Financial Instruments* to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(Loss) gain on investments. For further information, see Note 7, *Investments*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Gain on sale of real estate. We recorded a \$445 gain on sale of real estate resulting from the sale of one property during the current fiscal period.

Income tax expense. The decrease in income tax expense of \$2,808 is primarily attributable to lower taxable income.

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 June 30, 2025 and September 30, 2024, we had cash and cash equivalents of \$121,284 and \$141,599, respectively, of which \$22,086 and \$23,189, respectively, was held by RMR Inc., with the remainder being held at RMR LLC and its subsidiaries. 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 June 30, 2025 and September 30, 2024, \$95,703 and \$92,326, respectively, of our cash and cash equivalents were invested in money market bank accounts.

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 cash distributions 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 acquiring new real estate, sponsoring and managing new real estate related investment funds and joint ventures 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 ventures will diversify our revenues and generate management fees, incentive fees and potential carried interest.

Our liquidity is highly dependent upon our receipt of fees from the businesses we manage. Historically, we have funded our working capital needs with cash generated from our operating activities. 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.

In January 2025, we entered into a credit agreement, or our credit agreement, for a \$100,000 senior secured revolving credit facility, or our revolving credit facility. Our revolving credit facility is secured by substantially all of our assets and provides us with enhanced financial flexibility as we continue to invest in our private capital business and position ourselves to capitalize on long term growth opportunities. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayments on borrowings under our credit agreement are due until maturity. The maturity date of our credit agreement is January 22, 2028 and, subject to the payment of an extension fee and meeting certain other requirements, we can extend the maturity date of our revolving credit facility by one year. Interest is payable on borrowings under our credit agreement at a rate of SOFR plus a margin of 225 basis points. We are also required to pay a fee of 50 basis points per annum on the amount of unused lending commitments. Our credit agreement contains a number of covenants, including covenants that require us to maintain certain financial ratios and restrict our ability to incur additional debt in excess of calculated amounts. Availability of borrowings under our credit agreement is subject to ongoing minimum performance, our satisfying certain financial covenants and other credit facility conditions. As of August 1, 2025, we had no amounts outstanding.

Cash Flows

The \$6,951 decrease in net cash flows provided by operating activities for the nine months ended June 30, 2025 compared to the prior period reflects unfavorable changes in working capital and a decrease in net income. The \$42,178 decrease in net cash flows used in investing activities for the nine months ended June 30, 2025 compared to the prior period was due to our acquisition of MPC in the prior period, partially offset by our acquisition of a property near Chicago, IL in the current period. The \$4,471 decrease in net cash flows used in financing activities for the nine months ended June 30, 2025 compared to the prior period was due to borrowings on our secured financing facility in the current period.

As of June 30, 2025, 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 [10](#), *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 June 30, 2025, our condensed consolidated balance sheet reflects a liability related to the tax receivable agreement of \$20,863, of which we expect to pay \$2,421 to ABP Trust during the fourth quarter of fiscal year 2025.

Market Risk and Credit Risk

We have not invested in derivative instruments, borrowed through issuing debt securities or transacted in foreign currencies. As of June 30, 2025, our floating rate debt consisted of our repurchase loans, which are governed by our master repurchase agreement with UBS AG, or UBS, or our UBS Master Repurchase Agreement and directly relate to our underlying loans held for investment. We are required to pay interest on our floating rate debt at a rate of SOFR plus a premium and earn interest on our underlying loans held for investment at a rate of SOFR plus a premium that is in excess of the premium paid on our floating rate debt. Changes in market interest rates would not impact the fixed spread that we earn between our purchased assets and our loans held for investment. 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, or commodity price changes; however, if any of these risks were to negatively impact our clients' businesses or market capitalization, our revenues would likely decline. We are subject to the credit risk of our borrowers in connection with our loans held for investment. We seek to mitigate this risk by utilizing a comprehensive underwriting, diligence and investment selection process and by ongoing monitoring of our investments. Nevertheless, unanticipated credit losses could occur that may adversely impact our operating results.

In January 2025, we entered into our credit agreement governing our revolving credit facility. Interest payable on borrowings under our credit agreement is at a rate of SOFR plus a margin of 225 basis points. Accordingly, we may be vulnerable to changes in U.S. dollar based short term rates, specifically SOFR. Generally, a change in interest rates would not affect the value of our floating rate debt but would affect our operating results. As of August 1, 2025, we had no amounts outstanding.

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 2024 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 Portnoy, the Chair of our Board and one of our Managing Directors, as well as our clients and certain employees. For further information about these and other such relationships and related person transactions, please see Note [10](#), *Related Person Transactions*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2024 Annual Report, our definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and our other filings with the SEC. In addition, see the section captioned "Risk Factors" in our 2024 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. Significant estimates that impact the condensed consolidated financial statements include the revenue recognized during the reporting periods, the estimation of fair values and our principles of consolidation.

A discussion of our critical accounting estimates is included in our 2024 Annual Report. There have been no significant changes in our critical accounting estimates since the fiscal year ended September 30, 2024.

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.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2025 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”, “opportunity”, “may”, “positioned”, “potential” 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, including as a result of changing tariffs or trade policies and the related uncertainty thereof; 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, including interest rates; our belief that it is possible to grow real estate based businesses in selected property types or geographic areas despite general national trends; our liquidity, including its sufficiency to pursue a range of capital allocation strategies and fund our operations and enhance our technology infrastructure and risk exposure; our future profitability; 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,
- Uncertainty surrounding interest rates and sustained high interest rates, which may impact our clients and 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 which is often dependent on circumstances beyond our control,
- The ability of our clients to operate their businesses profitably, optimize their capital structures, comply with the terms of their debt agreements and financial covenants 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 grow the RMR Residential business and realize our expected returns on our investment within the anticipated timeframe,
- Our ability to successfully integrate acquired businesses and realize our expected returns on our investments,
- The ability of Tremont to identify and close suitable investments for our private capital debt vehicle, or our Real Estate Lending Venture, and SEVN and to monitor, service and administer existing investments,
- Our ability to obtain additional capital from third party investors in our Real Estate Lending Venture in order to make additional investments and to increase potential returns,
- Changes to our operating leverage or client diversity,
- Risks related to the security of our network and information technology,
- 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 2024 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 June 30, 2025:

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
April 1 - April 30, 2025	1,993	\$ 16.44	N/A	N/A
May 1 - May 31, 2025	4,396	\$ 14.57	N/A	N/A
June 1 - June 30, 2025	2,321	\$ 16.17	N/A	N/A
Total	8,710	\$ 15.42	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	Fifth Amended and Restated Bylaws of the Registrant adopted June 11, 2024. (Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-37616) filed with the SEC on June 11, 2024.)
3.7	Articles of Amendment, filed December 19, 2024. (Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-37616) filed with the SEC on December 19, 2024.)
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.)

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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)
Date: August 5, 2025

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: August 5, 2025

/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: August 5, 2025

/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 June 30, 2025 (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: August 5, 2025