

**Piedmont Office Realty Trust, Inc.**  
**Consolidated Balance Sheets (Unaudited)**  
*(in thousands)*

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<b>Assets:</b>		
Real estate assets, at cost:		
Land	\$ 578,722	\$ 529,941
Buildings and improvements	3,751,722	3,374,903
Buildings and improvements, accumulated depreciation	(926,357)	(861,206)
Intangible lease assets	212,248	178,157
Intangible lease assets, accumulated amortization	(88,721)	(83,777)
Construction in progress	44,977	43,406
Real estate assets held for sale, gross	—	80,586
Real estate assets held for sale, accumulated depreciation and amortization	—	(16,699)
Total real estate assets	<u>3,572,591</u>	<u>3,245,311</u>
Cash and cash equivalents	10,653	7,419
Tenant receivables	7,796	2,995
Straight line rent receivables	173,122	162,632
Notes receivable	—	118,500
Restricted cash and escrows	2,191	1,441
Prepaid expenses and other assets	23,925	20,485
Goodwill	98,918	98,918
Interest rate swaps	3,760	—
Deferred lease costs, gross	510,936	469,671
Deferred lease costs, accumulated depreciation	(218,399)	(205,100)
Other assets held for sale, gross	—	9,389
Other assets held for sale, accumulated depreciation	—	(996)
<b>Total assets</b>	<u><u>\$ 4,185,493</u></u>	<u><u>\$ 3,930,665</u></u>
<b>Liabilities:</b>		
Unsecured debt, net of discount and unamortized debt issuance costs of \$13,592 and \$12,210, respectively	\$ 1,948,408	\$ 1,877,790
Secured Debt	197,000	—
Accounts payable, accrued expenses, and accrued capital expenditures	111,262	114,453
Dividends payable	—	26,048
Deferred income	70,798	80,686
Intangible lease liabilities, less accumulated amortization	60,694	39,341
Interest rate swaps	—	4,924
<b>Total liabilities</b>	<u>2,388,162</u>	<u>2,143,242</u>
<b>Stockholders' equity:</b>		
Common stock	1,234	1,231
Additional paid in capital	3,709,234	3,701,798
Cumulative distributions in excess of earnings	(1,905,544)	(1,899,081)
Other comprehensive income	(9,194)	(18,154)
<b>Piedmont stockholders' equity</b>	<u>1,795,730</u>	<u>1,785,794</u>
Noncontrolling interest	1,601	1,629
<b>Total stockholders' equity</b>	<u>1,797,331</u>	<u>1,787,423</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 4,185,493</u></u>	<u><u>\$ 3,930,665</u></u>

<i>Number of shares of common stock outstanding as of end of period</i>	<i>123,395</i>	<i>123,077</i>
<i>Net debt (Unsecured and Secured Debt less Cash and cash equivalents)</i>	<i>2,134,755</i>	<i>1,870,371</i>
<i>Total Principal Amount of Debt Outstanding (Unsecured and Secured Debt plus discount and unamortized debt issuance costs)</i>	<i>2,159,000</i>	<i>1,890,000</i>

**Piedmont Office Realty Trust, Inc.**

**Consolidated Statements of Income**

*Unaudited (in thousands, except for per share data)*

	Three Months Ended		Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
<b>Revenues:</b>				
Rental and tenant reimbursement revenue	\$ 139,572	\$ 127,427	\$ 403,635	\$ 380,306
Property management fee revenue	303	626	1,280	1,920
Other property related income	4,225	3,018	11,643	8,320
Total revenues	144,100	131,071	416,558	390,546
<b>Expenses:</b>				
Property operating costs	59,039	51,767	166,295	154,849
Depreciation	34,941	30,562	98,828	88,663
Amortization	23,290	20,373	67,022	63,978
General and administrative	6,590	6,955	21,212	22,417
Total operating expenses	123,860	109,657	353,357	329,907
<b>Other income (expense):</b>				
Interest expense	(17,244)	(12,450)	(44,917)	(37,375)
Other income	335	2,337	2,302	7,324
Gain on sale of real estate assets	—	—	50,674	—
Total other income (expense)	(16,909)	(10,113)	8,059	(30,051)
<b>Net income</b>	<b>3,331</b>	<b>11,301</b>	<b>71,260</b>	<b>30,588</b>
Net loss applicable to noncontrolling interest	—	5	1	9
<b>Net income applicable to Piedmont</b>	<b>\$ 3,331</b>	<b>\$ 11,306</b>	<b>\$ 71,261</b>	<b>\$ 30,597</b>
Weighted average common shares outstanding - diluted	123,697	124,627	123,631	124,472
<b>Net income per share applicable to common stockholders - diluted</b>	<b>\$ 0.03</b>	<b>\$ 0.09</b>	<b>\$ 0.58</b>	<b>\$ 0.25</b>

Piedmont Office Realty Trust, Inc.

Funds From Operations, Core Funds From Operations and Adjusted Funds From Operations

Unaudited (in thousands, except for per share data)

	Three Months Ended		Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
<b>GAAP net income applicable to common stock</b>	<b>\$ 3,331</b>	<b>\$ 11,306</b>	<b>\$ 71,261</b>	<b>\$ 30,597</b>
Depreciation of real estate assets <sup>(1)</sup>	34,743	30,336	98,262	87,873
Amortization of lease-related costs	23,278	20,362	66,986	63,943
Gain on sale of real estate assets	—	—	(50,674)	—
<b>NAREIT Funds From Operations and Core Funds from Operations applicable to common stock*</b>	<b>61,352</b>	<b>62,004</b>	<b>185,835</b>	<b>182,413</b>
Amortization of debt issuance costs, fair market adjustments on notes payable, and discounts on debt	922	849	2,463	2,076
Depreciation of non real estate assets	189	216	537	762
Straight-line effects of lease revenue	(3,268)	(2,122)	(8,874)	(8,627)
Stock-based compensation adjustments	1,950	1,637	3,116	5,152
Net effect of amortization of above/below-market in-place lease intangibles	(3,542)	(2,731)	(9,713)	(8,192)
Non-incremental capital expenditures <sup>(2)</sup>	(14,121)	(18,640)	(42,406)	(52,849)
<b>Adjusted Funds From Operations applicable to common stock*</b>	<b>\$ 43,482</b>	<b>\$ 41,213</b>	<b>\$ 130,958</b>	<b>\$ 120,735</b>
Weighted average common shares outstanding - diluted	123,697	124,627	123,631	124,472
<b>Funds From Operations and Core Funds From Operations per share (diluted)</b>	<b>\$ 0.50</b>	<b>\$ 0.50</b>	<b>\$ 1.50</b>	<b>\$ 1.47</b>

<sup>(1)</sup>Excludes depreciation of non real estate assets.

<sup>(2)</sup>Capital expenditures of a recurring nature related to tenant improvements, leasing commissions and building capital that do not incrementally enhance the underlying assets' income generating capacity. Tenant improvements, leasing commissions, building capital and deferred lease incentives incurred to lease space that was vacant at acquisition, leasing costs for spaces vacant for greater than one year, leasing costs for spaces at newly acquired properties for which in-place leases expire shortly after acquisition, improvements associated with the expansion of a building and renovations that either enhance the rental rates of a building or change the property's underlying classification, such as from a Class B to a Class A property, are excluded from this measure.

**Piedmont Office Realty Trust, Inc.**

**EBITDAre, Core EBITDA, Property Net Operating Income (Cash and Accrual),  
Same Store Net Operating Income (Cash and Accrual)**

*Unaudited (in thousands)*

	Cash Basis		Accrual Basis	
	Three Months Ended		Three Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
<b>Net income applicable to Piedmont (GAAP)</b>	<b>\$ 3,331</b>	<b>\$ 11,306</b>	<b>\$ 3,331</b>	<b>\$ 11,306</b>
Net loss applicable to noncontrolling interest	—	(5)	—	(5)
Interest expense	17,244	12,450	17,244	12,450
Depreciation	34,931	30,552	34,931	30,552
Amortization	23,278	20,362	23,278	20,362
Depreciation and amortization attributable to noncontrolling interests	21	21	21	21
<b>EBITDAre* and Core EBITDA*</b>	<b>78,805</b>	<b>74,686</b>	<b>78,805</b>	<b>74,686</b>
General & administrative expenses	6,590	6,955	6,590	6,955
Management fee revenue	(177)	(309)	(177)	(309)
Other income	(119)	(2,121)	(119)	(2,121)
Non-cash general reserve\ (reversal) for uncollectible accounts	(1,000)	—		
Straight line effects of lease revenue	(3,268)	(2,122)		
Straight line effects of lease revenue attributable to noncontrolling interests	(4)	1		
Amortization of lease-related intangibles	(3,542)	(2,731)		
<b>Property NOI*</b>	<b>77,285</b>	<b>74,359</b>	<b>85,099</b>	<b>79,211</b>
Net operating (income)/loss from:				
Acquisitions	(5,423)	—	(7,895)	—
Dispositions	1	(2,308)	1	(2,427)
Other investments <sup>(1)</sup>	211	267	150	324
<b>Same Store NOI*</b>	<b>\$ 72,074</b>	<b>\$ 72,318</b>	<b>\$ 77,355</b>	<b>\$ 77,108</b>
<i>Change period over period in Same Store NOI</i>	<i>(0.3)%</i>	<i>N/A</i>	<i>0.3 %</i>	<i>N/A</i>

<sup>(1)</sup>Other investments consist of our investments in active, out-of-service redevelopment and development projects, land, and recently completed redevelopment and development projects. The operating results of 222 South Orange Avenue in Orlando, FL, are included in this line item.

**Piedmont Office Realty Trust, Inc.**

**EBITDAre, Core EBITDA, Property Net Operating Income (Cash and Accrual), Same Store Net Operating Income (Cash and Accrual)**

*Unaudited (in thousands)*

	Cash Basis		Accrual Basis	
	Nine Months Ended		Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
<b>Net income applicable to Piedmont (GAAP)</b>	<b>\$ 71,261</b>	<b>\$ 30,597</b>	<b>\$ 71,261</b>	<b>\$ 30,597</b>
Net loss applicable to noncontrolling interest	(1)	(9)	(1)	(9)
Interest expense	44,917	37,375	44,917	37,375
Depreciation	98,799	88,635	98,799	88,635
Amortization	66,986	63,943	66,986	63,943
Depreciation and amortization attributable to noncontrolling interests	65	63	65	63
Gain on sale of real estate assets	(50,674)	—	(50,674)	—
<b>EBITDAre* and Core EBITDA*</b>	<b>231,353</b>	<b>220,604</b>	<b>231,353</b>	<b>220,604</b>
General & administrative expenses	21,212	22,417	21,212	22,417
Management fee revenue	(743)	(946)	(743)	(946)
Other income	(1,655)	(6,423)	(1,655)	(6,423)
Non-cash general reserve/(reversal) for uncollectible accounts	(2,000)	412		
Straight line effects of lease revenue	(8,874)	(8,627)		
Straight line effects of lease revenue attributable to noncontrolling interests	(6)	2		
Amortization of lease-related intangibles	(9,713)	(8,192)		
<b>Property NOI*</b>	<b>229,574</b>	<b>219,247</b>	<b>250,167</b>	<b>235,652</b>
Net operating income from:				
Acquisitions	(10,791)	—	(15,692)	—
Dispositions	(567)	(5,724)	(638)	(6,317)
Other investments <sup>(1)</sup>	539	624	528	793
<b>Same Store NOI*</b>	<b>\$ 218,755</b>	<b>\$ 214,147</b>	<b>\$ 234,365</b>	<b>\$ 230,128</b>
<i>Change period over period in Same Store NOI</i>	<i>2.2 %</i>	<i>N/A</i>	<i>1.8 %</i>	<i>N/A</i>

<sup>(1)</sup>Other investments consist of our investments in active redevelopment and development projects, land, and recently completed redevelopment and development projects for which some portion of operating expenses were capitalized during the current or prior reporting periods. The operating results from 222 South Orange Avenue in Orlando, FL, are included in this line item.

**\*Definitions:**

Funds From Operations ("FFO"): The Company calculates FFO in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition. NAREIT currently defines FFO as net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investment in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity, along with appropriate adjustments to those reconciling items for joint ventures, if any. These adjustments can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that FFO is helpful to investors as a supplemental performance measure because it excludes the effects of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. The Company also believes that FFO can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company's computation of FFO may not be comparable to that of such other REITs.

Core Funds From Operations ("Core FFO"): The Company calculates Core FFO by starting with FFO, as defined by NAREIT, and adjusting for gains or losses on the extinguishment of swaps and/or debt and any significant non-recurring items. Core FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain infrequent or non-recurring items which can create significant earnings volatility, but which do not directly relate to the Company's core business operations. As a result, the Company believes that Core FFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential. Other REITs may not define Core FFO in the same manner as the Company; therefore, the Company's computation of Core FFO may not be comparable to that of other REITs.

Adjusted Funds From Operations ("AFFO"): The Company calculates AFFO by starting with Core FFO and adjusting for non-incremental capital expenditures and then adding back non-cash items including: non-real estate depreciation, straight-lined rents and fair value lease adjustments, non-cash components of interest expense and compensation expense, and by making similar adjustments for joint ventures, if any. AFFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that AFFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments. Other REITs may not define AFFO in the same manner as the Company; therefore, the Company's computation of AFFO may not be comparable to that of other REITs.

EBITDAre: The Company calculates EBITDAre in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition. NAREIT currently defines EBITDAre as net income (computed in accordance with GAAP) adjusted for gains or losses from sales of property, impairment losses, depreciation on real estate assets, amortization on real estate assets, interest expense and taxes, along with the same adjustments for joint ventures. Some of the adjustments mentioned can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. EBITDAre is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that EBITDAre is helpful to investors as a supplemental performance measure because it provides a metric for understanding the Company's results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization) and capitalization and capital structure expenses (such as interest expense and taxes). The Company also believes that EBITDAre can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define EBITDAre in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company's computation of EBITDAre may not be comparable to that of such other REITs.

Core EBITDA: The Company calculates Core EBITDA as net income (computed in accordance with GAAP) before interest, taxes, depreciation and amortization and incrementally removing any impairment losses, gains or losses from sales of property and other significant infrequent items that create volatility within our earnings and make it difficult to determine the earnings generated by our core ongoing business. Core EBITDA is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Core EBITDA is helpful to investors as a supplemental performance measure because it provides a metric for understanding the performance of the Company's results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization), as well as items that are not part of normal day-to-day operations of the Company's business. Other REITs may not define Core EBITDA in the same manner as the Company; therefore, the Company's computation of Core EBITDA may not be comparable to that of other REITs.

Property Net Operating Income ("Property NOI"): The Company calculates Property NOI by starting with Core EBITDA and adjusting for general and administrative expense, income associated with property management performed by Piedmont for other organizations and other income or expense items for the Company, such as interest income from loan investments or costs from the pursuit of non-consummated transactions. The Company may present this measure on an accrual basis or a cash basis. When presented on a cash basis, the effects of non-cash general reserve for uncollectible accounts, straight lined rents and fair value lease revenue are also eliminated. Property NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Property NOI is helpful to investors as a supplemental comparative performance measure of income generated by its properties alone without the administrative overhead of the Company. Other REITs may not define Property NOI in the same manner as the Company; therefore, the Company's computation of Property NOI may not be comparable to that of other REITs.

Same Store Net Operating Income ("Same Store NOI"): The Company calculates Same Store NOI as Property NOI attributable to the properties for which the following criteria were met during the entire span of the current and prior year reporting periods: (i) they were owned, (ii) they were not under development / redevelopment, and (iii) none of the operating expenses for which were capitalized. Same Store NOI also excludes amounts attributable to land assets. The Company may present this measure on an accrual basis or a cash basis. Same Store NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Same Store NOI is helpful to investors as a supplemental comparative performance measure of the income generated from the same group of properties from one period to the next. Other REITs may not define Same Store NOI in the same manner as the Company; therefore, the Company's computation of Same Store NOI may not be comparable to that of other REITs.

