

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

(in thousands)

	June 30, 2024	December 31, 2023
Assets:		
Real estate assets, at cost:		
Land	\$ 552,744	\$ 559,384
Buildings and improvements	3,791,196	3,788,249
Buildings and improvements, accumulated depreciation	(1,080,613)	(1,039,136)
Intangible lease assets	151,015	170,654
Intangible lease assets, accumulated amortization	(80,251)	(88,066)
Construction in progress	115,213	85,239
Real estate assets held for sale, gross	26,547	43,579
Real estate assets held for sale, accumulated depreciation and amortization	(7,821)	(7,376)
Total real estate assets	3,468,030	3,512,527
Cash and cash equivalents	138,454	825
Tenant receivables	7,619	7,915
Straight line rent receivables	186,913	182,856
Restricted cash and escrows	5,368	3,381
Prepaid expenses and other assets	25,224	27,559
Goodwill	53,491	53,491
Interest rate swaps	3,578	3,032
Deferred lease costs	467,710	485,531
Deferred lease costs, accumulated depreciation	(201,008)	(223,248)
Other assets held for sale, gross	4,016	3,879
Other assets held for sale, accumulated depreciation	(752)	(666)
Total assets	\$ 4,158,643	\$ 4,057,082
Liabilities:		
Unsecured debt, net of discount and unamortized debt issuance costs of \$22,431 and \$15,437, respectively	\$ 2,027,569	\$ 1,858,717
Secured Debt	194,169	195,879
Accounts payable, accrued expenses, and accrued capital expenditures	140,793	131,516
Dividends payable	—	15,143
Deferred income	100,131	89,930
Intangible lease liabilities, less accumulated amortization	37,657	42,925
Total liabilities	2,500,319	2,334,110
Stockholders' equity:		
Common stock (123,994,991 and 123,715,298 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively)	1,240	1,237
Additional paid in capital	3,719,419	3,716,742
Cumulative distributions in excess of earnings	(2,055,697)	(1,987,147)
Other comprehensive income	(8,180)	(9,418)
Piedmont stockholders' equity	1,656,782	1,721,414
Noncontrolling interest	1,542	1,558
Total stockholders' equity	1,658,324	1,722,972
Total liabilities and stockholders' equity	\$ 4,158,643	\$ 4,057,082

Net Principal Amount of Debt Outstanding (Unsecured and Secured Debt plus discounts and unamortized debt issuance costs less Cash and cash equivalents)

2,105,715

2,069,208

Piedmont Office Realty Trust, Inc.

Consolidated Statements of Operations

Unaudited (in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Revenues:				
Rental and tenant reimbursement revenue	\$ 136,670	\$ 137,503	\$ 275,751	\$ 274,332
Property management fee revenue	482	437	639	944
Other property related income	6,110	5,132	11,410	10,163
Total revenues	143,262	143,072	287,800	285,439
Expenses:				
Property operating costs	58,565	58,368	118,009	116,159
Depreciation	38,814	36,475	77,683	72,272
Amortization	18,097	21,333	36,217	43,364
Impairment charges	—	—	18,432	—
General and administrative	8,352	7,279	15,964	14,970
Total operating expenses	123,828	123,455	266,305	246,765
Other income (expense):				
Interest expense	(29,569)	(23,389)	(59,283)	(45,466)
Other income ⁽¹⁾	328	1,787	606	3,443
Loss on early extinguishment of debt	—	—	(386)	—
Total other income (expense)	(29,241)	(21,602)	(59,063)	(42,023)
Net loss	(9,807)	(1,985)	(37,568)	(3,349)
Net income applicable to noncontrolling interest	(2)	(3)	(4)	(6)
Net loss applicable to Piedmont	\$ (9,809)	\$ (1,988)	\$ (37,572)	\$ (3,355)
Weighted average common shares outstanding - basic and diluted	123,953	123,671	123,877	123,611
Net loss per share applicable to common stockholders - basic and diluted	\$ (0.08)	\$ (0.02)	\$ (0.30)	\$ (0.03)

⁽¹⁾ Includes interest income (in thousands) of approximately \$188 and \$1,531 for the three months ended June 30, 2024 and 2023, respectively, and \$288 and \$2,958 for the six months ended June 30, 2024 and 2023, respectively.

Piedmont Office Realty Trust, Inc.

Funds from Operations ("FFO"), Core FFO and Adjusted FFO

Unaudited (in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
GAAP net loss applicable to common stock	\$ (9,809)	\$ (1,988)	\$ (37,572)	\$ (3,355)
Depreciation of real estate assets ⁽¹⁾	38,471	36,200	77,057	71,890
Amortization of lease-related costs	18,089	21,323	36,201	43,344
Impairment charges	—	—	18,432	—
NAREIT FFO applicable to common stock*	46,751	55,535	94,118	111,879
Loss on early extinguishment of debt	—	—	386	—
Core FFO applicable to common stock*	46,751	55,535	94,504	111,879
Amortization of debt issuance costs and discounts on debt	1,139	1,312	2,347	2,551
Depreciation of non real estate assets	331	264	603	361
Straight-line effects of lease revenue	(2,084)	(2,755)	(4,339)	(5,942)
Stock-based compensation adjustments	2,061	2,095	3,087	2,278
Amortization of lease-related intangibles	(2,549)	(3,119)	(5,205)	(6,531)
Non-incremental capital expenditures ⁽²⁾	(17,891)	(8,888)	(38,498)	(23,360)
Adjusted FFO applicable to common stock*	\$ 27,758	\$ 44,444	\$ 52,499	\$ 81,236
Weighted average common shares outstanding - diluted ⁽³⁾	124,796	123,749	124,501	123,696
NAREIT and Core FFO per share (diluted)	\$ 0.37	\$ 0.45	\$ 0.76	\$ 0.90

⁽¹⁾Excludes depreciation of non real estate assets.

⁽²⁾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.

⁽³⁾Includes potential dilution under the treasury stock method that would occur if our remaining unvested and potential stock awards vested and resulted in additional common shares outstanding. Such shares were not included when calculating net loss per diluted share applicable to Piedmont for the three and six months ended June 30, 2024 and 2023 as they would reduce the loss per share presented.

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	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net loss applicable to Piedmont (GAAP)	\$ (9,809)	\$ (1,988)	\$ (9,809)	\$ (1,988)
Net income applicable to noncontrolling interest	2	3	2	3
Interest expense	29,569	23,389	29,569	23,389
Depreciation	38,802	36,464	38,802	36,464
Amortization	18,089	21,323	18,089	21,323
Depreciation and amortization attributable to noncontrolling interests	20	21	20	21
EBITDAre* and Core EBITDA*	76,673	79,212	76,673	79,212
General and administrative expenses	8,352	7,279	8,352	7,279
Management fee revenue	(256)	(254)	(256)	(254)
Other income	(220)	(1,571)	(220)	(1,571)
Straight-line effects of lease revenue	(2,084)	(2,755)		
Straight-line effects of lease revenue attributable to noncontrolling interests	—	(1)		
Amortization of lease-related intangibles	(2,549)	(3,119)		
Property NOI*	79,916	78,791	84,549	84,666
Net operating income from:				
Acquisitions	—	—	—	—
Dispositions	(17)	(821)	(17)	(823)
Other investments ⁽¹⁾	(451)	(2,803)	(530)	(2,847)
Same Store NOI*	\$ 79,448	\$ 75,167	\$ 84,002	\$ 80,996
<i>Change period over period in Same Store NOI</i>	<i>5.7%</i>	<i>N/A</i>	<i>3.7%</i>	<i>N/A</i>

⁽¹⁾Other investments consist of active, out-of-service or recently completed redevelopment projects, and land. The operating results of 222 South Orange Avenue in Orlando, FL, as well as One and Two Meridian and 9320 Excelsior Boulevard in suburban Minneapolis, MN, are currently 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	
	Six Months Ended		Six Months Ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net loss applicable to Piedmont (GAAP)	\$ (37,572)	\$ (3,355)	\$ (37,572)	\$ (3,355)
Net income applicable to noncontrolling interest	4	6	4	6
Interest expense	59,283	45,466	59,283	45,466
Depreciation	77,660	72,251	77,660	72,251
Amortization	36,201	43,344	36,201	43,344
Depreciation and amortization attributable to noncontrolling interests	40	41	40	41
Impairment charges	18,432	—	18,432	—
EBITDAre*	154,048	157,753	154,048	157,753
Loss on early extinguishment of debt	386	—	386	—
Core EBITDA*	154,434	157,753	154,434	157,753
General and administrative expenses	15,964	14,970	15,964	14,970
Management fee revenue	(252)	(546)	(252)	(546)
Other income	(391)	(3,012)	(391)	(3,012)
Reversal of non-cash general reserve for uncollectible accounts	—	(400)	—	(400)
Straight-line effects of lease revenue	(4,339)	(5,942)	(4,339)	(5,942)
Straight-line effects of lease revenue attributable to noncontrolling interests	—	(6)	—	(6)
Amortization of lease-related intangibles	(5,205)	(6,531)	(5,205)	(6,531)
Property NOI*	160,211	156,286	169,755	169,165
Net operating (income)/loss from:				
Acquisitions	—	—	—	—
Dispositions	(1,157)	(1,383)	(1,481)	(1,737)
Other investments ⁽¹⁾	(1,653)	(5,615)	(1,817)	(5,609)
Same Store NOI*	\$ 157,401	\$ 149,288	\$ 166,457	\$ 161,819
<i>Change period over period in Same Store NOI</i>	<i>5.4 %</i>	<i>N/A</i>	<i>2.9 %</i>	<i>N/A</i>

⁽¹⁾Other investments consist of active, out-of-service or recently completed redevelopment projects, and land. The operating results of 222 South Orange Avenue in Orlando, FL, as well as One and Two Meridian and 9320 Excelsior Boulevard in suburban Minneapolis, MN, are currently 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/(loss) (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, goodwill, 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/(loss) (computed in accordance with GAAP) adjusted for gains or losses from sales of property, impairment charges, 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/(loss) (computed in accordance with GAAP) before interest, taxes, depreciation and amortization and removing any impairment charges, 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.

Average Net Debt to Core EBITDA: Calculated using the sum of Core EBITDA for the trailing twelve month period and the average daily principal balance of debt outstanding for the trailing twelve months less the average balance of cash and escrow deposits and restricted cash during the trailing twelve month period.

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.