



# INVESTOR PRESENTATION

JUNE 2020

Piedmont Office Realty Trust, Inc. (also referred to herein as “Piedmont” or the “Company”) (NYSE: PDM) is an owner, manager, developer, redeveloper and operator of high-quality, Class A office properties in select sub-markets located primarily within seven major eastern U.S. office markets. The Company’s geographically-diversified portfolio is comprised of \$5 billion in gross assets and approximately 18 million square feet as of the end of the first quarter of 2020. The Company is a fully-integrated, self-managed real estate investment trust (REIT) with local management offices in each of its major markets and is investment-grade rated by Standard & Poor’s (BBB) and Moody’s (Baa2). At the end of the first quarter of 2020, 64% of the Company’s portfolio was Energy Star certified and approximately 40% was LEED certified.

We use market data and industry forecasts and projections throughout this presentation which have been obtained from publicly available industry publications. These sources are believed to be reliable, but the accuracy and completeness of the information are not guaranteed. Certain statements contained in this presentation constitute forward-looking statements which we intend to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “continue” or similar words or phrases that are predictions of future events or trends and which do not relate solely to historical matters. Some examples of risk factors that could cause our actual results and expectations to differ materially from those described in our forward-looking statements are detailed in our most recent Annual Report on Form 10-K and other documents we file with the Securities and Exchange Commission (“SEC”). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Unless the context indicates otherwise, the term “properties” as used in this document and the statistical information presented in this document regarding our properties include our wholly-owned office properties and our office properties owned through consolidated joint ventures as of March 31, 2020, but exclude 1901 Market Street in Philadelphia, PA, which is under a binding contract to be sold in summer 2020.

The information and non-GAAP financial terms contained in this presentation do not contain all of the information and definitions that may be important to you and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2019. Other information important to you may also be found in documents that we furnish to the SEC, such as our Quarterly Supplemental Information dated as of March 31, 2020. Such documents are available at [www.sec.gov](http://www.sec.gov) and under the heading Investor Relations on our website at [www.piedmontreit.com](http://www.piedmontreit.com).

**Unless otherwise noted, all financial and statistical information contained in this presentation is as of March 31, 2020, includes all in-service properties, and is adjusted on a pro forma basis for the anticipated disposition of 1901 Market Street in Philadelphia, PA.**

# COVID-19 DISCUSSION



GALLERIA DALLAS  
DALLAS, TX



GALLERIA ATLANTA  
ATLANTA, GA

## PROTECT OUR PEOPLE

Top Priority are Piedmont's  
Employees, Tenants and Contractors

## PRESERVE OUR CAPITAL

Access to Liquidity / Cash  
Low Leveraged Balance Sheet

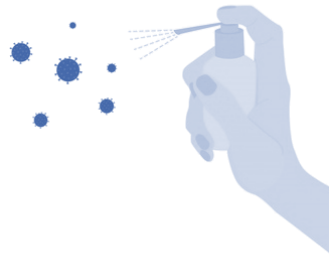
## PREPARE FOR THE FUTURE

Anticipate Customers' Needs and  
Adapt the Business



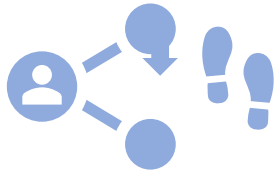
## HEALTH AND WELLNESS

- Facemasks for PDM employees and vendors required to be worn at all times in building common areas
- Facemasks for tenants requested to be worn at all times in building common areas
- Increased fresh air ventilation



## CLEANLINESS

- Janitorial staffs applying EPA-registered disinfectants to avoid the spread of pathogens; increase in cleaning for common areas and path of travel to a level that is consistent with standards for a clinical waiting room / common area
- Hand sanitizing dispensers installed throughout our properties, parking garages, and amenity areas



## COLLABORATION & PREVENTATIVE MEASURES

- Assist tenants in programming staff rotation and staggered working hours to minimize occupants during peak times
- Coordinating with tenants on arrival / departure times to balance and stage common area populations
- Comprehensive health and wellness signage program



## COMMUNICATION

- Returning to workplace tenant guide and town halls across our markets
- Continue to identify best practices for a safe and healthy office environment

## CASH PRESERVATION / RENTAL INCOME STREAM

- Collected 96% and over 97% of expected rental receipts for the months of April and May, respectively
- Full \$500 million line of credit availability \*
- No planned or pending acquisitions
- Low net lease expirations – 4.2% in 2020

	Development	Redevelopment	Non-Incremental Capital
Minimal Capital Requirements... Well-Covered Dividend	\$0	\$20M	\$40M
Estimated Remaining 2020 Outlays			

## STRONG BALANCE SHEET

- S&P rated BBB and Moody's Baa2
- ~34% debt to gross assets \* (1)
- Mid 5 x's debt to EBITDA \* (1)
- No debt maturities until late 2021
- 56 unencumbered properties;  
only one mortgage in portfolio (\$30 million) \*



1901 MARKET STREET  
Philadelphia, PA

## OVERVIEW OF FINANCIAL IMPACTS...

- New leasing activity has slowed meaningfully
- Renewal leasing activity has increased; expect increase in short-term renewals
- Retail tenants represent about 1% of ALR
- Coworking represents about 2% of ALR
- Transient parking represents about 1% of ALR
- Same store cash NOI expected to decline due to these items and tenant deferrals

## OFFICE SECTOR TRENDS...

### EVOLUTION OF SPACE DESIGN

- Accommodate more square feet per employee workstation
- Office space planned for more team interactions (in person and virtual)
- Augment work-from-home trends for culture and collaboration experiences

### WELLNESS AS PROMINENT AS SUSTAINABILITY

- Tenant focus on wellness equal to, or greater than, sustainability
- New amenities ... air quality, ample space, outdoor environments

### ACCELERATION OF POPULATION MIGRATION

- Millennial family formation; suburban transition
- Desired transport by car versus mass transit
- Job growth favors amenitized hub-urban nodes / less dense pro-business cities
- Hub-and-spoke office model to accommodate diverse workforce locations

### SEEK CREATIVE SOLUTIONS ... BE NIMBLE

- Technology to solve employee health screening, coordinating office arrival / departure times and other new pandemic-related challenges
- Evaluate new ideas / ways of conducting business

## POINTS OF DISCUSSION





## CORPORATE OBJECTIVES

### Concentrate Ownership in Specific Submarkets

Balance of CBD, Urban Infill and “Hub-urban” Locations  
Across Our Core Markets

### Provide Compelling Value for Tenants

High Quality Product at a Competitive Basis...  
With a Focus on Amenities & Unique Environments

### Positioned to Drive Value and Income Growth

Buy... Fix... Harvest... Redeploy Accretively

*Low Expirations and over \$20 mm of Contractual Cash NOI Yet to Commence  
Average ~180 bps Spread between Acquired and Disposed Assets since 2014*

### Capture Redevelopment Opportunities

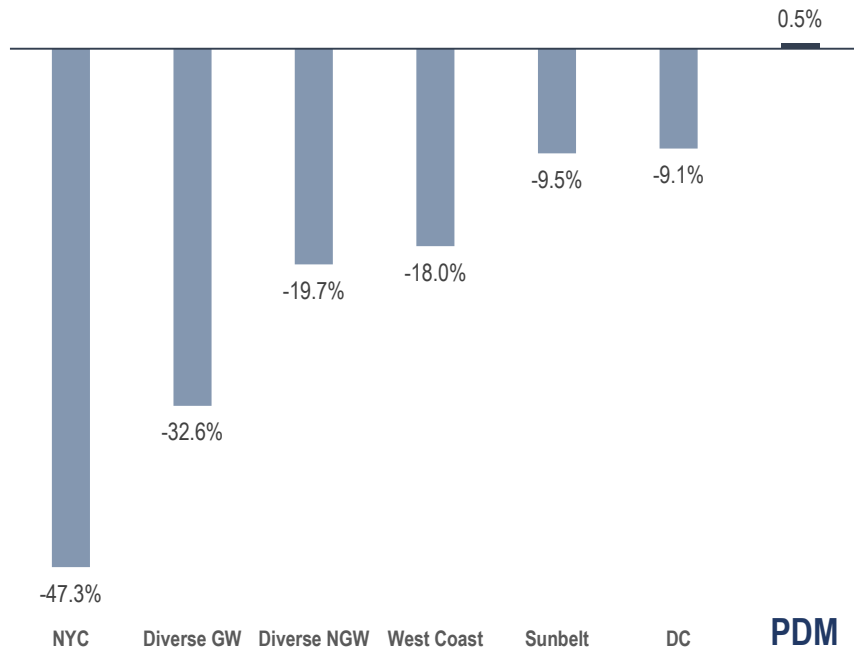
Enhance / Scale Amenities, Asset Repositioning

## RECENT ACCOMPLISHMENTS & 2020 OBJECTIVES

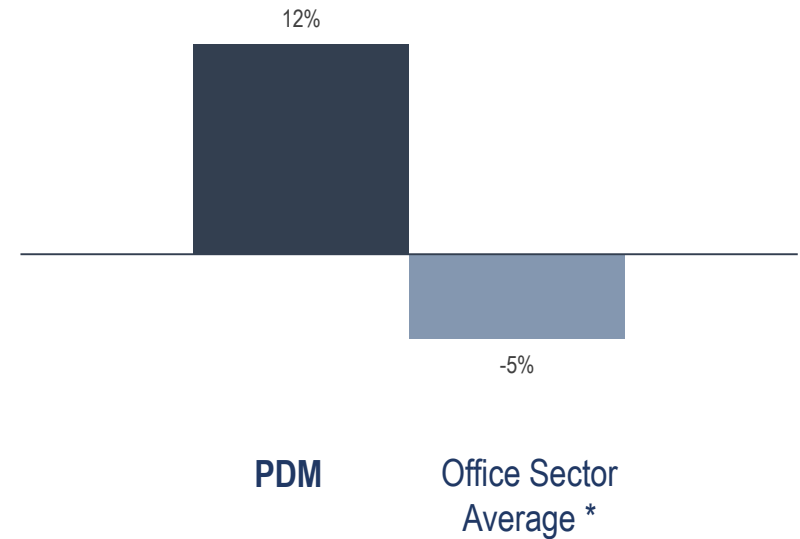
- Revenue enhancing improvements at 200 South Orange Avenue, 60 Broad Street, and Atlanta Galleria assets underway; recently completed at US Bancorp Center
- Executed an approximately 20-year, 521,000-square foot, renewal and expansion at compelling economics on behalf of the State of New York at 60 Broad Street in New York City; advanced renewal negotiations underway with the City of New York
- Entered into binding contract to sell 1901 Market Street for \$360M at a 6.4% FFO yield (expected to close summer 2020); will allow PDM to exit a non-strategic market; proceeds reinvested into Dallas Galleria through a 1031 reverse exchange
- Increased Sunbelt exposure with 1.4 million square foot acquisition of One, Two, & Three Galleria Towers in Dallas at an 8.1% initial FFO yield<sup>2</sup> for a total of \$396M
- Mitigate negative consequences of pandemic for investors while simultaneously protecting tenants, employees and contractors

## DELIVERING RESULTS FOR SHAREHOLDERS AND GROWING NAV

**Two Year TSR**  
As of May 28, 2020



**GreenStreet Estimated NAV- Growth (Last 5 Years)**  
As of May 28, 2020





GLENRIDGE HIGHLANDS ONE & TWO  
Atlanta, GA



ARLINGTON GATEWAY  
ARLINGTON, VA

QUALITY, DISTINCTIVE PORTFOLIO

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ACCRETIVE CAPITAL RECYCLING

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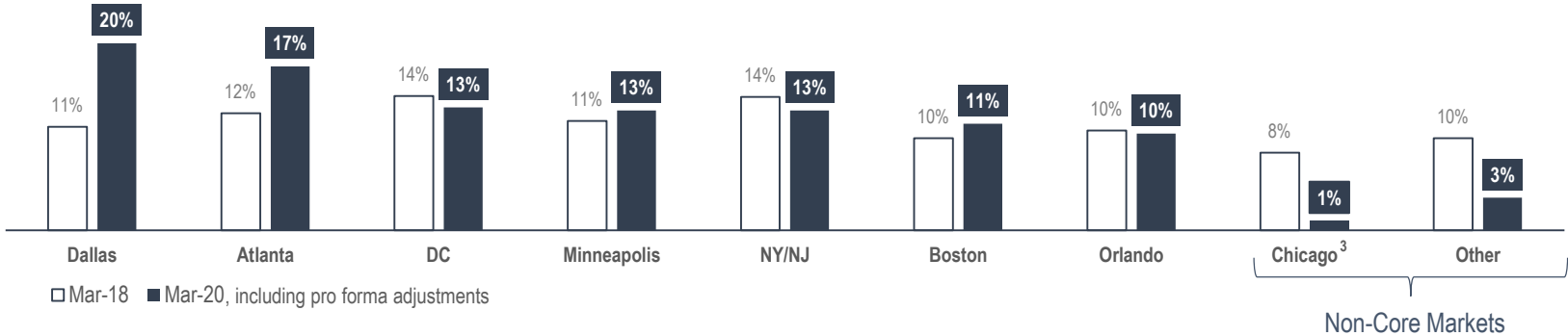
FINANCIAL STRENGTH AND FLEXIBILITY

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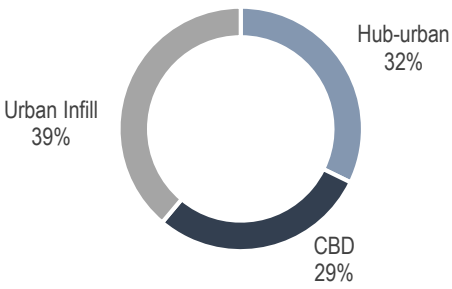
LOCAL OPERATIONAL MANAGEMENT

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## SEVEN OF THE NATION’S LARGEST MARKETS: WELL-LOCATED, AMENITIZED OFFICE ENVIRONMENTS – CBD, URBAN INFILL & “HUB-URBAN” NODES



**Portfolio Location**  
(as % of ALR as of 3/31/2020, including pro forma adjustments)



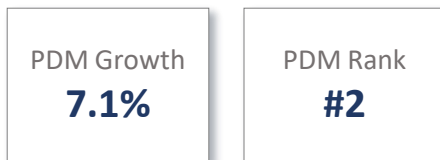
### Market and Submarket Criteria Guide Portfolio Enhancement

- ✓ Favorable business environment / supportive local government
- ✓ Strong education centers
- ✓ Proximity to transportation hubs
- ✓ Ample size and scale for liquidity
- ✓ Fragmented / limited REIT ownership
- ✓ Heavy amenity base

## ORGANIC NOI GROWTH

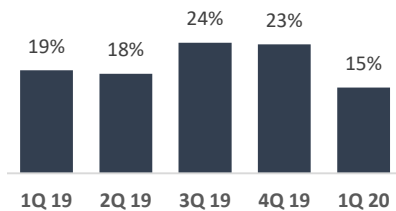
### Strong Recent Performance

#### 2015-2019 Avg Same Store Cash NOI\*



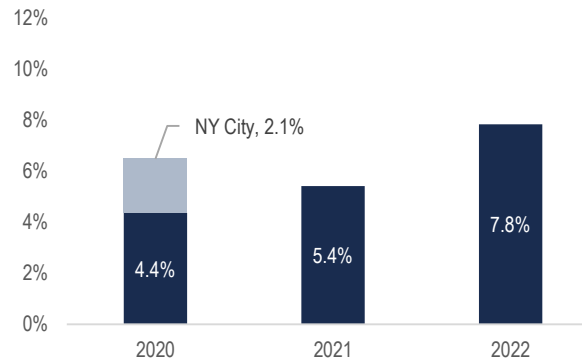
#### Quarterly GAAP Leasing Spread

Five consecutive quarters over 15%



### Capitalizing on Future Expirations (% of ALR<sup>4</sup>)

As of 3/31/2020, with pro forma adjustments

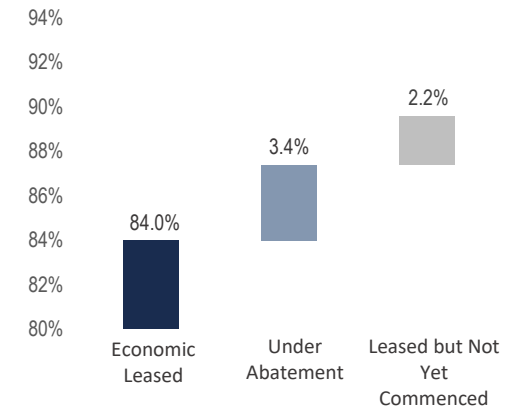


#### Progress Update:

- New York City: advanced renewal negotiations

### Realizing Contractual Cash Flow

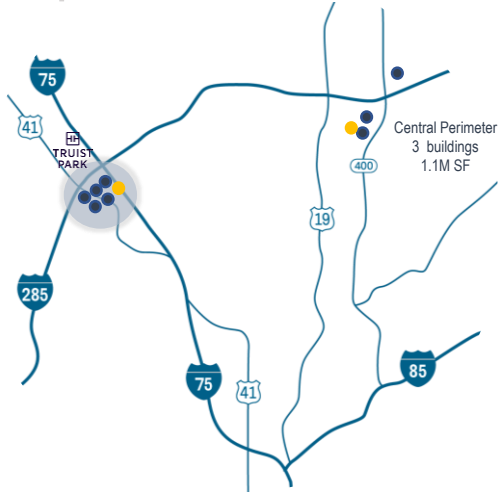
As of 3/31/2020, as reported



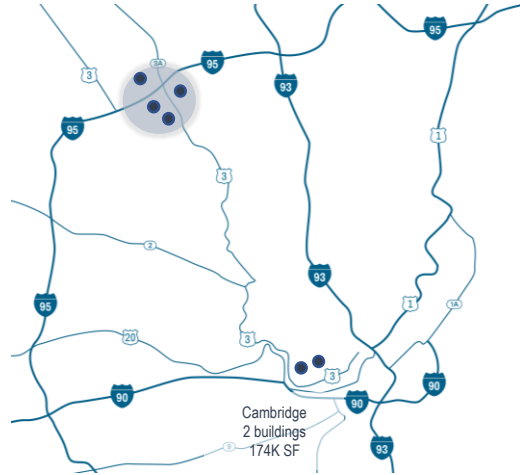
**Over \$20M**  
of Cash NOI

SHAPING DIFFERENTIATING POSITIONS - SINCE DECEMBER 2018, PIEDMONT HAS INVESTED \$800M TO STRENGTHEN OR BUILD DOMINANT POSITIONS WITHIN DISTINCT AND VIBRANT SUBMARKETS IN MAJOR MSAs.

**ATLANTA** \$326M Galleria- 5 bldgs, 2.1M SF



**BOSTON** \$74M Burlington- 4 bldgs, 943K SF



**DALLAS** \$396M Galleria Office Towers- 3 bldgs, 1.4M SF



*Piedmont's recent transaction activity in Atlanta, Boston and Dallas is strategically consistent with its highly-concentrated positions in Orlando CBD, Orlando Lake Mary and the RB Corridor in Washington.*

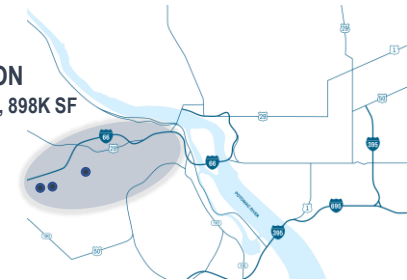
**ORLANDO**  
CBD, 4 bldgs, 1.4M SF



**ORLANDO**  
Lake Mary- 2 bldgs, 309K SF  
Land for 1M SF



**WASHINGTON**  
RB Corridor- 3 bldgs, 898K SF



## ACCRETIVELY RECYCLING CAPITAL- SINCE 2014, PIEDMONT HAS RECYCLED \$1.8 BILLION OF DISPOSITION CAPITAL INTO REAL ESTATE ASSETS AT ROUGHLY ~180 BPS HIGHER YIELD THAN DISPOSED ASSETS

### Recent Acquisitions as Redeployment Evidence

#### 25 Mall Rd., Burlington



#### Additive to Market Position

- ✓ PDM now owns almost 1.0 million SF in Burlington; controls 40% of the class A market

#### Stats

**7.5%**  
Year 1 FFO Yield

**~40%**  
Discount to Replacement Cost

#### The Opportunity

- Lease up vacant space
- Rollup on near term expirations

#### What PDM Sees

- Historical jewel in Burlington; well-known to market and PDM
- Understanding of anchor tenant and tendencies
- Provides alternative space for smaller tenants in the submarket
- Modest repositioning opportunity
- Additional tenancy synergies

#### Galleria 100, 400, & 600, Atlanta



- ✓ PDM now owns almost 2.1 million square feet in the Cumberland/Galleria submarket; controls the majority of this class A office node

**~8.0%**  
Stabilized FFO Yield<sup>5</sup>

**~50%**  
Discount to Replacement Cost

- Create a dominant position in the submarket
- Tailwinds from Truist Park development

- Achieve operational, marketing, and tenancy synergies with the acquisition, becoming the preeminent office owner in the Atlanta Galleria Offices, which is the best in class office development in the submarket
- Walkable to one of the premier place-making developments in Atlanta (The Battery & Truist Park - a 1.5M SF mixed-use retail & entertainment environment)

#### Galleria Office Towers, Dallas



- ✓ PDM now owns almost 3.6 million square feet in Dallas; making it the largest market by property count, total square footage, and ALR

**~8.1%**  
Initial FFO Yield<sup>2</sup>

**~40%**  
Discount to Replacement Cost

- Establish dominant position in the submarket
- Recycle funds into higher-yielding office towers with upside potential

- Current in-place contract rents are ~25% below today's market rents
- Epicenter of wealth and growth in the Dallas North Tollway Corridor
- Directly connected to one of Dallas's most successful retail destinations, Galleria Dallas, which consists of 1.5M SF of well-known, upscale retailers, numerous F&B options, and direct access to the 448-key Westin Galleria Hotel

## REIMAGINING THE PORTFOLIO

### PIEDMONT IS SELECTIVELY IDENTIFYING REPOSITIONING OPPORTUNITIES TO CREATE ADDITIONAL VALUE

#### Rationale for Investment

- **Activate and energize the environment for tenants**
  - ✓ User needs are evolving; place-making and open spaces
- **Compelling pro-forma returns**
  - ✓ Unique environments garner premium rents
- **Fraction of the risk associated with development**
  - ✓ Effectively pre-leased
- **Basis remains at significant discount to development**
  - ✓ Value proposition firmly intact
- **Flexibility- small project size, shorter timeframe**
  - ✓ Conservative approach, easier to pivot
- **Further entrench position in a core market holding**
  - ✓ Focused on existing submarket footholds

#### 200 South Orange Avenue - Orlando

Net Book Basis (excl. project costs)*	\$236/SF
Est. investment	\$28/SF
Pro-forma basis	\$264/SF
Est. replacement cost	\$425/SF
Market rents	~\$29.00/SF



Activated lobby, CBD's first food hall, redesign outdoor park, elevator modernization



#### Galleria 200 & Galleria 300 - Atlanta

Net Book Basis (excl. project costs)*	\$185/SF
Est. investment	\$7/SF
Pro-forma basis	\$192/SF
Est. replacement cost	\$475/SF
Market rents	~\$33.00/SF



Activated lobby, tenant lounge, game room, communal outdoor space with putting green, new fitness facility with showers/lockers





## SELECTIVE DEVELOPMENT TO EXPAND LARGE-SCALE POSITIONS



**1,000,000 SF**  
 Lake Mary, FL  
 Adjacent to 400 & 500 TownPark  
 Land Basis: \$7.1M  
 Submarket Class A Direct Vacancy: 5.5% (Lake Mary)\*



**250,000 SF**  
 Atlanta, GA  
 Adjacent to Glenridge Highlands One & Two  
 Land Basis: \$2.0M  
 Submarket Class A Direct Vacancy: 19.0% (Central Perimeter)\*



**300,000 SF**  
 Dallas, TX  
 Adjacent to One, Two, & Three Galleria Towers  
 Land Basis: \$4.0M  
 Submarket Class A Direct Vacancy: 17.8% (LBJ Freeway)\*



**150,000 SF**  
 Atlanta, GA  
 Adjacent to Galleria 100, 200, 300, 400, & 600  
 Land Basis: \$3.4M  
 Submarket Class A Direct Vacancy: 18.4% (Northwest)\*



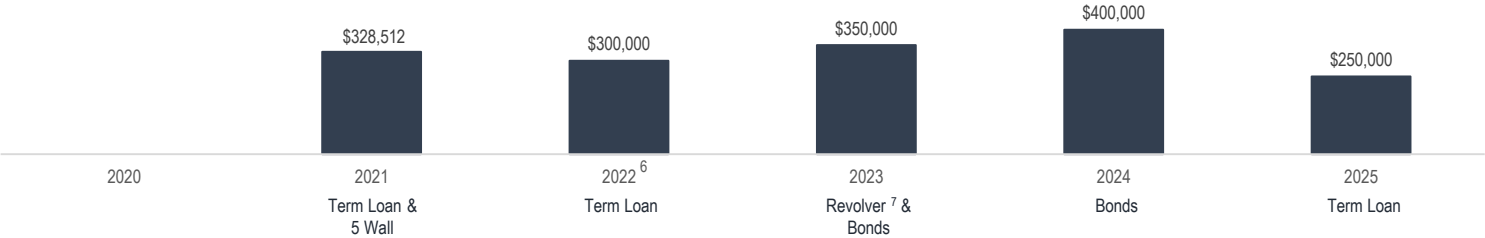
**750,000 SF**  
 Atlanta, GA  
 Adjacent to Galleria 100, 200, 300, 400, & 600  
 Land Basis: \$18.9M  
 Submarket Class A Direct Vacancy: 18.4% (Northwest)\*



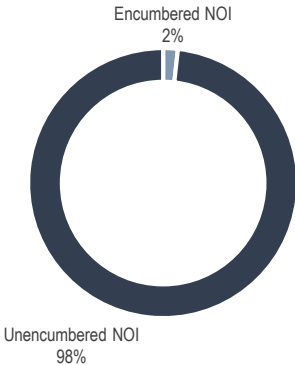
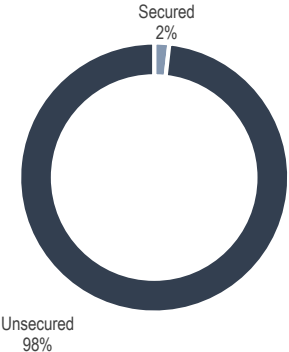
**500,000 SF**  
 Irving, TX  
 Adjacent to 6011, 6021 & 6031 Connection Drive  
 Land Basis: \$2.8M  
 Submarket Class A Direct Vacancy: 15.9% (Las Colinas)\*

\*Submarket vacancy data sourced from JLL Office Statistics, Q1 2020.

## LADDERED DEBT MATURITY SCHEDULE



## DEBT PROFILE



## DEBT METRICS

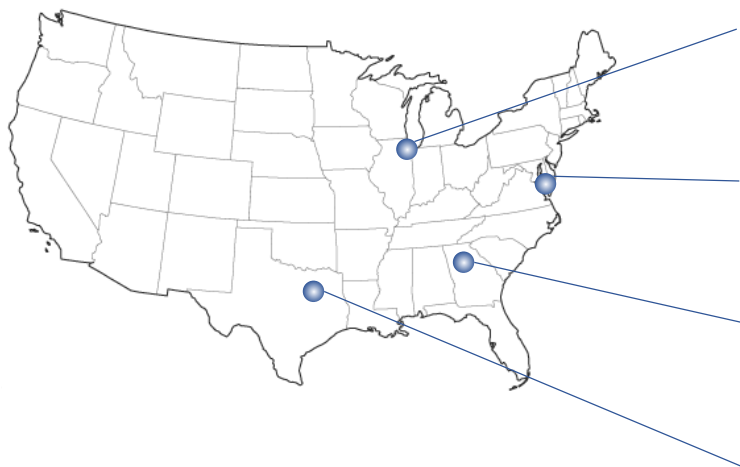
<p>Net Debt / Gross Assets</p> <p><b>~34%</b></p>	<p>Net Debt / Core EBITDA</p> <p><b>mid 5x</b></p>	<p>Fixed Charge Coverage Ratio</p> <p><b>~ 5x</b></p>	<p>Weighted Avg. Interest Rate</p> <p><b>3.1%</b></p>
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## CREDIT RATINGS

<p>Moody's</p> <p><b>Baa2</b></p>	<p>S&amp;P</p> <p><b>BBB</b></p>
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## REAL ESTATE IS A LOCAL BUSINESS

*Piedmont maintains four regional offices to ensure local expertise is leveraged and relationships are cultivated within our markets.*



### MIDWEST REGION - CHICAGO

Minneapolis  
7 buildings  
2.6 million SF  
2 million SF third-party managed by PDM

### NORTHEAST REGION - WASHINGTON

New York, Boston, and Washington, DC  
20 buildings  
5.3 million SF

### SOUTHEAST REGION - ATLANTA

Atlanta and Orlando  
15 buildings  
5.1 million SF

### SOUTHWEST REGION - DALLAS

Dallas  
15 buildings  
4.2 million SF



**George Wells**  
EVP, Real Estate Operations



**Tom Prescott**  
EVP, Midwest Region  
35 Yrs of Market Experience



**Bob Wiberg**  
EVP, Northeast Region & Development  
32 Yrs of Market Experience



**Alex Valente**  
EVP, Southeast Region  
14 Yrs of Market Experience



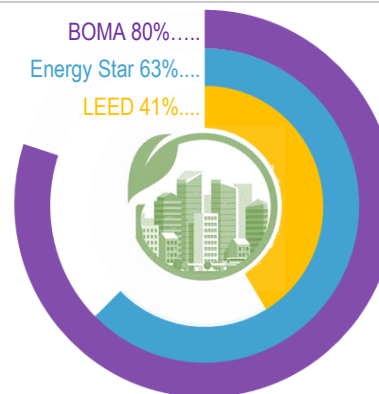
**Joe Pangburn**  
EVP, Southwest Region  
36 Yrs of Market Experience

## SERVICE... A Top Priority

- Customer satisfaction is the cornerstone of our future success
- Enlist Kingsley biennially to conduct comprehensive operational benchmarking; recognized standard in RE industry
- Exceeded industry mean for overall tenant satisfaction since 2014
- Exceed industry performance in 96% of all ratings areas

## SUSTAINABILITY...Committed to Initiatives

Piedmont leverages industry partnerships including BOMA, ENERGY STAR, and U.S. Green Building Council, to advance the energy and sustainability performance of its assets.



Piedmont values operational excellence and is committed to continual improvement in resource efficiency and sustainability.

**In 2018, Piedmont's energy-saving initiatives resulted in savings of over 10.4 million kWh.**

## ENVIRONMENTAL RESPONSIBILITY

*On behalf of all our stakeholders, Piedmont is dedicated to environmentally sustainable practices which enhance our commitment to provide the highest quality office properties to our constituents.*

### GOVERNANCE

- Board of Directors
- Director of Sustainability and National Initiatives (position created in 2018)
- Sustainability Committee
- Sustainability Policy

### GOALS

- 20% reduction in energy use intensity by 2026
- 20% reduction in water use intensity by 2028

### ACHIEVEMENTS

- 80% of our buildings have BOMA 360 certifications; top 1% among program participants for number of 360 designations
- 63% are ENERGY STAR certified
- 41% are LEED certified
- ISS Rank: 4

## SOCIAL RESPONSIBILITY

*Piedmont helps meet the needs of each local community that we serve by volunteering and financially supporting programs related to medical or human needs and children's programs that improve the overall quality of life.*

*Piedmont is an equal opportunity employer, and we strive to create an open, inclusive and diverse environment in which our teams thrive.*

### GOVERNANCE

- Board of Directors
- Diversity & Inclusion Initiative
- Human Rights Policy
- Code of Vendor Conduct
- Political Spending Policy

### GOALS

- Diversity, openness and inclusion
- Safe and non-threatening workplaces
- Community involvement and charity
- Professional training and development

### ACHIEVEMENTS

- Diverse workforce;
  - 59% Female, 41% Male
  - 16.5% Minority, 83.5% Caucasian
- Active support of local charities; participated in multiple charitable events in 2019, and raised over \$60,000 year-to-date for various charitable organizations
- ISS Rank: 1

## CORPORATE GOVERNANCE

*Based upon best business practices for all stakeholders, Piedmont's corporate governance structure relies upon ethical goal setting, effective decision making, and principled monitoring of compliance and performance.*

### GOVERNANCE

- Board of Directors
- Stockholders

### GOALS

- Maintain shareholder-friendly organizational structure
- Ethical and fair business dealings resulting in best-in-class total shareholder returns

### ACHIEVEMENTS

- Green Street's 2019 Corporate Governance Rankings:
  - Ranked 3rd out of all Office REITs
  - Ranked 12th out of 79 REITs in Green Street's coverage universe
- ISS Rank: 2

# APPENDIX



## Corporate Overview

AS OF 3/31/2020

Ticker (NYSE)	<b>PDM</b>
Equity Market Cap as of 5/28/2020 (billions)	<b>\$2.2</b>
Five-Year Total Return (5/28/15-5/28/20) / Rank*	<b>26.0% / 3<sup>rd</sup></b>
Gross Assets (billions)**	<b>\$4.7</b>
Ratings (Moody's/S&P)	<b>Baa2 / BBB</b>
Debt (billions)**	<b>\$1.6</b>
Net Debt to Gross Assets**	<b>~34%</b>
Net Debt to Core EBITDA** 8	<b>mid 5x's</b>
Dividend / Yield as of 5/28/2020	<b>\$0.84 / 4.9%</b>

## Portfolio Overview<sup>1</sup>

AS OF 3/31/2020

(INCLUDING PRO FORMA ADJUSTMENTS;  
DISPOSITION OF 1901 MARKET STREET)

Square Feet (millions)	<b>17.2</b>
Number of In-Service Properties	<b>57</b>
% Leased	<b>89.1%</b>
Weighted Average Lease Term	<b>6.6 years</b>
Annualized Lease Revenue (millions)	<b>\$535.9</b>
Asset Quality (Green Street Website, 4/30/2020)	<b>A-</b>
% of SF Energy-Star Rated	<b>63%</b>



1155 PERIMETER CENTER WEST  
Atlanta, GA

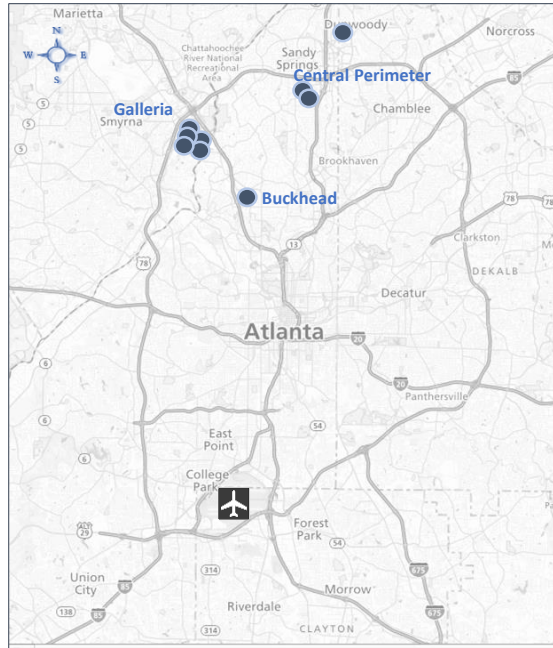


US BANCORP CENTER  
Minneapolis, MN



GALLERIA 600  
Atlanta, GA

## CONCENTRATED POSITIONS IN THREE ATLANTA SUBMARKETS WITH LAND TO ACCOMMODATE GROWTH



**Central Perimeter**  
Three Buildings  
1.1 million SF  
Adjacent land for 250,000 SF



**The Galleria**  
Five Buildings  
2.1 million SF  
Adjacent land for 900,000 SF



**Buckhead**  
One Building  
156,000 SF  
Adjacent land for 250,000 SF



## THE GALLERIA IS CONSOLIDATED FOR THE FIRST TIME:

WITH THE ACQUISITION OF GALLERIA 400, 500 AND 600, PIEDMONT NOW OWNS 2.1M SF AND 12 ACRES FOR DEVELOPMENT IN ONE OF ATLANTA'S MOST VIBRANT PROFESSIONAL ENVIRONMENTS

### ❑ Strong Demographic Trends

The Galleria is located in Cobb County, ten miles from midtown Atlanta and the single fastest growing county for millennials<sup>9</sup>.

### ❑ Modern Workforce Value Proposition

The Galleria features office towers with floor-to-ceiling window lines, open floorplans and a highly-amenitized, vibrant, easily-accessible professional environment at a compelling price-point

### ❑ Competitive Investment Basis

Piedmont's total basis in the Galleria is ~\$215/SF<sup>10</sup>, a 55% discount to replacement cost<sup>11</sup>

### ❑ Step One of a Placemaking Repositioning

Under single ownership for the first time, the Galleria can now be reimagined with enhancements, amenities and new mixed-use additions which will further energize and activate the environment to meet the needs of today's workforce

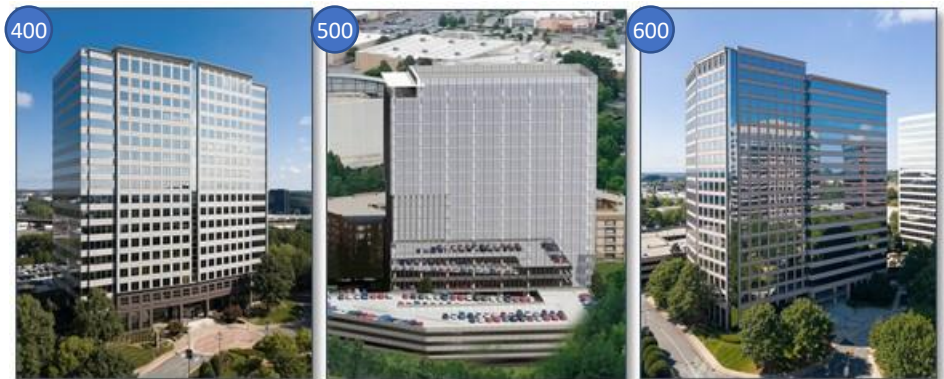
### ❑ Near-Term Mark to Market Opportunity

Over 40% of the Galleria's square footage is either vacant or rolls through 2023; the related in-place rents are ~10% below current market rates<sup>11</sup>

### The Galleria Office Towers



### Acquired August 2019...the Final Pieces



Rendering



## STRONG DEMOGRAPHIC TRENDS

### ATLANTA'S COBB COUNTY FOSTERS A PRO-BUSINESS ENVIRONMENT WITH A PLETHORA OF AMENITIES AND YOUNG TALENT

#### Superior Access to/from Multiple Destinations:

Average morning commute times to Galleria<sup>12</sup>:

- From Vinings 10 minutes
- From Buckhead 12 minutes
- From Midtown 15 minutes
- From Dunwoody 25 minutes
- From Marietta 25 minutes
- From Airport 35 minutes



<b>#1</b> lowest property taxes in Metro Atlanta <sup>13</sup>	<b>#1</b> submarket in Atlanta for millennial population growth <sup>9</sup>	<b>32%</b> millennial population increase last 18 months <sup>9</sup>	<b>~\$700M</b> private investment made by the Atlanta Braves in The Battery development <sup>14</sup>	<b>~\$900M</b> improvements including I-75 express lanes, highway interchanges, walkways and trails <sup>14</sup>
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#### Cobb County Corporate Anchors



**#23 (HQ)**  
Fortune



**#33**  
Fortune



**#59**  
Fortune



**#177 (HQ)**  
Fortune



**#430 (HQ)**  
Fortune



**#440**  
Fortune



<b>\$65K</b> median household income <sup>9</sup>	<b>36 years old</b> median age <sup>9</sup>	<b>28%</b> population between 25-44 years old <sup>9</sup>	<b>840 acres</b> greenspace in and around Cumberland <sup>14</sup> <small>(equal to NYC Central Park)</small>	<b>3</b> Number of Cobb County public high schools in GA's Top 25 <sup>15</sup>
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## AMENITY-RICH WALKABILITY IN THE URBANIZED GALLERIA SUBMARKET

OVER 6,500 PEOPLE OCCUPY THE GALLERIA OFFICE TOWERS ON A DAILY BASIS



ONSITE

- 7 Cafes
- 5 Conference Centers
- 6,000 SF Fitness Facility with Locker Rooms



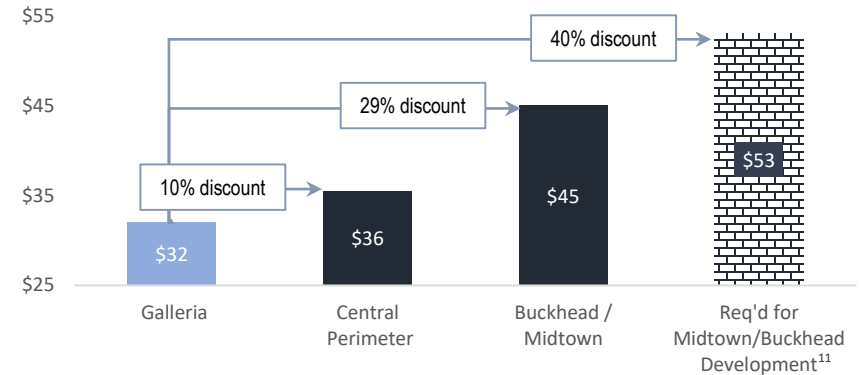
## COMPETITIVE INVESTMENT BASIS WITH UNMATCHED SCALE IN A DYNAMIC “HUBURB”

OFFERS BUSINESSES AN ECONOMICAL, VIBRANT ALTERNATIVE TO ATTRACT AND RETAIN TODAY’S WORKFORCE

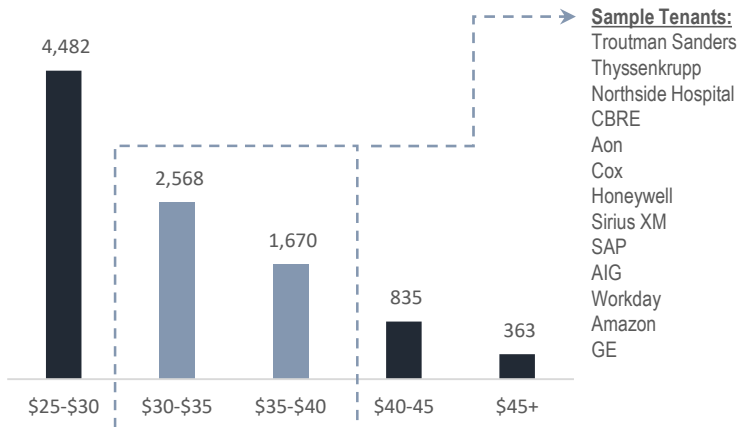
### Piedmont Galleria Investment



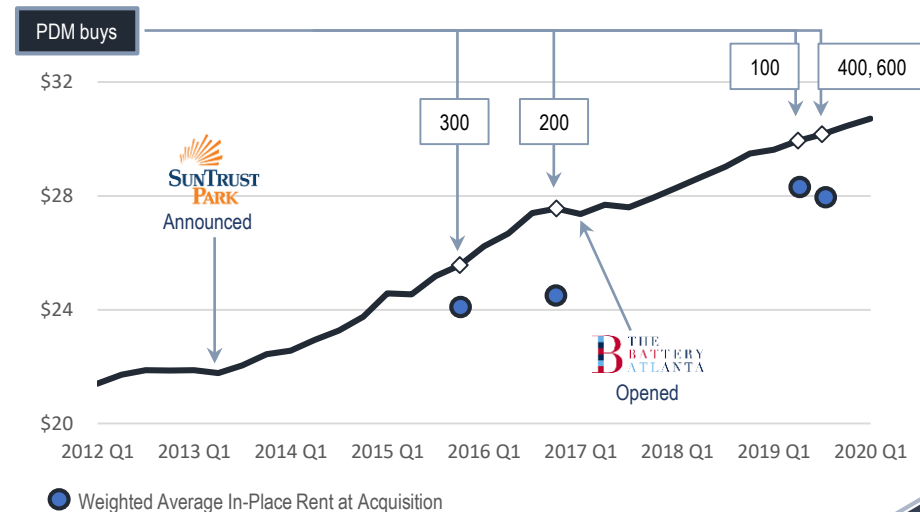
### Relative Rental Rates by Market (includes parking)



### Metro Atlanta Last Three Years: SF of Leases Signed (000s)<sup>16</sup>



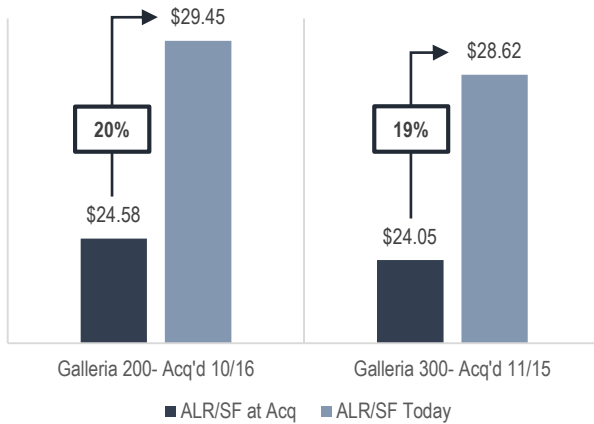
### Rental Rates: Amenitization and Urbanization Driving Growth<sup>17</sup>



## THE GALLERIA COMPLEX IS 87% LEASED WITH A FAVORABLE EXPIRATION SCHEDULE TO CAPTURE NEAR-TERM RENTAL RATE MARK TO MARKET UPSIDE

### What Piedmont's Accomplished Thus Far...

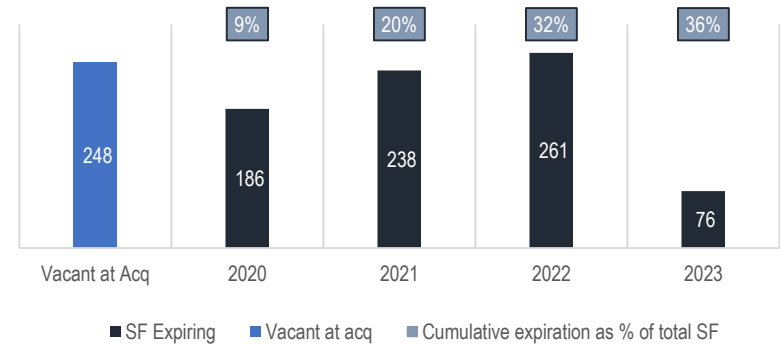
#### Galleria 200 and 300



### What's Ahead...

#### Galleria 100, 200, 300, 400, 600

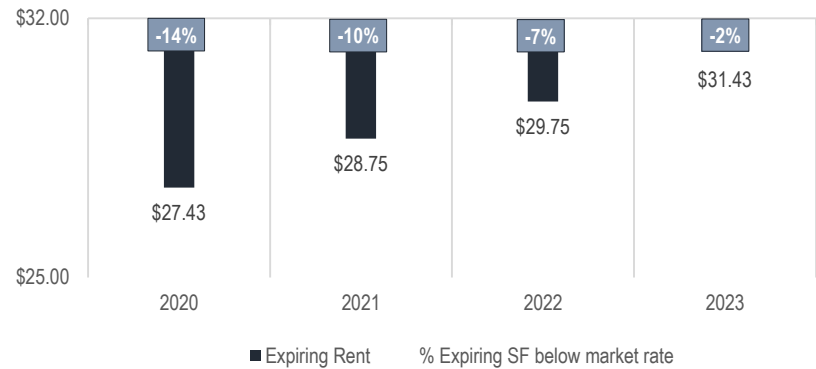
#### Annual Expirations and Availability (000s SF)



#### Select Galleria Tenants:



#### Expiring SF: Below Current Market Rents



## STEP ONE OF A PLACEMAKING REPOSITIONING:

### PIEDMONT PLANS TO LEAD A SIGNIFICANT ENHANCEMENT OF THE GALLERIA

To date, fragmented ownership has restricted potential activation and prohibited the opportunity to introduce new additional retail, hotel, or residential components to the complex. Piedmont will masterplan the development, focus on the office portion of the repositioning and dispose of the non-office parcels to collaborate with specialized operators that can optimize the mixed-use environment at The Galleria.



Galleria retail additions (underway)



Galleria 500 Land 2.5 acres



Galleria 100 Land 2 acres



Galleria 500 Land 7.7 acres  
Two developable parcels

## TRANSACTION RATIONALE

**PIEDMONT HAS ACQUIRED ONE, TWO AND THREE GALLERIA TOWERS, TOTALING 1.4 MILLION SQUARE FEET IN DALLAS, TEXAS FOR APPROXIMATELY \$400 MILLION. THIS TRANSACTION SIGNIFICANTLY REDEFINES PIEDMONT'S CONCENTRATION IN AND COMMITMENT TO ONE OF THE NATION'S MOST VIBRANT ECONOMIES.**

### ❑ Unparalleled Demographic Environment

Dallas-Forth Worth, Texas is widely considered one of the nation's leading economies. The Lower Tollway submarket is ideally-located at the epicenter of the city's numerous population bases.

### ❑ The Optimal Hub-Urban Environment

Galleria Office Towers are seamlessly integrated with Galleria Dallas, one of North Dallas' premier shopping destinations, and the 448-key Westin Galleria Dallas. Over 8,500 multifamily units are within one mile of The Galleria, fostering a genuine live, work, play environment.

### ❑ Modern Workforce Value Proposition

The property features three office towers with ideal floorplates and a highly-amenitized, vibrant, easily-accessible professional environment at a compelling price-point.

### ❑ Piedmont's Portfolio Realignment

Following the closing of the acquisition, Dallas became PDM's largest market based on ALR and almost 50% of revenues are generated from SunBelt markets. The transaction is expected to generate an accrual yield of 8.1%.<sup>2</sup>



## UNPARALLELED DEMOGRAPHIC ENVIRONMENT - DALLAS RANKS AS ONE OF THE NATION'S MOST VIBRANT CITIES

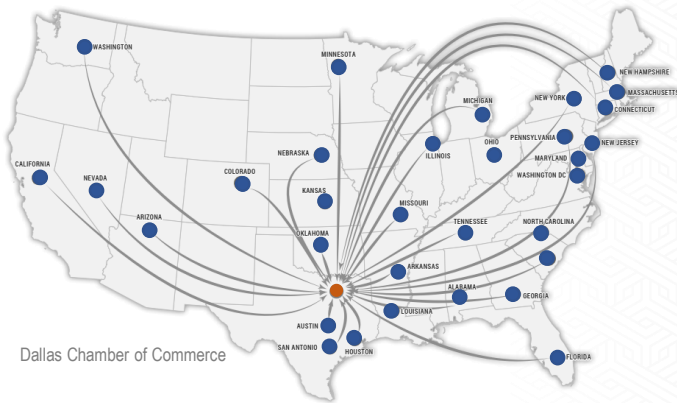
### Dallas- National Leader in Economic Conditions

Dallas-Fort Worth is one of the top regions in the nation for business, thanks to low cost of living, a business-friendly environment, a strong base of well-educated and skilled employees, and robust access to both U.S. and world markets.

Year after year, the region's selling points are lauded by prestigious business experts in publications including Bloomberg Businessweek, Forbes, Fortune and Site Selection.

Dallas-Fort Worth is consistently ranked among the top places to work, the best places to live, and the best places for investment.

### Corporate Relocation Magnet



*"[Dallas possesses a] unique blend of the hospitality of the South, that pioneer spirit of the West and the values that I remember growing up as a child in the Midwest...employees who relocated [from California] have enjoyed North Texas' quality of life...and their shorter commutes mean more free time with family and getting involved in the community."*

Jim Lentz  
CEO, Toyota North America

**#1**  
Projected Job Growth  
2019-2024<sup>18</sup>

**#1**  
Projected Population  
Growth 2019-2024<sup>18</sup>

**#1**  
Best City for Jobs  
Forbes 2018<sup>19</sup>

**#1**  
Job Growth  
2017-2018<sup>20</sup>

**#1**  
Total Net Office  
Absorption since  
2015<sup>21</sup>



**24**  
Fortune 500  
Corporate HQs<sup>22</sup>

**#12**  
Busiest airport in the  
U.S.<sup>23</sup>

**#7**  
Largest concentration  
of high-tech jobs in  
the U.S.<sup>23</sup>







**144**  
Corporate  
Relocations since  
2010<sup>23</sup>

**0%**  
State and Local  
Income Taxes




## NORTH DALLAS

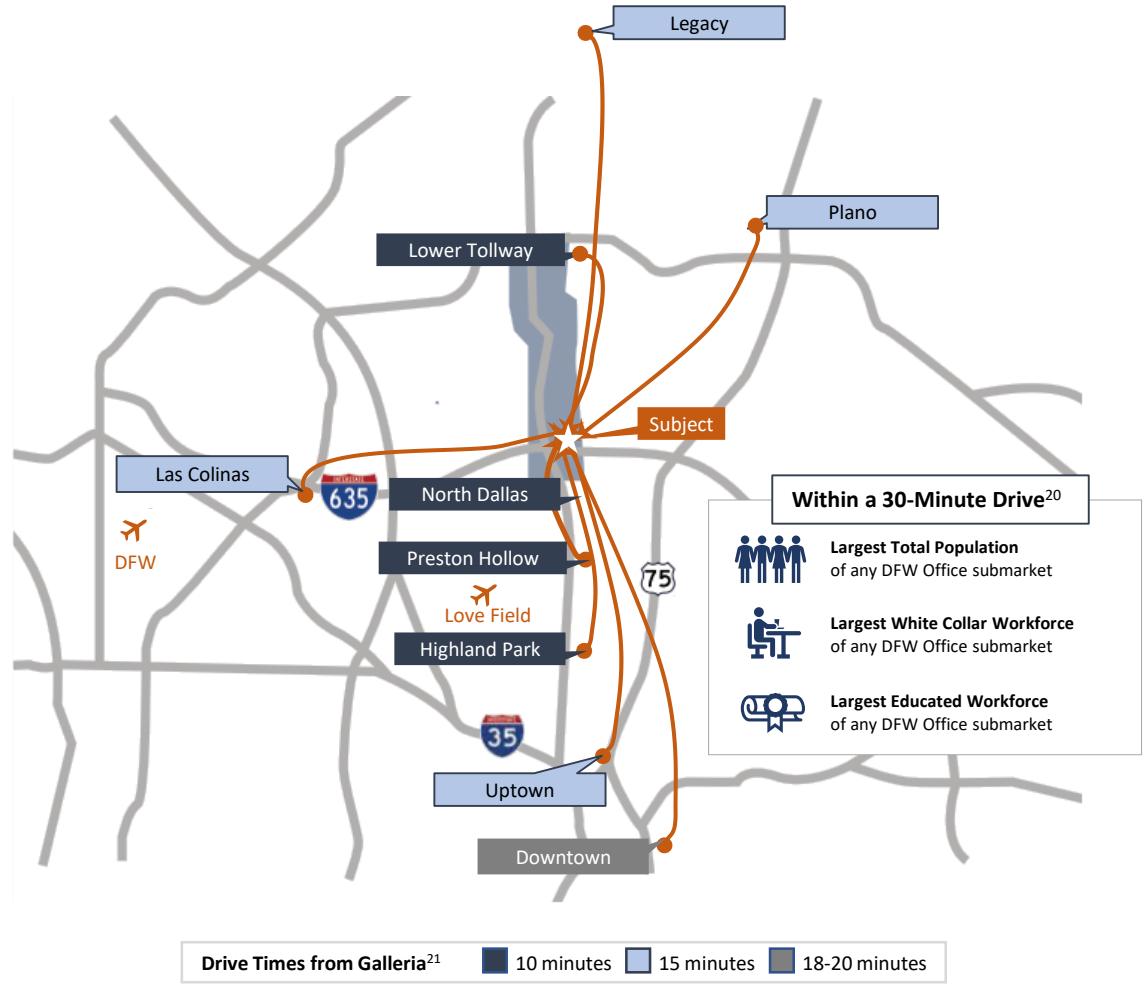
### GALLERIA OFFICE TOWERS ARE IDEALLY LOCATED AT THE EPICENTER OF DALLAS' GROWING POPULATION HUBS

#### Lower Tollway Attributes

-  Primary Growth Corridor for Dallas
-  Centrally Located to Downtown and Legacy
-  Premier Public and Private Schools
-  World Class Shopping and Dining
-  Proximity to Two Major Airports
-  Easy Access for Multiple Skilled Labor Pools

#### Surrounding Area Demographics<sup>21</sup>

			
	Avg Home Price (000s)	Household Income (000s)	Bachelors Degree or Higher
Legacy	\$431	\$133	73%
Far North Dallas	\$462	\$125	59%
Plano	\$349	\$142	70%
Las Colinas	\$365	\$110	71%
North Dallas	\$823	\$159	65%
Preston Hollow	\$1,200	\$238	84%
Highland Park	\$1,300	\$198	83%
Uptown	\$1,007	\$123	77%



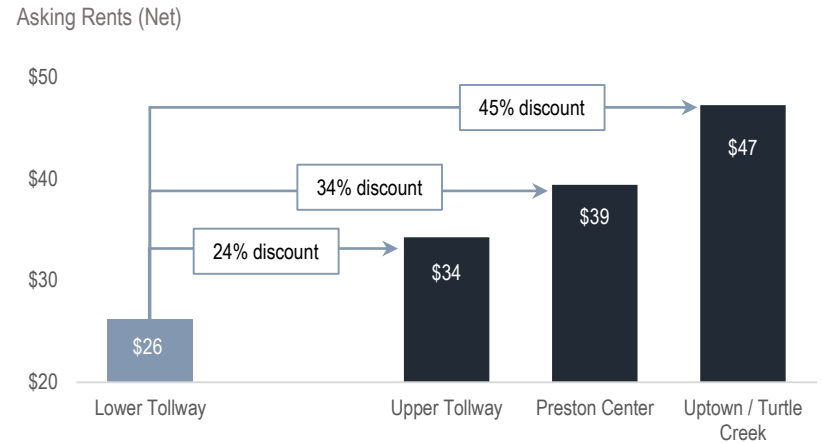


## MODERN WORKFORCE VALUE PROPOSITION: DELIVERING A UNIQUE ENVIRONMENT...AT A COMPELLING VALUE

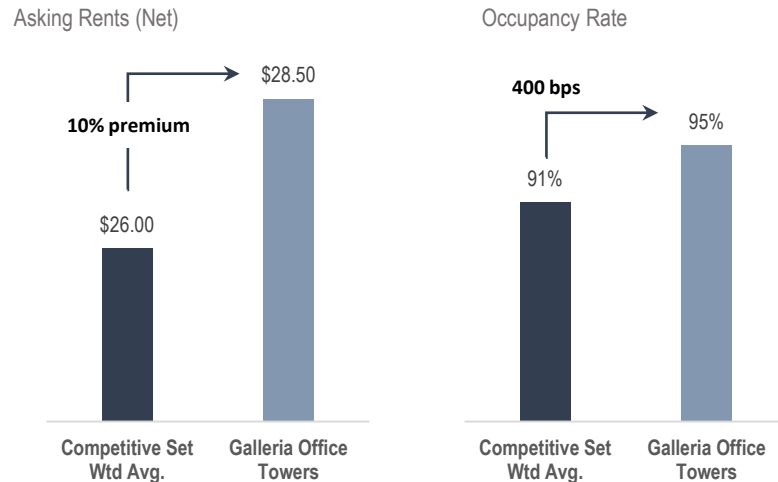
### Piedmont's Galleria Office Towers Investment



### The Lower Tollway Value Proposition<sup>24</sup>



### Galleria Office Towers Outperform the Lower Tollway Competitive Set<sup>21, 25</sup>



### The Galleria Advantage

- Central location to workforce** (Target icon)
- Exceptional Walkability** (Walking person icon)
- Relative Value Proposition** (Price tag icon)
- Connected to Galleria Dallas** (Shopping bag icon)
- Superior Access to Dallas North Tollway and I-635** (Car icon)
- Numerous Dining Options** (Fork and knife icon)

## LANDMARK, CLASS A OFFICE TOWERS









### Financial Snapshot

Purchase price (inc. land)	\$396M
Price/SF (buildings)	\$273
Wtd. Avg. In-Place Rent vs. Market	~25% discount
Accrual NOI Yield <sup>2</sup>	8.1%

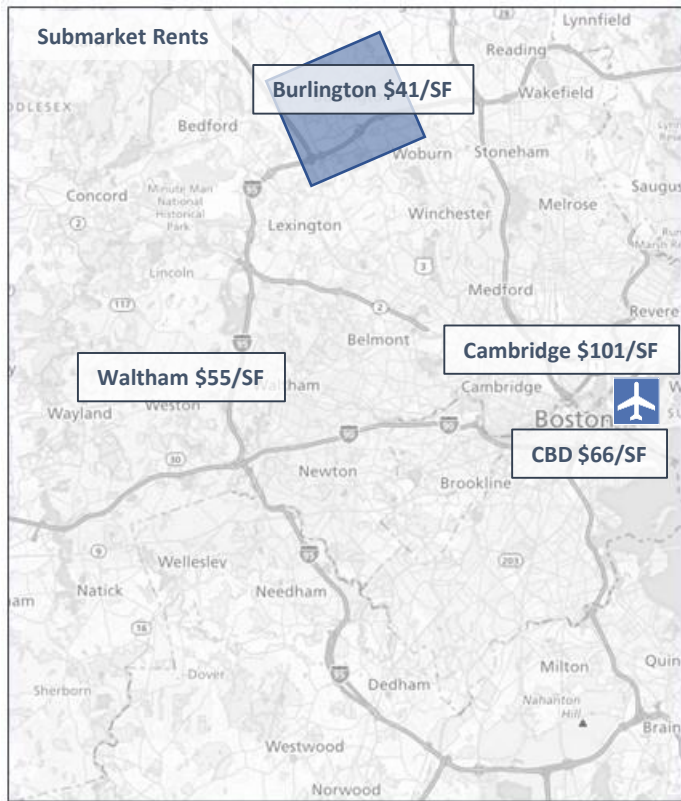
### On-Site Amenities

- Rooftop Terrace
- State-of-the-Art Fitness Center
- Tenant Lounges
- Abundant Conference Facilities



	One Galleria Tower	Two Galleria Tower	Three Galleria Tower
Size (000s SF)	470	434	531
Built / Renovated	1982 / 2018	1985 / 2018	1991 / 2018
Occupancy	92%	99%	95%
Parking per 1,000 SF	3.0	3.2	3.0
Anchor Tenants	 MERRILL <small>A BANK OF AMERICA COMPANY</small> 	  	  

## BOSTON - BURLINGTON SUBMARKET



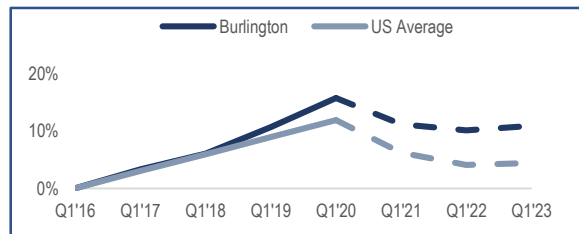
### PDM Submarket Investment



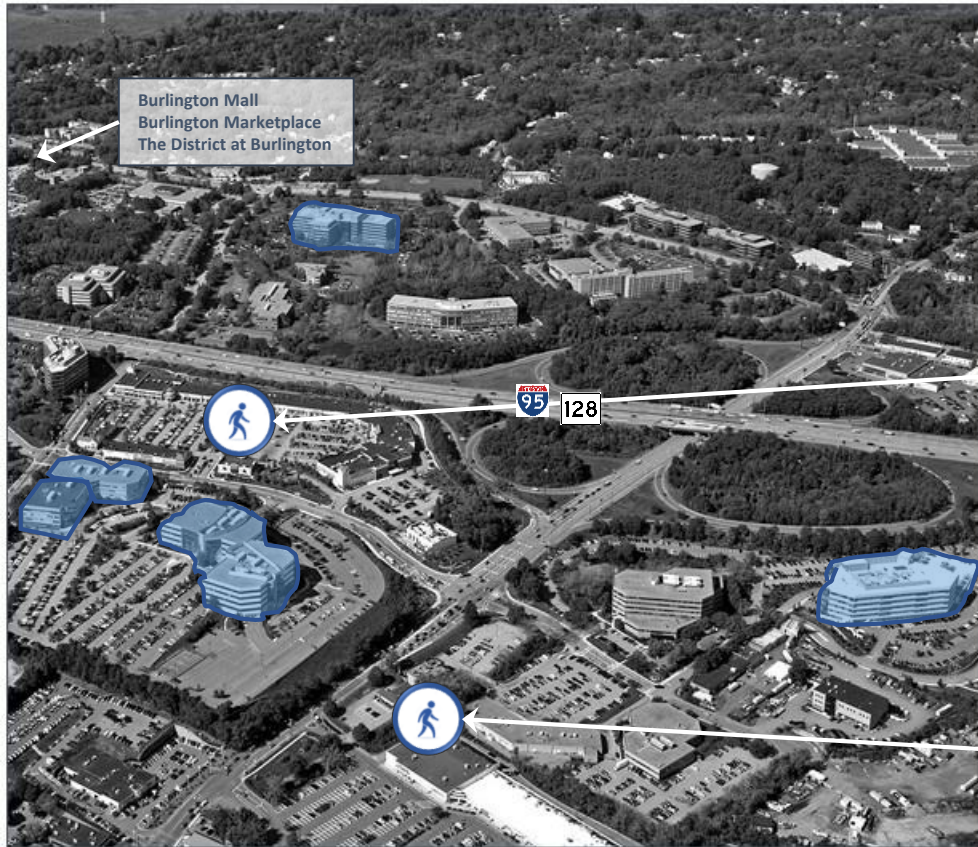
### PDM Assets' Performance



### Submarket vs. National Average Rent Growth<sup>29</sup>



## BOSTON - BURLINGTON AMENITY BASE



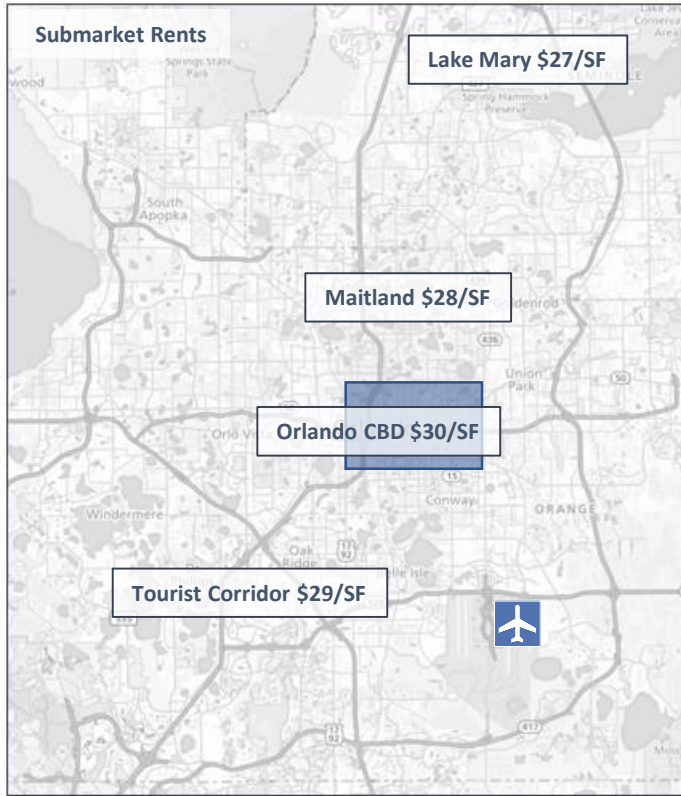
Representative Tenants

ONSITE

- 3 Cafes
- Conference Center
- 4,000 SF of Fitness Facilities with Locker Rooms



## ORLANDO - CBD



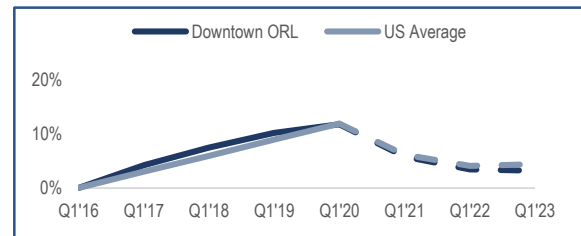
### PDM Submarket Investment



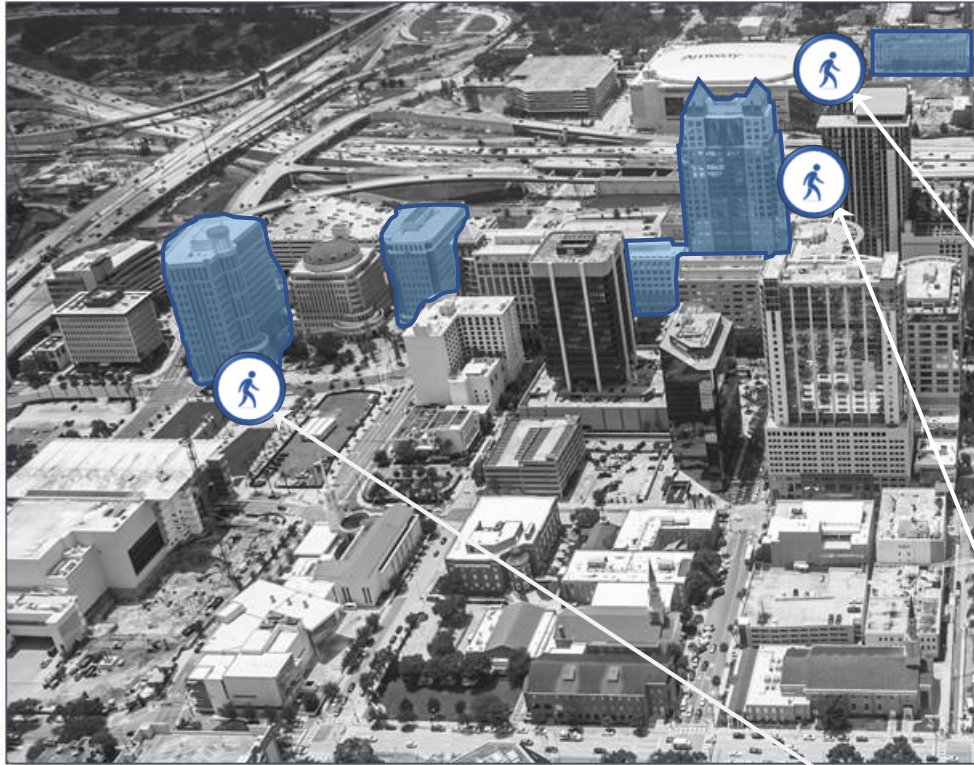
### PDM Assets' Performance



### Submarket vs. National Average Rent Growth<sup>29</sup>



## ORLANDO – CBD AMENITY BASE



ONSITE

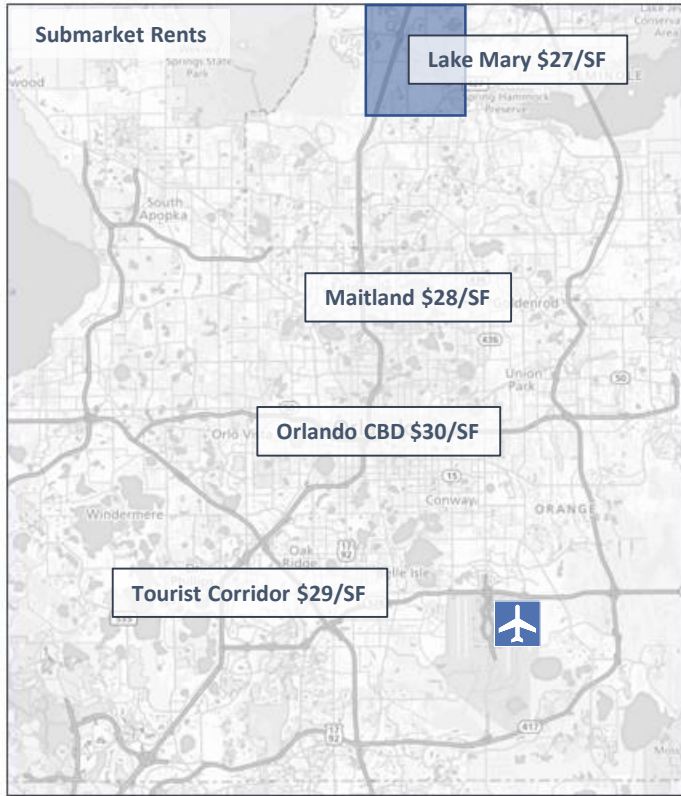
- 3 Cafes
- Conference Center
- 5,000 SF Fitness Facility with Locker Rooms



Representative Tenants



## ORLANDO – LAKE MARY SUBMARKET



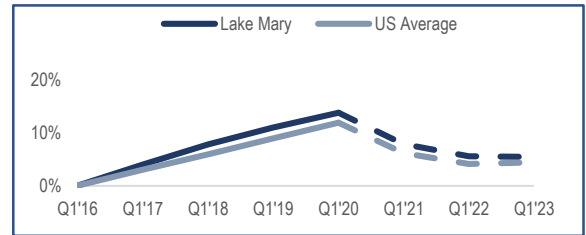
### PDM Submarket Investment

<p><b>\$55M</b> Original Investment</p>	<p><b>~\$175</b> Original Investment per SF</p>	<p><b>~20+%</b> Est. Current Basis Discount to Replacement Cost</p>	<p><b>2%</b> Contribution to Total PDM ALR</p>
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### PDM Assets' Performance

**19%**  
Gross Rent Growth Since Acquisition

### Submarket vs. National Average Rent Growth<sup>29</sup>



<p><b>150+</b> Nonstop Domestic &amp; International Flights<sup>26</sup></p>	<p><b>1.2</b> Fortune 1000 HQs per 1 million of population<sup>27</sup></p>	<p><b>55,000</b> College Graduates per Year<sup>28</sup></p>
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## ORLANDO – LAKE MARY AMENITY BASE



Representative Tenants

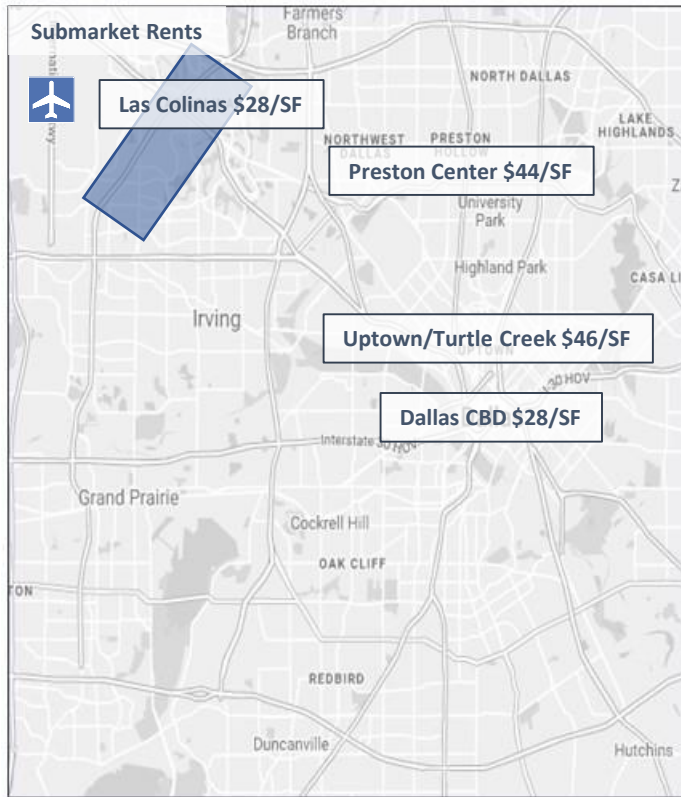


- ONSITE**
- Foodsby Service at Both Properties
  - Conference Center
  - 1,000 SF Fitness Facility with Locker Rooms





## DALLAS – LAS COLINAS SUBMARKET



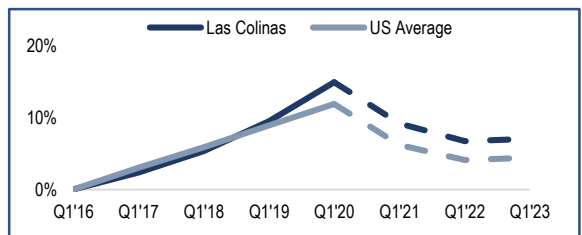
### PDM Submarket Investment



### PDM Assets' Performance



### Submarket vs. National Average Rent Growth<sup>29</sup>



## DALLAS – LAS COLINAS AMENITY BASE



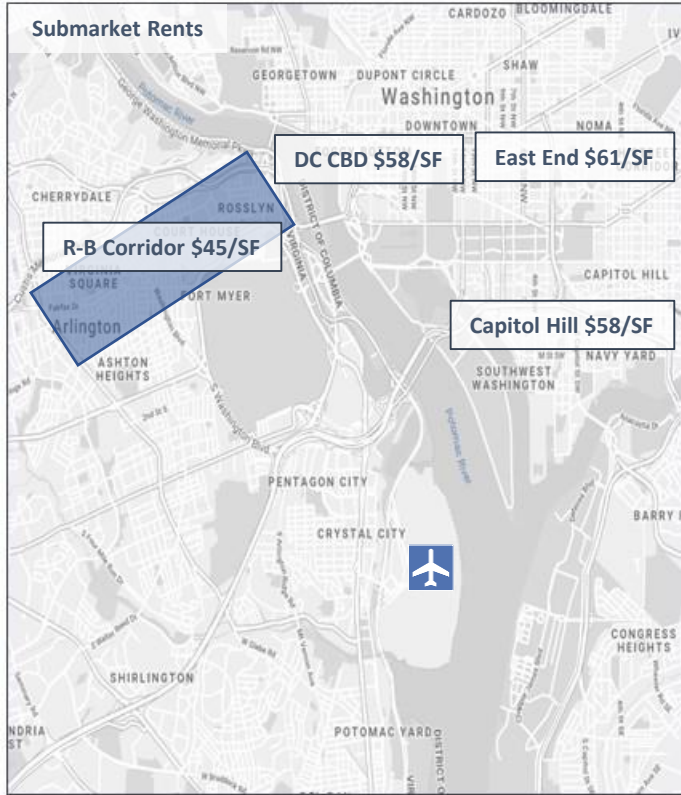
### Representative Tenants



ONSITE

- 7 Cafes
- 6 Conference Centers
- 25,000 SF of Fitness Facilities with Locker Rooms

## WASHINGTON DC – R-B CORRIDOR SUBMARKET



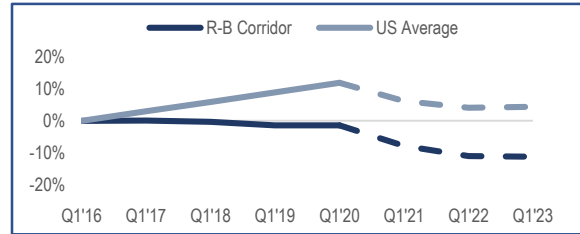
### PDM Submarket Investment



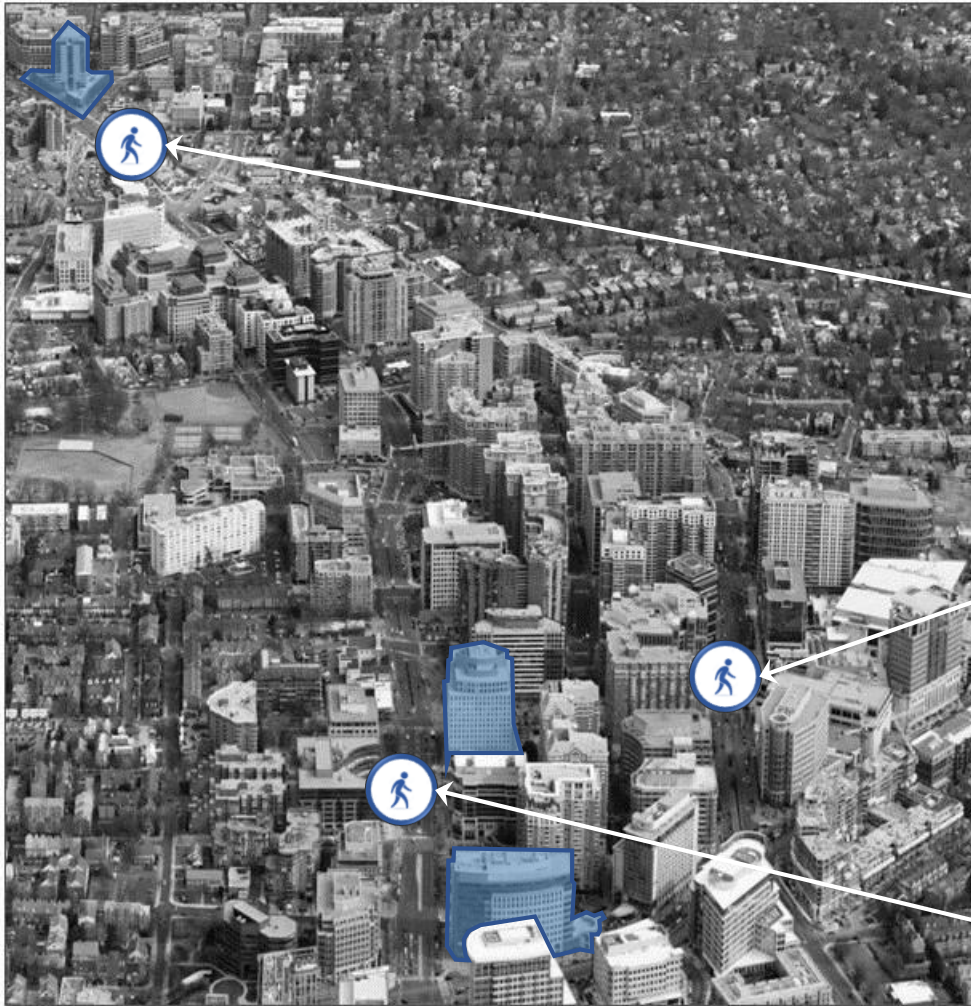
### PDM Assets' Performance



### Submarket vs. National Average Rent Growth<sup>29</sup>



## WASHINGTON DC – R-B CORRIDOR AMENITY BASE



- ONSITE**
- 10 Cafes
  - 1 Conference Center
  - 5,000 SF of Fitness Facilities with Locker Rooms
  - 3 Bike Lockers

**The Cheesecake Factory** **cava** **mezze** **DON TITO**  
**Pain Quotidien** **THE LIBERTY TAVERN** **OSULLIVAN'S** **Irish Pub & Restaurant** **Pamplona** **JJ**  
**Peet's COFFEE** **TRADER JOE'S** **end/sushi**  
**BALLSTON QUARTER** **COPA** **HOT lola's** **True Food Kitchen** **bartaco**  
**ALL ABOUT BURGER** **Chick-fil&** **PUNCH BOWL SOCIAL** **AL VOLO**  
**Harris Teeter** **Neighborhood Food & Pharmacy** **macy's** **jubilee** **SLAPFISH**  
**P.F. CHANG'S** **SUBWAY** **BUFFALO WILD WINGS** **Cheesetique** **MUSSEL BAR & GRILL** **IHOP**  
**DUNKIN' DONUTS** **Grand Cru Wine Bar and Bistro** **Nando's PERI-PERI CHICKEN** **STARBUCKS COFFEE**  
**POTBELLY SANDWICH SHOP** **UNCLE JULIO'S MEXICAN from Scratch** **CHIPOTLE MEXICAN GRILL** **YARD BIRL** **ZOË'S KITCHEN**

Representative Tenants



1. Statistical information is as of March 31, 2020, includes all in-service properties, and is adjusted on a pro forma basis for the disposition of 1901 Market Street in Philadelphia, PA, unless otherwise noted.
2. Management estimates; in-place accrual yield as of February 2020 (annualized).
3. Metric at 3/31/2018 excluded one out of service property, Two Pierce Place in Itasca, IL, representing ~1% of ALR. This property was placed back into service on January 1, 2020.
4. Annualized rental income associated with newly executed leases for currently occupied space is incorporated herein only at the expiration date for the current lease. Annualized rental income associated with such new leases is removed from the expiry year of the current lease and added to the expiry year of the new lease.
5. The projected 2020 CY FFO yield for Galleria 100, Galleria 400, and Galleria 600 is 6.9% at a weighted occupancy of 84%.
6. The existing \$160 million of mortgage debt maturing in 2022 is expected to be repaid at the time of sale of 1901 Market Street in Philadelphia, PA in the middle of 2020. Therefore, the proforma debt maturity schedule reflects no balance outstanding for this loan.
7. The \$500 million unsecured revolving credit facility has an initial maturity date of September 30, 2022; however, there are two, six-month extension options available under the facility providing for a total extension of up to one year to September 29, 2023. The final extended maturity date is presented on this schedule. Sales proceeds from the disposition of 1901 Market Street in Philadelphia, PA, will be used to pay down the balance on the unsecured revolving credit facility in the middle of 2020. Therefore, the proforma debt maturity schedule reflects no balance outstanding on this facility.
8. For the purposes of the calculation, we annualize the quarter's Core EBITDA and use the average daily balance of debt outstanding during the period, less cash and cash equivalents and escrow deposits and restricted cash as of the end of the period.
9. Source: Cobb County Chamber of Commerce.
10. Acquisition costs per square foot.
11. Based on management estimates.
12. Source: Google Maps, June, 2019; morning commute time is 8:30am.
13. Source: Cobb County.org.
14. Source: Cumberland Community Improvement District.
15. Source: US News.
16. Source: CoStar.
17. Source: CoStar, Cumberland Galleria assets, four and five star only.
18. Source: Moody's Analytics.
19. Source: Forbes.
20. Source: JLL Research.

21. Source: CBRE Research.
22. Source: Fortune.
23. Dallas Chamber of Commerce.
24. Asking Rates. Source: Cushman & Wakefield Q4 19 Report.
25. Asking Rates. Set includes: Colonnade I, II, III, International Plaza I, III, Pinnacle Tower, Lincoln Tower, Galleria North Tower I, II.
26. Source: Boston Logan International Airport website, Orlando International Airport website, Dallas/Fort Worth International Airport website, and Dulles International Airport website/Ronald Reagan Washington National Airport combined, respectively.
27. Source: Kaggle 2018 Fortune 1000 Information, US Census Bureau 2017 Population Estimates.
28. Source: DataUSA.io.
29. Source: CoStar historical and projected rent growth as of Q1'20.

## 2020 REIT WEEK DISCUSSION TOPICS

### COVID-19 UPDATE

#### Operational Procedures



Implemented comprehensive signage programs throughout buildings to reinforce CDC health guidelines



Enhanced mechanical functions to improve indoor environments, including elevated fresh air intake levels



Installed hands free equipment in bathrooms and high touch areas



Daily meetings among Covid-19 Strategy Committee to evaluate conditions, review operations and share best-practices



Elevated cleaning protocols / janitorial staffs, applying EPA-registered disinfectants to avoid the spread of pathogens



Enacting new operational procedures, health protocols and technologies to protect those onsite

#### Financial Exposures

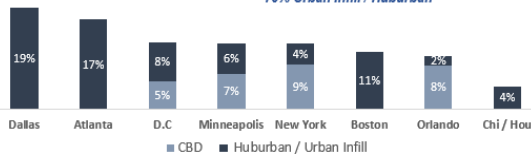
- Transient parking = ~\$1 million of NOI (one quarter)
- Retail tenants = ~1% of ALR
- Co-working tenants = ~2% of ALR
- Speculative lease-up delays = ~\$1 to \$2 million impact to 2020 revenues
- Deferrals to date = ~\$1 million / month for average of three months

### COMPELLING MARKET CONCENTRATION AND FAVORABLE LEASE ROLL

#### ALR Composition

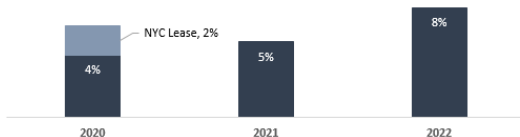
Pro-Forma 1901 Market Sale

~50% from SunBelt markets  
~70% Urban Infill / Huburban



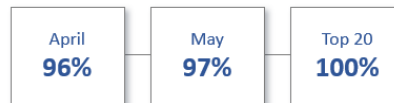
#### Low Lease Expiration Schedule Next Three Years (ALR%)

Portfolio-wide seven-year weighted average lease term



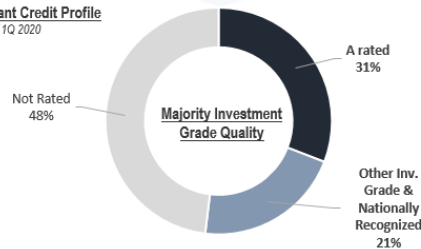
### HIGH CREDIT WORTHY TENANT BASE

#### Rents Collected



#### Tenant Credit Profile

As of 1Q 2020



### STRONG PORTFOLIO PERFORMANCE

#### 2018 - 2019 Avg. Same Store Cash NOI<sup>1</sup>

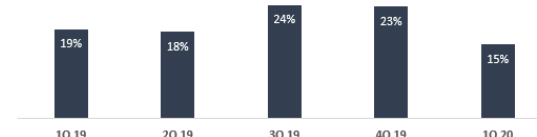


#### Five Year (2014-2019) Avg. Same Store Cash NOI<sup>1</sup>



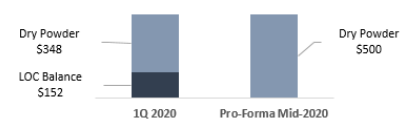
#### Quarterly GAAP Leasing Spread

Five consecutive quarters of over 15% lease rate roll-up



### AMPLE LIQUIDITY AND CAPITAL STRENGTH

#### Capital Availability (100% of net sale proceeds from 1901 Market applied to reduce debt)



#### Projected Pro-Forma Metrics



#### Minimal Capital Requirements... Excellent Dividend Coverage

Estimated Remaining 2020 Outlays



### NEW PARADIGM FOR OFFICE



"Suburban assets in submarkets with a sense of place, better accessibility, a strong industry cluster (particularly tech, life sciences and corporate HQs) and a nearby talent pool continue to register double digit rent growth and sustained uptake of quality space."

JLL, February 2020

<sup>1</sup> Source: GreenStreet Advisors. Includes BDN, BXP, CLI, CUZ, EQC, ESRT, DEI, HIW, HPP, JBGs, KRC, OFC, PGRE, SLG, VNO and WRE