



Fixed Income Supplemental Presentation
December 31, 2020

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Note to Readers:

The information presented herein is excerpted from Piedmont Office Realty Trust, Inc.'s Quarterly Supplemental Information (the "Supplemental") dated December 31, 2020. Please review Piedmont's Supplemental report dated December 31, 2020 for more complete details, including a discussion of important risks related to the business of Piedmont Office Realty Trust, Inc., as well as an investment in its securities, including risks that could cause actual results and events to differ materially from results and events referred to in the forward-looking information. Considering these risks, uncertainties, assumptions, and limitations, the forward-looking statements about leasing, financial operations, leasing prospects, acquisitions, dispositions, etc. contained in this presentation may differ from actual results. Please also refer to Piedmont's Supplemental report dated December 31, 2020 for definitions and reconciliations of non-GAAP measures to their most comparable GAAP metric.

Piedmont Office Realty Trust, Inc. Corporate Data

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, with over half of its revenue generated from the Sunbelt. Its geographically-diversified, approximately \$5 billion portfolio is comprised of approximately 17 million square feet (as of the date of release of this report). The Company is a fully-integrated, self-managed real estate investment trust ("REIT") with local management offices in each of its markets and is investment-grade rated by Standard & Poor's and Moody's. At the end of the fourth quarter of 2020, approximately 64% of the Company's portfolio was Energy Star certified and approximately 43% was LEED certified. Piedmont is headquartered in Atlanta, GA.

This data supplements the information provided in our reports filed with the Securities and Exchange Commission and should be reviewed in conjunction with such filings.

	As of December 31, 2020	As of December 31, 2019
Number of consolidated in-service office properties ^{(1) (2)}	54	55
Rentable square footage (in thousands) ^{(1) (2)}	16,428	16,533
Percent leased ^{(2) (3)}	86.8 %	89.7 %
Capitalization (in thousands):		
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	\$1,632,610	\$1,488,687
Equity market capitalization ⁽⁴⁾	\$2,009,914	\$2,797,423
Total market capitalization ⁽⁴⁾	\$3,642,524	\$4,286,110
Total debt / Total market capitalization ⁽⁴⁾	44.8 %	34.7 %
Average net debt to Core EBITDA	5.8 x	5.4 x
Total debt / Total gross assets	34.4 %	32.5 %
Common stock data:		
High closing price during quarter	\$16.95	\$22.44
Low closing price during quarter	\$11.42	\$20.32
Closing price of common stock at period end	\$16.23	\$22.24
Weighted average fully diluted shares outstanding during quarter (in thousands)	125,544	126,359
Shares of common stock issued and outstanding at period end (in thousands)	123,839	125,783
Annual regular dividend per share ⁽⁵⁾	\$0.84	\$0.84
Rating / Outlook:		
Standard & Poor's	BBB / Stable	BBB / Stable
Moody's	Baa2 / Stable	Baa2 / Stable
Employees	137	134

(1) As of December 31, 2020, our consolidated office portfolio consisted of 54 properties (exclusive of one 127,000 square foot property that was out of service for redevelopment, 222 South Orange Avenue in Orlando, FL). During the first quarter of 2020, we acquired One Galleria Tower, Two Galleria Tower and Three Galleria Tower, three office buildings comprised of 1,435,000 square feet in total, along with a 1.9 acre developable land parcel, located in Dallas, TX. During the second quarter of 2020, we sold 1901 Market Street, an 801,000 square foot office building located in Philadelphia, PA. During the fourth quarter of 2020, we sold our final three New Jersey properties, 200 and 400 Bridgewater Crossing located in Bridgewater, NJ, and 600 Corporate Drive, located in Lebanon, NJ, comprised of 739,000 square feet in total, and we acquired 222 South Orange Avenue, a 127,000 square foot office building located in Orlando, FL, which was placed out of service for redevelopment.

(2) This measure is presented for our consolidated office properties, and the metric for December 31, 2019, has been restated to include one redevelopment property that was placed back into service on January 1, 2020. The redevelopment property is Two Pierce Place, a 485,000 square foot office building located in Itasca, IL.

(3) Calculated as square footage associated with commenced leases plus square footage associated with executed but uncommenced leases for vacant spaces, divided by total rentable square footage, all as of the relevant date, expressed as a percentage.

(4) Reflects common stock closing price, shares outstanding and outstanding debt as of the end of the reporting period, as appropriate.

(5) Total of the regular dividends per share for which record dates occurred over the prior four quarters.

Piedmont Office Realty Trust, Inc.
Financial Highlights
As of December 31, 2020

Financial Results

Net income applicable to Piedmont for the quarter ended December 31, 2020 was \$22.6 million, or \$0.18 per share (diluted), compared to \$162.5 million, or \$1.29 per share (diluted), for the same quarter in 2019. Net income applicable to Piedmont for the twelve months ended December 31, 2020 was \$232.7 million, or \$1.85 per share (diluted), compared to \$229.3 million, or \$1.82 per share (diluted), for the same period in 2019.

Core funds from operations (Core FFO) for the quarter ended December 31, 2020 was \$57.2 million, or \$0.46 per share (diluted), compared to \$58.6 million, or \$0.46 per share (diluted), for the same quarter in 2019. Core FFO for the twelve months ended December 31, 2020 was \$238.9 million, or \$1.89 per share (diluted), compared to \$226.1 million, or \$1.79 per share (diluted), for the same period in 2019.

Update Related to COVID-19

As of December 2020, tenant physical occupancy per building varied greatly among our buildings depending upon the tenancy, ranging from 10% to nearly 100% occupancy. The highest space utilization rate continued to be observed at our properties located in Sunbelt markets and at mission-critical government-related locations.

As a result of our diversification, limited exposure to the sectors of the economy most impacted by the pandemic and strong tenant credit profile, we have collected approximately 99% of the billed rents that were due for October, November and December based on contractual lease terms. Approximately 1% of our revenues are related to retail tenants and approximately 2% of our 2020 budgeted revenues are associated with the co-working sector, both of which have been particularly hard hit by the economic effects of the pandemic. Additionally, only approximately 1% of our annual revenues comes from transient parking.

To date, of the approximately 1,000 leases in our portfolio, we have entered into rent relief agreements with 66 tenants. These 66 rent relief agreements represent tenants occupying approximately 5% of the square footage in our portfolio. A total of approximately \$7.1 million of gross rental obligations were primarily deferred (\$1.0 million of which was related to billings originally due in the fourth quarter). The typical deferral periods are between 3 and 4 months with repayment occurring late in 2020 or in 2021 with interest. To date, we have received repayments of prior deferrals totaling \$1.3 million; the vast majority of tenants in repayment periods for prior deferrals have been performing well.

As of the end of the fourth quarter of 2020, Piedmont had a general reserve for potentially uncollectible accounts totaling \$4.6 million. The general reserve approximates 1% of the Company's Annualized Lease Revenue; the Company will continue to reassess tenant receivables and the reserve, and make adjustments as it deems appropriate.

Regarding Piedmont's liquidity and capitalization, management believes the Company has sufficient liquidity and capital capacity to withstand the effects of the economic slowdown associated with COVID-19 and will be able to meet all of its financial obligations, including the servicing of its debt, as well as to meet all of its debt covenants, each with a significant buffer to the relevant threshold. Piedmont is in a strong balance sheet position, with approximately \$7 million in cash and \$495 million available under its line of credit at the end of the fourth quarter. As of December 31, 2020, our debt to gross assets ratio was approximately 34%, unchanged from the prior quarter end.

Operations and Leasing

On a square footage leased basis, our total in-service office portfolio was 86.8% leased as of December 31, 2020, as compared to 89.7% at December 31, 2019 (restated to include one out-of-service asset, Two Pierce Place in Itasca, IL, which was placed back into service on January 1, 2020). Significant contributors to the reduction in leased percentage from December 31, 2019 to December 31, 2020 was the sale of the 100% leased 1901 Market Street in Philadelphia, PA, during the second quarter of 2020, and the slowdown in leasing activity due to COVID-19.

The weighted average remaining lease term of our in-service portfolio was 6.1 years as of December 31, 2020 as compared to 7.0 years as of December 31, 2019. A meaningful contributor to the reduction in weighted average remaining lease term was the sale of 1901 Market Street in Philadelphia, PA, an 801,000 square foot, fully-leased building with approximately 13 years of lease term remaining.

During the three months ended December 31, 2020, the Company completed approximately 189,000 square feet of leasing activity. Of the total leasing activity completed during the quarter, we signed new tenant leases for approximately 52,000 square feet. During the twelve months ended December 31, 2020, the Company completed approximately 1,106,000 square feet of leasing activity, of which approximately 262,000 square feet was related to new tenant leases.

Piedmont focuses its leasing efforts on large, credit-worthy corporate tenants, and, therefore, executed leasing activity can vary greatly from quarter to quarter. The effects of COVID-19 have compounded this variability. Overall leasing pipeline activity improved over the last several months of 2020. While the amount of executed leases is still expected to vary, subsequent to year end, Piedmont has already completed over 500,000 square feet of leasing activity, including a long-term lease renewal with a non-governmental top 20 tenant, as of the date of release of this report.

Financing and Capital Activity

Dispositions

On October 28, 2020, Piedmont completed a portfolio sale consisting of its final three New Jersey properties, 200 and 400 Bridgewater Crossing in Bridgewater, NJ and 600 Corporate Drive in Lebanon, NJ. The portfolio was sold for a total of \$130.0 million, or \$176 per square foot. The Company recorded a gain of approximately \$14.6 million as a result of the sale of the assets. As part of the sale transaction, Piedmont provided seller financing (comprised of a senior loan and a mezzanine loan) on 200 and 400 Bridgewater Crossing in the total amount of \$118.5 million, at a weighted average interest rate of 7.0%. Piedmont has no future funding requirements under either loan.

Acquisitions

On October 29, 2020, Piedmont completed the acquisition of 222 South Orange Avenue, a 127,000 square foot, 10-story, vacant office building, located in Orlando, FL, for \$20.0 million, or \$157 per square foot. The building adjoins Piedmont's 200 South Orange Avenue property, sharing several key connection points and systems, including an atrium, a loading dock, building mechanical systems, several interconnected floor plates and parking. Additionally, the acquisition of 222 South Orange Avenue provides Piedmont's existing office tower with direct frontage on Orange Avenue, the de facto Main Street in Orlando's central business district. Piedmont plans to immediately begin a redevelopment of the property to upgrade and reposition it to a Class A standard consistent with Piedmont's other existing landmark assets in downtown Orlando. Among the highlights of the redevelopment will be an enhanced window line, allowing more light and air into tenant spaces, along with renovations to the lobby, common areas and restrooms. The costs of the redevelopment are expected to total under \$10 million. Upon completion of the upgrades at 222 South Orange Avenue, and in combination with the substantial renovations near completion at 200 South Orange Avenue, Piedmont's downtown Orlando portfolio will represent a preeminent destination for the market.

Development / Redevelopment

During the fourth quarter of 2019, Piedmont commenced an approximately \$18.5 million redevelopment of 200 South Orange Avenue in Orlando, FL. The project will allow the Company to reposition the property, creating a premier environment for downtown office tenants. The redevelopment plan includes a redesigned lobby and entry experience, an energized outdoor park, the addition of new food and beverage options, an upgraded conference center, a tenant lounge, and a new crown lighting system. As of December 31, 2020, the project is near completion and remains on budget.

Finance

As of December 31, 2020, our ratio of total debt to total gross assets was 34.4%, and the same measure at December 31, 2019 was 32.5%. This debt ratio is based on total principal amount outstanding for our various loans as of the relevant measurement date.

As of December 31, 2020, our average net debt to Core EBITDA ratio was 5.8 x.

Piedmont Office Realty Trust, Inc.
Capitalization Analysis
Unaudited (in thousands except for per share data)

	As of December 31, 2020	As of December 31, 2019
Market Capitalization		
Common stock price	\$16.23	\$22.24
Total shares outstanding	123,839	125,783
Equity market capitalization ⁽¹⁾	\$2,009,914	\$2,797,423
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	\$1,632,610	\$1,488,687
Total market capitalization ⁽¹⁾	\$3,642,524	\$4,286,110
Total debt / Total market capitalization ⁽¹⁾	44.8 %	34.7 %
Ratios & Information for Debt Holders		
Total gross assets ⁽²⁾	\$4,747,821	\$4,574,815
Total debt / Total gross assets ⁽²⁾	34.4 %	32.5 %
Average net debt to Core EBITDA ⁽³⁾	5.8 x	5.4 x

(1) Reflects common stock closing price, shares outstanding, and outstanding debt as of the end of the reporting period, as appropriate.

(2) Total gross assets is defined as total assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets and accumulated amortization related to deferred lease costs.

(3) For the purposes of this calculation, we annualize the Core EBITDA for the quarter and use the average daily balance of debt outstanding during the quarter, less cash and cash equivalents and escrow deposits and restricted cash as of the end of the quarter.

Piedmont Office Realty Trust, Inc.
Debt Covenant & Ratio Analysis
As of December 31, 2020
Unaudited

Bank Debt Covenant Compliance ⁽¹⁾	Required	Three Months Ended				
		12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Maximum leverage ratio	0.60	0.35	0.35	0.34	0.38	0.31
Minimum fixed charge coverage ratio ⁽²⁾	1.50	4.71	4.54	4.32	4.14	4.12
Maximum secured indebtedness ratio	0.40	0.01	0.01	0.01	0.04	0.04
Minimum unencumbered leverage ratio	1.60	2.77	2.85	2.91	2.71	3.39
Minimum unencumbered interest coverage ratio ⁽³⁾	1.75	5.26	5.13	4.92	4.74	4.70

Bond Covenant Compliance ⁽⁴⁾	Required	Three Months Ended				
		12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Total debt to total assets	60% or less	40.6%	40.3%	40.5%	46.0%	38.8%
Secured debt to total assets	40% or less	0.7%	0.7%	0.7%	4.5%	4.9%
Ratio of consolidated EBITDA to interest expense	1.50 or greater	5.66	5.52	5.15	4.88	4.80
Unencumbered assets to unsecured debt	150% or greater	247%	249%	248%	224%	273%

Other Debt Coverage Ratios for Debt Holders	Three Months Ended	Twelve Months Ended	Twelve Months Ended
	December 31, 2020	December 31, 2020	December 31, 2019
Average net debt to core EBITDA ⁽⁵⁾	5.8 x	5.8 x	5.8 x
Fixed charge coverage ratio ⁽⁶⁾	5.1 x	5.2 x	4.5 x
Interest coverage ratio ⁽⁷⁾	5.3 x	5.3 x	4.5 x

(1) Bank debt covenant compliance calculations relate to specific calculations detailed in the relevant credit agreements.

(2) Defined as EBITDA for the trailing four quarters (including the Company's share of EBITDA from unconsolidated interests), excluding one-time or non-recurring gains or losses, less a \$0.15 per square foot capital reserve, and excluding the impact of straight line rent leveling adjustments and amortization of intangibles divided by the Company's share of fixed charges, as more particularly described in the credit agreements. This definition of fixed charge coverage ratio as prescribed by our credit agreements is different from the fixed charge coverage ratio definition employed elsewhere within this report.

(3) Defined as net operating income for the trailing four quarters for unencumbered assets (including the Company's share of net operating income from partially-owned entities and subsidiaries that are deemed to be unencumbered) less a \$0.15 per square foot capital reserve divided by the Company's share of interest expense associated with unsecured financings only, as more particularly described in the credit agreements.

(4) Bond covenant compliance calculations relate to specific calculations prescribed in the relevant debt agreements. Please refer to the Indenture dated May 9, 2013, the Indenture and the First Supplemental Indenture dated March 6, 2014, and the Second Supplemental Indenture dated August 12, 2020, for detailed information about the calculations.

(5) For the purposes of this calculation, we 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.

(6) Fixed charge coverage ratio is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. The Company had no preferred dividends during the periods ended December 31, 2020 and December 31, 2019. The Company had capitalized interest of \$368,965 for the three months ended December 31, 2020, \$965,142 for the twelve months ended December 31, 2020, and \$2,135,150 for the twelve months ended December 31, 2019. The Company had principal amortization of \$365,644 for the three months ended December 31, 2020, \$1,076,993 for the twelve months ended December 31, 2020, and \$1,018,979 for the twelve months ended December 31, 2019.

(7) Interest coverage ratio is calculated as Core EBITDA divided by the sum of interest expense and capitalized interest. The Company had capitalized interest of \$368,965 for the three months ended December 31, 2020, \$965,142 for the twelve months ended December 31, 2020, and \$2,135,150 for the twelve months ended December 31, 2019.

Piedmont Office Realty Trust, Inc.

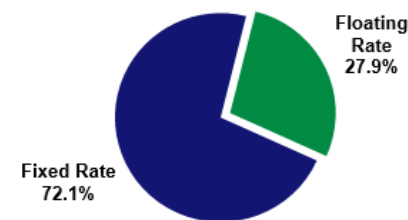
Debt Summary

As of December 31, 2020

Unaudited (\$ in thousands)

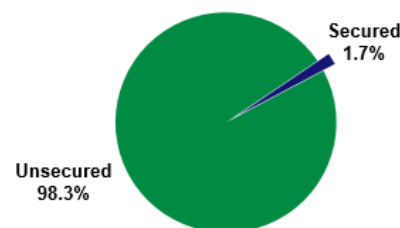
Floating Rate & Fixed Rate Debt

Debt ⁽¹⁾	Principal Amount Outstanding	Weighted Average Stated Interest Rate ⁽²⁾	Weighted Average Maturity
Floating Rate	\$455,000 ⁽³⁾	1.14%	24.4 months
Fixed Rate	1,177,610	3.76%	55.6 months
Total	\$1,632,610	3.03%	46.9 months



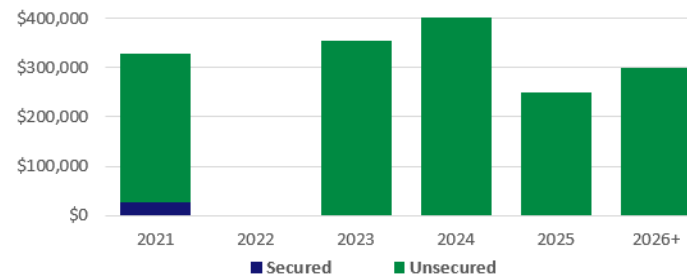
Unsecured & Secured Debt

Debt ⁽¹⁾	Principal Amount Outstanding	Weighted Average Stated Interest Rate ⁽²⁾	Weighted Average Maturity
Unsecured	\$1,605,000	2.98%	47.6 months
Secured	27,610	5.55%	8.0 months
Total	\$1,632,610	3.03%	46.9 months



Debt Maturities ⁽⁴⁾

Maturity Year	Secured Debt - Principal Amount Outstanding ⁽¹⁾	Unsecured Debt - Principal Amount Outstanding ⁽¹⁾	Weighted Average Stated Interest Rate ⁽²⁾	Percentage of Total
2021	\$27,610	\$300,000	1.53%	20.1%
2022	—	—	N/A	—%
2023	—	355,000	3.37%	21.7%
2024	—	400,000	4.45%	24.5%
2025	—	250,000	2.08%	15.3%
2026 +	—	300,000	3.15%	18.4%
Total	\$27,610	\$1,605,000	3.03%	100.0%



(1) All of Piedmont's outstanding debt as of December 31, 2020 was interest-only debt with the exception of the \$27.6 million mortgage associated with 5 Wall Street located in Burlington, MA.

(2) Weighted average stated interest rate is calculated based upon the principal amounts outstanding.

(3) The amount of floating rate debt is comprised of the \$5 million outstanding balance as of December 31, 2020, on the \$500 million unsecured revolving credit facility, \$150 million in principal amount of the \$250 million unsecured term loan that closed in 2018 that remained unhedged as of December 31, 2020, and the entire principal balance of the \$300 million unsecured term loan that closed in 2011. The \$250 million unsecured term loan that closed in 2018 has a stated variable rate. However, Piedmont entered into \$100 million in notional amount of seven-year interest rate swap agreements resulting in an effectively fixed interest rate for \$100 million in principal amount of the term loan (at 3.56% as of December 31, 2020; this rate can change only with a credit rating change for the Company) through the loan's maturity date of March 31, 2025. Additional details regarding the floating rate debt can be found on the following page.

(4) For loans which provide extension options that are conditional solely upon the Company providing proper notice to the loan's administrative agent and the payment of an extension fee, the final extended maturity date is reflected herein.

Piedmont Office Realty Trust, Inc.

Debt Detail

Unaudited (\$ in thousands)

Facility ⁽¹⁾	Property	Stated Rate	Maturity	Principal Amount Outstanding as of December 31, 2020
Secured				
\$35.0 Million Fixed-Rate Loan ⁽²⁾	5 Wall Street	5.55 % ⁽³⁾	9/1/2021	\$ 27,610
Subtotal / Weighted Average ⁽⁴⁾		5.55 %		\$ 27,610
Unsecured				
\$300.0 Million Unsecured 2011 Term Loan	N/A	1.16 % ⁽⁵⁾	11/30/2021	\$ 300,000
\$350.0 Million Unsecured 2013 Senior Notes	N/A	3.40 % ⁽⁶⁾	6/1/2023	350,000
\$500.0 Million Unsecured Line of Credit ⁽⁷⁾	N/A	1.05 % ⁽⁸⁾	9/29/2023	5,000
\$400.0 Million Unsecured 2014 Senior Notes	N/A	4.45 % ⁽⁹⁾	3/15/2024	400,000
\$250.0 Million Unsecured 2018 Term Loan	N/A	2.08 % ⁽¹⁰⁾	3/31/2025	250,000
\$300.0 Million Unsecured 2020 Senior Notes	N/A	3.15 % ⁽¹¹⁾	8/15/2030	300,000
Subtotal / Weighted Average ⁽⁴⁾		2.98 %		\$ 1,605,000
Total Debt - Principal Amount Outstanding / Weighted Average Stated Rate ⁽⁴⁾		3.03 %		\$ 1,632,610
GAAP Accounting Adjustments ⁽¹²⁾				(10,606)
Total Debt - GAAP Amount Outstanding				\$ 1,622,004

(1) All of Piedmont's outstanding debt as of December 31, 2020, was interest-only debt with the exception of the \$27.6 million mortgage associated with 5 Wall Street located in Burlington, MA.

(2) The loan is amortizing based on a 25-year amortization schedule.

(3) The loan has a stated interest rate of 5.55%; however, upon acquiring 5 Wall Street and assuming the loan, the Company marked the debt to its estimated fair value as of that time, resulting in an effective interest rate of 3.75%.

(4) Weighted average is based on the principal amounts outstanding and interest rates at December 31, 2020.

(5) The \$300 million unsecured 2011 term loan has a variable interest rate. Piedmont may select from multiple interest rate options, including the prime rate and various length LIBOR locks. The all-in interest rate associated with each LIBOR interest period selection is comprised of the relevant base LIBOR interest rate plus a credit spread (1.00% as of December 31, 2020) based on Piedmont's then current credit rating.

(6) The \$350 million unsecured senior notes were offered for sale at 99.601% of the principal amount. The resulting effective cost of the financing is approximately 3.45% before the consideration of transaction costs and proceeds from interest rate hedges. After the application of proceeds from interest rate hedges, the effective cost of the financing is approximately 3.43%.

(7) All of Piedmont's outstanding debt as of December 31, 2020, was term debt with the exception of \$5 million outstanding on our unsecured revolving credit facility. 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.

(8) The interest rate presented for the \$500 million unsecured revolving credit facility is the weighted average interest rate for all outstanding draws as of December 31, 2020. Piedmont may select from multiple interest rate options with each draw under the facility, including the prime rate and various length LIBOR locks. The all-in interest rate associated with each LIBOR interest period selection is comprised of the relevant base LIBOR interest rate plus a credit spread (0.90% as of December 31, 2020) based on Piedmont's then current credit rating.

(9) The \$400 million unsecured senior notes were offered for sale at 99.791% of the principal amount. The resulting effective cost of the financing is approximately 4.48% before the consideration of transaction costs and proceeds from interest rate hedges. After the application of proceeds from interest rate hedges, the effective cost of the financing is approximately 4.10%.

(10) The \$250 million unsecured term loan that closed in 2018 has a stated variable interest rate; however, Piedmont entered into \$100 million in notional amount of seven-year interest rate swap agreements that effectively fixed the interest rate on \$100 million of the term loan (at 3.56% as of December 31, 2020; this rate can change only with a credit rating change for the Company) through the loan's maturity date of March 31, 2025. For the portion of the loan that continues to have a variable interest rate, Piedmont may select from multiple interest rate options, including the prime rate and various length LIBOR locks. The all-in interest rate associated with each LIBOR interest period selection is comprised of the relevant base LIBOR interest rate plus a credit spread (0.95% as of December 31, 2020) based on Piedmont's then current credit rating.

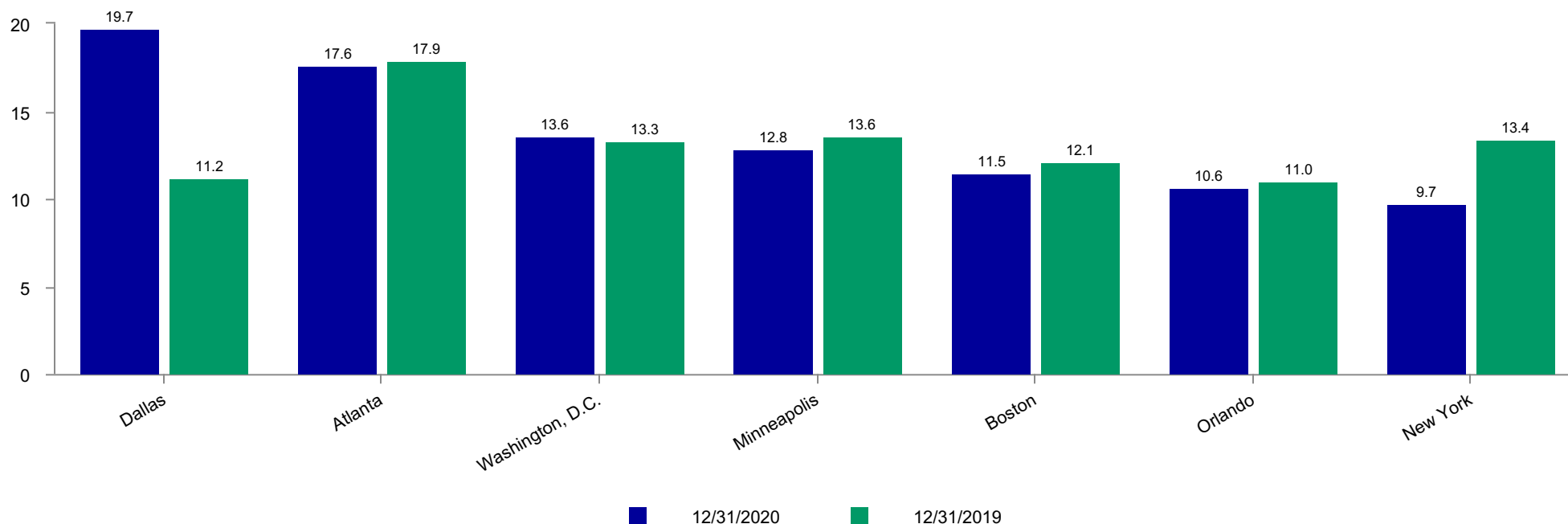
(11) The \$300 million unsecured senior notes were offered for sale at 99.236% of the principal amount. The resulting effective cost of the financing is approximately 3.24% before the consideration of transaction costs and the impact of interest rate hedges. After incorporating the results of the related interest rate hedging activity, the effective cost of the financing is approximately 3.90%.

(12) The GAAP accounting adjustments relate to original issue discounts, third-party fees, and lender fees resulting from the procurement processes for our various debt facilities, along with debt fair value adjustments associated with the assumed 5 Wall Street debt. The original issue discounts and fees, along with the debt fair value adjustments, are amortized to interest expense over the contractual term of the related debt.

Piedmont Office Realty Trust, Inc.
Geographic Diversification
As of December 31, 2020
(\$ and square footage in thousands)

Location	Number of Properties	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Rentable Square Footage	Percentage of Rentable Square Footage (%)	Leased Square Footage	Percent Leased (%)
Dallas	13	\$101,639	19.7	3,549	21.6	3,053	86.0
Atlanta	9	90,783	17.6	3,388	20.6	2,878	84.9
Washington, D.C.	6	70,204	13.6	1,620	9.8	1,328	82.0
Minneapolis	6	65,997	12.8	2,104	12.8	1,963	93.3
Boston	10	58,983	11.5	1,885	11.5	1,728	91.7
Orlando	6	54,404	10.6	1,754	10.7	1,619	92.3
New York	1	50,186	9.7	1,029	6.3	965	93.8
Other	3	22,942	4.5	1,099	6.7	726	66.1
Total / Weighted Average	54	\$515,138	100.0	16,428	100.0	14,260	86.8

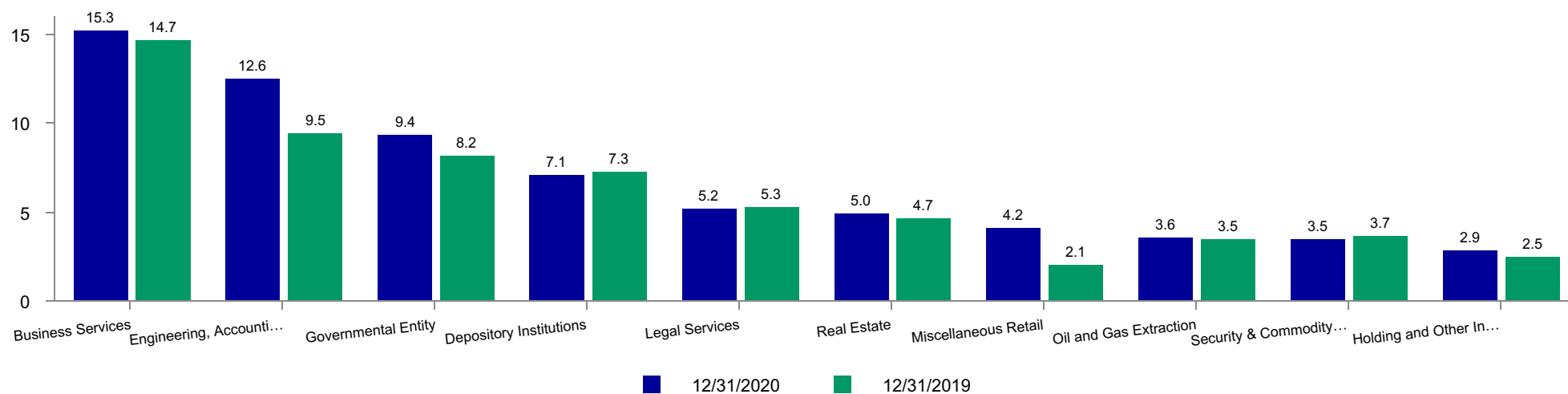
Percentage of Annualized Lease Revenue (%)



Piedmont Office Realty Trust, Inc.
Industry Diversification
As of December 31, 2020
(\$ and square footage in thousands)

Industry	Number of Tenants	Percentage of Total Tenants (%)	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Leased Square Footage	Percentage of Leased Square Footage (%)
Business Services	94	13.1	\$78,830	15.3	2,256	15.8
Engineering, Accounting, Research, Management & Related Services	109	15.2	64,683	12.6	1,762	12.4
Governmental Entity	6	0.8	48,591	9.4	970	6.8
Depository Institutions	17	2.4	36,734	7.1	1,013	7.1
Legal Services	68	9.5	26,766	5.2	765	5.4
Real Estate	42	5.9	25,848	5.0	768	5.4
Miscellaneous Retail	10	1.4	21,401	4.2	590	4.1
Oil and Gas Extraction	5	0.7	18,441	3.6	564	4.0
Security & Commodity Brokers, Dealers, Exchanges & Services	51	7.1	18,046	3.5	509	3.6
Holding and Other Investment Offices	29	4.1	14,970	2.9	422	3.0
Communications	48	6.7	13,906	2.7	358	2.5
Health Services	21	2.9	13,900	2.7	375	2.6
Measuring, Analyzing, And Controlling Instruments; Medical and Other Goods	6	0.8	13,011	2.5	595	4.2
Automotive Repair, Services & Parking	5	0.7	12,054	2.3	3	—
Educational Services	6	0.8	11,251	2.2	205	1.4
Other	199	27.9	96,706	18.8	3,105	21.7
Total	716	100.0	\$515,138	100.0	14,260	100.0

Percentage of Annualized Lease Revenue (%)



NOTE: The Company's coworking sector exposure is presented within the Real Estate industry line above. As of December 31, 2020, coworking contributed approximately 2.6% to Annualized Lease Revenue.

Appendix

Definitions of Non-GAAP Financial Measures

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.

Gross Assets: Gross Assets is defined as total assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets and accumulated amortization related to deferred lease costs.

Definitions of Other Terms

Annualized Lease Revenue ("ALR"): ALR is calculated by multiplying (i) rental payments (defined as base rent plus operating expense reimbursements, if payable by the tenant on a monthly basis under the terms of a lease that has been executed, but excluding a) rental abatements and b) rental payments related to executed but not commenced leases for space that was covered by an existing lease), by (ii) 12. In instances in which contractual rents or operating expense reimbursements are collected on an annual, semi-annual, or quarterly basis, such amounts are multiplied by a factor of 1, 2, or 4, respectively, to calculate the annualized figure. For leases that have been executed but not commenced relating to un-leased space, ALR is calculated by multiplying (i) the monthly base rental payment (excluding abatements) plus any operating expense reimbursements for the initial month of the lease term, by (ii) 12. Unless stated otherwise, this measure excludes revenues associated with development properties and properties taken out of service for redevelopment, if any.

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

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Assets:					
Real estate, at cost:					
Land assets	\$ 484,466	\$ 505,228	\$ 505,228	\$ 505,234	\$ 485,560
Buildings and improvements	3,191,767	3,283,980	3,258,713	3,249,947	2,943,685
Buildings and improvements, accumulated depreciation	(767,542)	(803,160)	(776,870)	(755,152)	(730,750)
Intangible lease asset	158,444	161,870	164,145	167,972	125,171
Intangible lease asset, accumulated amortization	(67,850)	(63,353)	(58,148)	(52,538)	(50,766)
Construction in progress	56,749	56,393	51,045	42,028	29,920
Real estate assets held for sale, gross	—	—	—	233,951	233,951
Real estate assets held for sale, accumulated depreciation & amortization	—	—	—	(96,164)	(94,261)
Total real estate assets	3,056,034	3,140,958	3,144,113	3,295,278	2,942,510
Cash and cash equivalents	7,331	23,958	36,469	7,920	13,545
Tenant receivables, net of allowance for doubtful accounts	8,448	11,301	8,494	10,596	8,226
Straight line rent receivable	151,153	154,620	147,418	139,617	132,342
Notes receivable	118,500	—	—	—	—
Escrow deposits and restricted cash	1,883	1,781	1,769	1,758	1,841
Prepaid expenses and other assets	23,277	28,074	33,017	23,933	25,427
Goodwill	98,918	98,918	98,918	98,918	98,918
Deferred lease costs, gross	446,885	463,447	459,398	463,760	413,071
Deferred lease costs, accumulated amortization	(172,619)	(169,975)	(159,883)	(148,972)	(147,324)
Other assets held for sale, gross	—	—	—	63,524	63,158
Other assets held for sale, accumulated amortization	—	—	—	(35,516)	(34,957)
Total assets	\$ 3,739,810	\$ 3,753,082	\$ 3,769,713	\$ 3,920,816	\$ 3,516,757
Liabilities:					
Unsecured debt, net of discount	\$ 1,594,068	\$ 1,588,411	\$ 1,592,693	\$ 1,743,905	\$ 1,292,374
Secured debt	27,936	28,424	28,784	188,779	189,030
Accounts payable, accrued expenses, and accrued capital expenditures	137,680	120,763	95,419	90,459	143,923
Deferred income	36,891	36,613	35,226	35,443	34,609
Intangible lease liabilities, less accumulated amortization	35,440	38,324	41,179	44,646	25,069
Interest rate swaps	9,834	10,618	28,575	26,709	5,121
Other liabilities held for sale	—	—	—	7,158	7,657
Total liabilities	\$ 1,841,849	\$ 1,823,153	\$ 1,821,876	\$ 2,137,099	\$ 1,697,783
Stockholders' equity:					
Common stock	1,238	1,260	1,260	1,259	1,258
Additional paid in capital	3,693,996	3,692,634	3,691,377	3,690,821	3,686,398
Cumulative distributions in excess of earnings	(1,774,856)	(1,740,670)	(1,723,147)	(1,889,109)	(1,871,375)
Other comprehensive loss	(24,100)	(24,993)	(23,360)	(20,976)	967
Piedmont stockholders' equity	1,896,278	1,928,231	1,946,130	1,781,995	1,817,248
Non-controlling interest	1,683	1,698	1,707	1,722	1,726
Total stockholders' equity	1,897,961	1,929,929	1,947,837	1,783,717	1,818,974
Total liabilities, redeemable common stock and stockholders' equity	\$ 3,739,810	\$ 3,753,082	\$ 3,769,713	\$ 3,920,816	\$ 3,516,757
<i>Common stock outstanding at end of period</i>	<i>123,839</i>	<i>126,029</i>	<i>126,025</i>	<i>125,921</i>	<i>125,783</i>

Piedmont Office Realty Trust, Inc.
Reconciliation of Core EBITDA to Net Income
Unaudited (in thousands)

	Three Months Ended					Twelve Months Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
Net income attributable to Piedmont	\$ 22,609	\$ 8,943	\$ 192,427	\$ 8,709	\$ 162,478	\$ 232,688	\$ 229,261
Net income / (loss) attributable to noncontrolling interest	(1)	(3)	(1)	2	(2)	(3)	(5)
Interest expense	13,048	12,725	13,953	15,264	14,844	54,990	61,594
Depreciation	27,228	28,247	27,192	27,876	26,003	110,542	105,985
Amortization	22,312	22,976	24,336	23,618	20,988	93,242	76,610
Depreciation and Amortization attributable to noncontrolling interests	20	22	21	21	21	85	87
Impairment loss	—	—	—	—	7,000	—	8,953
Loss / (gain) on sale of properties	(14,634)	340	(191,369)	(3)	(157,640)	(205,666)	(197,010)
EBITDAre	70,582	73,250	66,559	75,487	73,692	285,878	285,475
Retirement and separation expenses associated with senior management transition	—	—	—	—	—	—	3,175
(Gain) / loss on extinguishment of debt	—	—	9,336	—	—	9,336	—
Core EBITDA	70,582	73,250	75,895	75,487	73,692	295,214	288,650