



JUNE 2020 STIFEL PRESENTATION

#BDNSTRONG

QUALITY - INNOVATION - INTEGRITY - COMMUNITY



BDN
LISTED
NYSE

Brandywine Realty Trust remains strong both financially and operationally, through a resilient platform powered by people, relationships, and a commitment to the highest standard of excellence.

During this unprecedented time, our team has risen to the occasion, not only enduring and adapting, but also, taking swift action to deepen relationships, seize opportunities, and forge an even stronger future for the company. Above all else, the safety and wellbeing of our employees and tenants remains our top priority.

- Tenant Outreach: We continue to assess the ongoing effects to our tenants and have been in contact with all
- Co-working Tenants: Approximately 2.1% of rental income
- Retail Tenants: Approximately 1.6% of rental income
- Rent Collections^(A):

	<u>TOTAL</u>	<u>OFFICE</u>
APRIL	99%	99%
MAY	98%	99%

- Top 90 tenants representing approximately 63% of rents: 100% collection rate
- June Rent Collections: Consistent collection pattern to April and May

^(A) As of 5-28-20

- Tenant Rent Relief Highlights:
 - Rent relief requests: primarily from our retail and co-working tenants
 - Rent relief has been exclusively rent deferrals; no rent forgiveness or abatements
 - Rent relief repayment period: within 18 months
 - Agreed to Terms: 64 tenants totaling less than 1.0% of annualized rental revenue.

- **2020 Speculative Revenue:** \$26.0M, 96% complete
 - Renewal Leasing: 18 leases totaling 77,000 square feet and \$800K of spec revenue remaining.
 - New Leasing: 14 leases totaling 72,000 square feet and \$300K of spec revenue. 80% of this total is in advance lease negotiations for a 3Q/4Q commencement.
- **IBM Renewal:** 540,000 square feet renewal in Austin, Texas during 1Q20 resulting in 13% / 23% mark-to-market on a cash/GAAP basis.
- **Known Large 2020 Moveouts:**
 - Macquarie (Philadelphia CBD): 150,000 square feet expiring 7-31-20 with 25% preleased, and 29% in lease negotiations or proposals issued. Estimated cash MTM over 15%.
 - SHI (Austin, Texas): 185,000 square feet expired during March 2020 with 80% executed at 19% cash MTM.
 - Reliance (Philadelphia CBD): 141,000 square feet expiring 12-31-20. Currently, no pre-lease and an anticipated 20% cash MTM.

Construction activities have commenced in all our markets

■ Austin and MetDC

- 405 Colorado Completion Date – Adjusted from 4Q20 to 1Q21
 - » Looking to replace anchor tenant: 140K SF pipeline
- 4040 Wilson Completion Date – Received CO in February, on schedule
 - » Office space was delivered on time to anchor tenant
 - » No additional office leasing programmed in 2020, currently 61% leased
 - » Residential apartment units are available and currently 35% leased

■ Pennsylvania

- The Bulletin Building Completion Date – Delayed from 2Q20 to 3Q20
 - » Existing tenant executed a 20,000 square feet expansion
- 3000 Market – New Life Science redevelopment located in Schuylkill Yards.
 - » Estimated Completion Date: 1Q21
- A life science tenant has signed a 12-year lease for the entire building. Lease commencement 3Q21.
 - » Development Yield: 8.5%.

- **Construction Starts** – Adequate liquidity to commence a production level development start, subject to pre-lease

\$50MM Reduction in 2020 Capital Expenditures:

(\$ in MM)	Previous ^(A)	Current ^(B)	Savings
Revenue Maintain	\$64	\$49	\$15
Revenue Create	50	45	5
Development/Redevelopment	150	120	30
Total	\$264	\$214	\$50

(A) Fourth quarter Investor Update

(B) 1Q20 Actual and 2Q-4Q Projected

Balance Sheet & Liquidity

Strong Liquidity Position

USES (\$ in M)	2Q-4Q 2020
Dividends	\$97
Mortgage Amortization	5
Acquisitions:	20
Revenue Maintaining Cap Ex	36
Revenue Creating Cap Ex	40
Development / Redevelopment Projects	91
Stock Buyback	6
Mortgage/LOC Pay-off	80
Total Uses	\$375

SOURCES (\$ in M)	2Q-4Q 2020
CF After Interest Payments	\$182
Proceeds from Asset Sales (land)	10
Decrease (Increase) to Cash	33
LOC Usage	150
Total Sources	\$375

- \$550M currently available on our line of credit.
- \$400M projected availability at 12/31/20 or \$480M with mortgage refinancing.
- Well Covered Dividend: \$85M of cash flow after debt service and dividend payments.
- Well Covered Debt Covenants: NOI can decrease more than 30% and we still have full availability under our unsecured LOC.

LIQUIDITY

(\$ in M)

As of 12/31/20

Line of Credit	\$600
1Q20 Outstanding	(50)
	\$550
Projected 2Q-4Q Line Usage	(150)
Projected Line of Credit Available	\$400
Potential Mortgage Refinancing	\$80
Potential Line of Credit Available	\$480

	2020 Business Plan	
	CURRENT	PREVIOUS
Speculative Revenue	\$26.0 MM	\$31.0 MM
Executed	96%	73%
Projected Tenant Retention (SF)	50%	50%
Same Store NOI Increase		
• GAAP	1.0% - 3.0%	2.0% - 4.0%
Excluding 1676 International Drive	2.0% - 4.0%	2.0% - 4.0%
• Cash	(1.0%) - 1.0%	0.0% - 2.0%
Excluding 1676 International Drive	2.5% - 4.5%	2.5% - 4.5%
Capital as a % of lease revenue	12.0% - 13.0%	14.0% - 15.0%
Average Lease Term	8.0 years	8.0 years
Net Income Attributable to Common Shareholders	\$0.16 - \$0.24	\$0.26 - \$0.36
Funds from Operations	\$1.37 - \$1.45	\$1.41 - \$1.51
Cash Available for Distribution Payout Ratio Annualized	78% - 71%	78% - 71% (1)
Rental Rate Increase / (Decline)		
• GAAP	17.0% - 19.0%	17.0% - 19.0%
• Cash	8.0% - 10.0%	8.0% - 10.0%
Year-end SS Occupancy	92-93%	94-95%
Year-end Core Occupancy	92-93%	94-95%
Year-end Core Leased	94-95%	95-96%
Dispositions (excluding land)	\$18.0 MM, 100% achieved	None Incorporated
Development Start	1 start - 3000 Market	2 starts
Net Debt to EBITDA	6.3 - 6.5x	6.1 - 6.3x

No additional buyback activity planned, \$83 million of remaining capacity

Preparing for the Return of our Tenants

Innovation

- In compliance with CDC guideline for return to work in office buildings, we have identified and are implementing new health and safety protocols and seeking strategic opportunities to further strengthen our competitive differentiators.
- We are in constant communication with our tenants through both our COVID-19 response team and property teams keeping them fully advised of the strength of their building operational and safety standing.
- Each property will have a customized “Tenant Return to Work” handbook. When tenants return to work, they will experience the standard of excellence Brandywine has built its reputation on:



Effective immediately, Brandywine will upgrade the HVAC systems with a minimum of a MERV-13 air filter or equivalent, found only in the highest-class ranking of “superior” commercial buildings, and capable of trapping air particulates, including bacteria and viruses down to 0.3–1.0 micron particle size



We have updated safety and protective equipment, with 30,000 masks being delivered to various properties across portfolio.



Brandywine has increased each building’s fresh air intake to 100%, as indoor and outdoor conditions permit in accordance with ASHRAE and exceeding CDC standards.



We are implementing ample wayfinding, security signage, elevator, restroom, and hallway health & safety best practices to make employees feel comfortable about their safe return to the office.



We have curated a variety of “welcome back” tenant appreciation offerings like complementary retail items, safety-related products and more to help strengthen relationships, build community within our spaces, and support our retailers.



65% of our portfolio has manned security stations, with guards providing quality control for enhanced safety protocol, with the remaining secured by key card access. These security measures are coupled with social distancing floor markers directing entry traffic and distancing to elevator banks.

Tenants can expect a safe and secure Return to Work experience, guided by thoughtful signage enhancements throughout our portfolio.



Social Distancing Reminders



Welcome Signage



PPE Reminders



Social Distancing Floor Markers

Tenant Outreach

- Prepare to welcome back our tenant base with new health & safety enhancements
 - Hospital grade disinfection through VIREX cleaning products or similar
 - Staggered entry and exit systems and directional protocol for social distancing
 - Hand sanitizing stations at all entry points and common area elevator banks
 - Enhance visitor check-in regulations and package control measures
 - Updated occupancy guidelines for amenity and conference facilities
- Continue to provide tenant experience reflective of our reputation for excellence
 - Proactively surveying tenants regarding workplace safety concerns and other business challenges
 - Partnering with our retail tenants to help get businesses back up and running



Early Action

- Enforced health & safety protocol early on, including travel and event restrictions
- Enacted a work-from-home protocol for non-essential team members, with state-of-the-art technology to keep them connected, engaged and productive
- Rolled out new tools & resources for employee health and safety, including an employee assistance program, Coronavirus health & safety learning modules, and free access to a virtual personal trainer
- No COVID cases among our employee base

Return to the Office Workplace Strategy

- Return to the workplace will be based on state/local government mandates
- Staggered return to office
- Enhanced safety protocols and policies
- Workspace reconfigurations for proper distancing
- Support for employee health and well-being



We are all facing an unprecedented global health crisis, with economic implications that continue to evolve daily. As new challenges arise, Brandywine is rising to the occasion, with a swift response prioritizing long-term health and safety, and proactive plans for a seamless “return to work”—all reflecting our core values of integrity, quality, community and innovation.

Integrity

- Brandywine took early action to deploy a COVID-19 Response Team to implement a variety of measures to increase the safety and security of our employees and tenants.
- We kept 100% of our employees and in-house third party vendors fully employed.
- We continue with proactive, open communication to our stakeholders.

Quality

- Embracing Brandywine’s “can-do” culture of resiliency, 100% of our properties remained fully open and operable, with our essential employees reporting on-site daily to perform maintenance and increased cleanings, serve essential tenants, and diligently prepare for full tenant bases to return.
- We are in constant communication with our tenants through both our COVID-19 response team and property teams keeping them fully advised of the strength of their buildings’ operational and safety standing.

Community

- With a laser focus on the long-term vitality and vibrancy of our communities, we provided \$350,000 to The Enterprise Center to launch the Grow Philadelphia Small Business COVID-19 Resilience Fund to support small and minority-owned construction and construction-related businesses.
- We launched a companywide “Brandywine COVID-19 Fund” where our employees have individually contributed more than \$50,000 with company match. Monies will be distributed to individual and company groups who operate within the Brandywine family and have been impacted by the crisis.

Our Customers & Partners

- As owners and operators of more than 24.1 million SF of space, we understand our responsibility to provide the highest standard of customer service during this crisis
- Our buildings remain open and secure
- Our properties are staffed with essential personnel in property management, engineering, security and janitorial services, all strictly adhering to guidance from the Centers for Disease Control and Prevention
- Beginning late February, we implemented a variety of health & safety measures, including increasing the frequency of disinfection and limiting non-essential building visitors
- We remain focused on operational safety and efficiency, and are executing business continuity plans specific to each asset

Our Investors & Stakeholders

- Set-up cross-functional COVID-19 response team for monitoring health & government updates, operational response and communications
- Established an additional executive nerve center to coordinate liquidity forecasting, strategy and operations
- Cross-trained personnel to perform essential functions, and secured a variety of third party vendors and contractors so buildings can operate at full capacity in the event of absenteeism
- Proactively ensured ample inventory of critical supplies for maintenance, cleaning and disinfecting
- Worked with the vendor community, who has been reliable, transparent and able to meet our needs
- Continuing with business and building operations, while adhering to guidelines outlined by the CDC and local and state governments