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Brandywine Realty Trust Announces First Quarter 2025 Results And Narrows 2025 Guidance

Philadelphia, PA, April 22, 2025 — Brandywine Realty Trust (NYSE:BDN) today reported its financial and operating results for the three months ended March 31, 2025.

Management Comments

“During the first quarter, we made excellent progress on our 2025 business plan highlighted by achieving 92% of our speculative revenue target based on the midpoint of our guidance.” stated Jerry Sweeney, President and Chief Executive Officer of Brandywine Realty Trust. “We continue to experience positive mark-to-market rental rate increases of 8.9% and 2.3% on an accrual and cash basis as well. We have also executed approximately 306,000 square feet of forward new leasing commencing after the first quarter, our highest total in eleven quarters. Our Schuylkill Yards residential development project Avira is now 96% leased and we anticipate stabilizing this project later this quarter. We remain in an excellent liquidity position with \$65 million outstanding on our \$600 million unsecured line of credit, having repaid our \$70 million term loan, and no unsecured bonds maturing until November 2027. Based on the progress we have made on our 2025 business plan, we are narrowing our FFO range from \$0.60 to \$0.72 per share to \$0.61 to \$0.71 per share.”

First Quarter 2025 Highlights

Financial Results

- Net loss attributable to common shareholders: (\$27.4) million, or (\$0.16) per share.
- Funds from Operations (FFO) available to common shareholders: \$24.7 million, or \$0.14 per diluted share.

Portfolio Results

- Core Portfolio: 86.6% occupied and 89.2% leased.
- New and renewal leases signed: 235,000 square feet during the first quarter in our wholly-owned portfolio and, including leasing within our unconsolidated joint ventures, totaled 340,000 square feet.
- Rental rate mark-to-market: Increased 8.9% on an accrual basis and 2.3% on a cash basis.
- Same store net operating income (NOI): Decreased (2.6)% on an accrual basis and increased 2.3% on a cash basis.
- Leases scheduled to commence subsequent to March 31, 2025: 306,000 square feet.

Transaction Activity

Finance Activity

- On February 28, 2025, we used cash-on-hand and our unsecured line of credit to repay our \$70 million unsecured term loan on the maturity date.

- As of March 31, 2025, we had a \$65.0 million outstanding balance on our \$600.0 million unsecured line of credit.
- As of March 31, 2025, we had \$29.4 million of cash and cash equivalents on-hand.

Results for the Three Months Ended March 31, 2025

Net loss attributable to common shareholders totaled (\$27.4) million, or (\$0.16) per diluted share, in the first quarter of 2025 compared to a net loss allocated to common shares of (\$16.7) million, or (\$0.10) per diluted share in the first quarter of 2024.

FFO available to common shareholders and unit holders in the first quarter of 2025 totaled \$24.7 million, or \$0.14 per diluted share, versus \$41.2 million or \$0.24 per diluted share in the first quarter of 2024. Our first quarter 2025 payout ratio (\$0.15 common share distribution / \$0.14 FFO per diluted share) was 107.1%.

Operating and Leasing Activity

In the first quarter of 2025, our NOI excluding termination revenues and other income items decreased (2.6)% on an accrual basis and increased 2.3% on a cash basis for our 62 same store properties, which were 86.4% and 86.5% occupied on March 31, 2025 and March 31, 2024, respectively.

We leased approximately 235,000 square feet and commenced occupancy on 327,000 square feet during the first quarter of 2025. The first quarter occupancy activity includes 232,000 square feet of renewals, 65,000 square feet of new leases and 30,000 square feet of tenant expansions. We also have an additional 306,000 square feet of executed new leasing scheduled to commence subsequent to March 31, 2025, our highest total in eleven quarters which will offset this quarter's negative absorption totaling (146,000) square feet of which 38% is already preleased. Our tenant retention ratio was 55%. First quarter rental rate growth increased 8.9% as our renewal rental rates increased 9.3% and our new lease/expansion rental rates increased 6.8%, all on an accrual basis.

At March 31, 2025, our core portfolio of 63 properties comprising 11.9 million square feet was 86.6% occupied and, as of April 18, 2025, 89.2% leased (reflecting new leases commencing after March 31, 2025).

Distributions

On February 19, 2025, our Board of Trustees declared a quarterly cash dividend of \$0.15 per common share and OP Unit that will be paid on April 17, 2025 to holders of record on April 3, 2025.

2025 Earnings and FFO Guidance

Based on current plans and assumptions and subject to the risks and uncertainties more fully described in our Securities and Exchange Commission filings, we are adjusting our 2025 loss per share guidance from \$(0.60) - \$(0.48) per share to \$(0.56) - \$(0.46) per share and our 2025 FFO guidance from \$0.60 - \$0.72 per diluted share to \$0.61 - \$0.71 per diluted share. This guidance is provided for informational purposes and is subject to change. The following is a reconciliation of the calculation of 2025 FFO and earnings per diluted share:

<u>Guidance for 2025</u>	<u>Range</u>
Loss per diluted share allocated to common shareholders	\$(0.56) to \$(0.46)
Plus: real estate depreciation, amortization	<u>1.17</u> <u>1.17</u>
FFO per diluted share	<u>\$0.61</u> to <u>\$0.71</u>

Our 2025 FFO key assumptions include:

- Year-end Core Occupancy Range: 88-89%;
- Year-end Core Leased Range: 89-90%;

- Rental Rate Mark-to-Market (accrual): 3-4%;
- Rental Rate Mark-to-Market (cash): (3)-(2)%;
- Same Store (accrual) NOI Range: (1)-1%;
- Same Store (cash) NOI Range: 1-3%;
- Speculative Revenue Target: \$27.0 - \$28.0 million, \$25.4 million achieved;
- Tenant Retention Rate Range: 59-61%;
- Property Acquisition Activity: None;
- Property Sales Activity (excluding land): \$40.0-\$60.0 million;
- Development Starts: One Start;
- Financing Activity: We repaid our \$70 million unsecured term loan on the scheduled February 2025 maturity date and plan to refinance our \$50.0 million construction loan (scheduled to mature August 2026);
- Share Buyback Activity: None; and
- Annual earnings and FFO per diluted share based on 179.0 million fully diluted weighted average common shares.

Except as outlined in our 2025 business plan included in the Supplemental Information Package, our estimates do not include (1) possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, (2) the impacts of any other capital markets activity, (3) future write-offs or reinstatements of accounts receivable and accrued rent balances, or (4) future impairment charges. EPS estimates may fluctuate based on several factors, including changes in the recognition of depreciation and amortization expense, impairment losses on depreciable real estate, and any gains or losses associated with disposition activity. Management is not able to assess at this time the potential impact of these factors on projected EPS. By definition, FFO does not include real estate-related depreciation and amortization, impairment losses on depreciable real estate, or gains or losses associated with disposition activities or depreciable real estate. For a complete definition of FFO and statements of the reasons why management believes FFO provides useful information to investors, see page 40 in our first quarter supplement information package. There can be no assurance that our actual results will not differ materially from the estimates set forth below.

About Brandywine Realty Trust

Brandywine Realty Trust (NYSE: BDN) is one of the largest, publicly traded, full-service, integrated real estate companies in the United States with a core focus in Philadelphia, PA and Austin, TX. Organized as a real estate investment trust (REIT), we own, develop, lease and manage an urban, town center and transit-oriented portfolio comprising 125 properties and 19.4 million square feet as of March 31, 2025. Our purpose is to shape, connect and inspire the world around us through our expertise, the relationships we foster, the communities in which we live and work, and the history we build together. For more information, please visit www.brandywinerealty.com.

Conference Call and Audio Webcast

After releasing our first quarter earnings after the market close on Tuesday, April 22, 2025, we will hold our first quarter conference call on Wednesday April 23, 2025 at 9:00 a.m. Eastern Time. To access the conference call by phone, please visit this link [here](#), and you will be provided with dial in details. A live webcast of the conference call will also be available on the Investor Relations page of our website at www.brandywinerealty.com.

Looking Ahead – Second Quarter 2025 Conference Call

We expect to release our second quarter 2025 earnings on Wednesday, July 23, 2025, after the market close and will host our second quarter 2025 conference call on Thursday, July 24, 2025 at 9:00 a.m. Eastern Time. We expect to issue a press release in advance of these events to reconfirm the dates and times and provide all related information.

Supplemental Information

We produce a supplemental information package that includes details regarding the performance of the portfolio, financial information, non-GAAP financial measures, same-store information and other useful information for investors. The supplemental information is available via our website, www.brandywinerealty.com, through the "Investor Relations" section.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "will," "strategy," "expects," "seeks," "believes," "potential," or other similar words. Because such statements involve known and unknown risks, uncertainties and contingencies, actual results may differ materially from the expectations, intentions, beliefs, plans or predictions of the future expressed or implied by such forward-looking statements. These forward-looking statements, including our 2025 Guidance and our 2025 Business Plan, are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and not within our control. Such risks, uncertainties and contingencies include, among others: risks related to the impact of other potential future outbreaks of infectious diseases on our financial condition, results of operations and cash flows and those of our tenants as well as on the economy and real estate and financial markets; reduced demand for office space and pricing pressures, including from competitors, changes to tenant work patterns that could limit our ability to lease space or set rents at expected levels or that could lead to declines in rent; uncertainty and volatility in capital and credit markets, including changes that reduce availability, and increase costs, of capital or that delay receipt of future debt financings and refinancings; the effect of inflation and interest rate fluctuations, including on the costs of our planned debt financings and refinancings; the potential loss or bankruptcy of tenants or the inability of tenants to meet their rent and other lease obligations; risks of acquisitions and dispositions, including unexpected liabilities and integration costs; delays in completing, and cost overruns incurred in connection with, our developments and redevelopments; disagreements with joint venture partners; unanticipated operating and capital costs; uninsured casualty losses and our ability to obtain adequate insurance, including coverage for terrorist acts; additional asset impairments; our dependence upon certain geographic markets; changes in governmental regulations, tax laws and rates and similar matters; unexpected costs of REIT qualification compliance; costs and disruptions as the result of a cybersecurity incident or other technology disruption; reliance on key personnel; and failure to maintain an effective system of internal control, including internal control over financial reporting. The declaration and payment of future dividends (both timing and amount) is subject to the determination of our Board of Trustees, in its sole discretion, after considering various factors, including our financial condition, historical and forecast operating results, and available cash flow, as well as any applicable laws and contractual covenants and any other relevant factors. Our Board's practice regarding declaration of dividends may be modified at any time and from time to time. Additional information on factors which could impact us and the forward-looking statements contained herein are included in our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2024. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events except as required by law.

Non-GAAP Supplemental Financial Measures

We compute our financial results in accordance with generally accepted accounting principles (GAAP). Although FFO and NOI are non-GAAP financial measures, we believe that FFO and NOI calculations are helpful to shareholders and potential investors and are widely recognized measures of real estate investment trust performance. At the end of this press release, we have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measure.

Funds from Operations (FFO)

We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts (NAREIT), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than us. NAREIT defines FFO as net income (loss) before non-controlling interests and excluding gains (losses) on sales of depreciable operating property, impairment losses on depreciable consolidated real estate, impairment losses on investments in unconsolidated real estate ventures and extraordinary items (computed in accordance with GAAP); plus real estate related depreciation and amortization (excluding amortization of deferred financing costs), and after similar adjustments for unconsolidated joint ventures. Net income, the GAAP measure that we believe to be most directly

comparable to FFO, includes depreciation and amortization expenses, gains or losses on property sales, extraordinary items and non-controlling interests. To facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income (determined in accordance with GAAP) as presented in the financial statements included elsewhere in this release. FFO does not represent cash flow from operating activities (determined in accordance with GAAP) and should not be considered to be an alternative to net income (loss) (determined in accordance with GAAP) as an indication of our financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available for our cash needs, including our ability to make cash distributions to shareholders. We generally consider FFO and FFO per share to be useful measures for understanding and comparing our operating results because, by excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment losses and real estate asset depreciation and amortization (which can differ across owners of similar assets in similar condition based on historical cost accounting and useful life estimates), FFO and FFO per share can help investors compare the operating performance of a company's real estate across reporting periods and to the operating performance of other companies.

Net Operating Income (NOI)

NOI (accrual basis) is a non-GAAP financial measure equal to net income available to common shareholders, the most directly comparable GAAP financial measure, plus corporate general and administrative expense, depreciation and amortization, interest expense, non-controlling interest in the Operating Partnership and losses from early extinguishment of debt, less interest income, development and management income, gains from property dispositions, gains on sale from discontinued operations, gains on early extinguishment of debt, income from discontinued operations, income from unconsolidated joint ventures and non-controlling interest in property partnerships. In some cases we also present NOI on a cash basis, which is NOI after eliminating the effects of straight-lining of rent and deferred market intangible amortization. NOI presented by us may not be comparable to NOI reported by other REITs that define NOI differently. NOI should not be considered an alternative to net income as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions. We believe NOI is a useful measure for evaluating the operating performance of our properties, as it excludes certain components from net income available to common shareholders in order to provide results that are more closely related to a property's results of operations. We use NOI internally to evaluate the performance of our operating segments and to make decisions about resource allocations. We concluded that NOI provides useful information to investors regarding our financial condition and results of operations, as it reflects only the income and expense items incurred at the property level, as well as the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unlevered basis.

Same Store Properties

In our analysis of NOI, particularly to make comparisons of NOI between periods meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us through the end of the latest period presented as Same Store Properties. Same Store Properties therefore exclude properties placed in-service, acquired, repositioned, held for sale or in development or redevelopment after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented. Accordingly, it takes at least one year and one quarter after a property is acquired for that property to be included in Same Store Properties.

Core Portfolio

Our core portfolio is comprised of our wholly-owned properties, excluding any properties currently in development, re-development, recently completed not yet stabilized, re-entitlement or held for sale.

Speculative Revenue

Speculative Revenue represents the amount of rental revenue the company projects to be recorded during the current calendar year from new and renewal leasing activity in its core portfolio that has yet to be executed as of the beginning of the year. This revenue is primarily attributable to the absorption of core portfolio square footage that was either vacant at the beginning of the year or the renewal of existing tenants due to expire during the current year.

BRANDYWINE REALTY TRUST
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share and per share data)

	March 31, 2025	December 31, 2024
ASSETS		
Real estate investments:		
Operating properties	\$ 3,405,048	\$ 3,374,780
Accumulated depreciation	(1,200,058)	(1,171,803)
Right of use asset - operating leases, net	18,259	18,412
Operating real estate investments, net	2,223,249	2,221,389
Construction-in-progress	78,021	94,628
Land held for development	82,536	81,318
Prepaid leasehold interests in land held for development, net	27,762	27,762
Total real estate investments, net	2,411,568	2,425,097
Cash and cash equivalents	29,428	90,229
Restricted cash and escrow	2,045	5,948
Accounts receivable	13,573	12,703
Accrued rent receivable, net of allowance of \$867 and \$909 as of March 31, 2025 and December 31, 2024, respectively	185,957	184,312
Investment in unconsolidated real estate ventures	570,370	570,455
Deferred costs, net	82,051	84,317
Intangible assets, net	5,028	5,505
Other assets	123,766	113,647
Total assets	\$ 3,423,786	\$ 3,492,213
LIABILITIES AND BENEFICIARIES' EQUITY		
Secured debt, net	\$ 281,166	\$ 275,338
Unsecured credit facility	65,000	—
Unsecured term loan, net	249,084	318,949
Unsecured senior notes, net	1,619,260	1,618,527
Accounts payable and accrued expenses	118,454	129,717
Distributions payable	26,487	26,256
Deferred income, gains and rent	21,293	35,414
Intangible liabilities, net	7,080	7,292
Lease liability - operating leases	23,591	23,546
Other liabilities	12,975	12,587
Total liabilities	\$ 2,424,390	\$ 2,447,626
Brandywine Realty Trust's Equity:		
Common Shares of Brandywine Realty Trust's beneficial interest, \$0.01 par value; shares authorized 400,000,000; 173,050,963 and 172,665,995 issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1,728	1,724
Additional paid-in-capital	3,193,485	3,182,621
Deferred compensation payable in common shares	21,875	20,456
Common shares in grantor trust, 1,341,572 and 1,221,333 issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	(21,875)	(20,456)
Cumulative earnings	756,524	783,499
Accumulated other comprehensive income	(23)	2,521
Cumulative distributions	(2,958,128)	(2,931,730)
Total Brandywine Realty Trust's equity	993,586	1,038,635
Noncontrolling interests	5,810	5,952
Total beneficiaries' equity	\$ 999,396	\$ 1,044,587
Total liabilities and beneficiaries' equity	\$ 3,423,786	\$ 3,492,213

BRANDYWINE REALTY TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share data)

	Three Months Ended March 31,	
	2025	2024
Revenue		
Rents	\$ 114,428	\$ 119,008
Third party management fees, labor reimbursement and leasing	5,829	5,894
Other	1,259	1,582
Total revenue	121,516	126,484
Operating expenses		
Property operating expenses	33,526	32,279
Real estate taxes	11,432	12,592
Third party management expenses	2,633	2,543
Depreciation and amortization	44,353	45,042
General and administrative expenses	17,470	11,104
Total operating expenses	109,414	103,560
Gain on sale of real estate		
Net gain on disposition of real estate	3,059	—
Total gain on sale of real estate	3,059	—
Operating income		
	15,161	22,924
Other income (expense):		
Interest and investment income	1,186	421
Interest expense	(31,845)	(25,049)
Interest expense - amortization of deferred financing costs	(1,230)	(1,091)
Equity in loss of unconsolidated real estate ventures	(10,511)	(13,588)
Net gain (loss) on real estate venture transactions	183	(29)
Net loss before income taxes	(27,056)	(16,412)
Income tax provision	—	(2)
Net loss	(27,056)	(16,414)
Net loss attributable to noncontrolling interests	81	46
Net loss attributable to Brandywine Realty Trust	(26,975)	(16,368)
Nonforfeitable dividends allocated to unvested restricted shareholders	(429)	(336)
Net loss attributable to Common Shareholders of Brandywine Realty Trust	\$ (27,404)	\$ (16,704)
PER SHARE DATA		
Basic loss per Common Share	\$ (0.16)	\$ (0.10)
Basic weighted average shares outstanding	172,915,482	172,207,037
Diluted loss per Common Share	\$ (0.16)	\$ (0.10)
Diluted weighted average shares outstanding	172,915,482	172,207,037

BRANDYWINE REALTY TRUST
FUNDS FROM OPERATIONS
(unaudited, in thousands, except share and per share data)

	Three Months Ended March 31,	
	2025	2024
Net loss attributable to common shareholders	\$ (27,404)	\$ (16,704)
Add (deduct):		
Net loss attributable to noncontrolling interests - LP units	(81)	(49)
Nonforfeitable dividends allocated to unvested restricted shareholders	429	336
Net loss on real estate venture transactions	106	29
Net gain on disposition of real estate	(3,059)	—
Depreciation and amortization:		
Real property	38,729	39,117
Leasing costs including acquired intangibles	4,815	5,019
Company's share of unconsolidated real estate ventures	11,436	13,852
Partners' share of consolidated real estate ventures	(3)	—
Funds from operations	\$ 24,968	\$ 41,600
Funds from operations allocable to unvested restricted shareholders	(305)	(419)
Funds from operations available to common share and unit holders (FFO)	\$ 24,663	\$ 41,181
FFO per share - fully diluted	\$ 0.14	\$ 0.24
Weighted-average shares/units outstanding — fully diluted	178,473,873	174,864,742
Distributions paid per common share	\$ 0.15	\$ 0.15
FFO payout ratio (distributions paid per common share/FFO per diluted share)	107 %	63 %

