

Cousins

STRATEGIC TRANSACTIONS

July 29, 2021

OVERVIEW

COMPELLING TRANSACTIONS STRENGTHEN LEADING POSITION IN SUN BELT



1 725 Ponce Acquisition
Atlanta

- Premier Midtown office asset adjacent to the Atlanta Beltline
- Acquired 100% interest for $300.2MM
- Also acquired 50% interest in phase II office site for an additional $4MM

2 Neuhoff Development
Nashville

- Transformative mixed-use trophy asset in Nashville
- 50/50 joint venture
- CUZ initial investment of $275MM includes phase II office site and rights to adjacent sites

3 One South Disposition
Charlotte

- 1970s asset with significant lease-up risk and capex requirements
- Sold 100% interest for $271.5MM
- Currently 58% leased

STRATEGIC RATIONALE

– Efficient entry into Nashville with clear path for growth –

– Generates an attractive blended investment return –

– Keeps property portfolio relevant and modern –

– Increases pipeline of development opportunities –

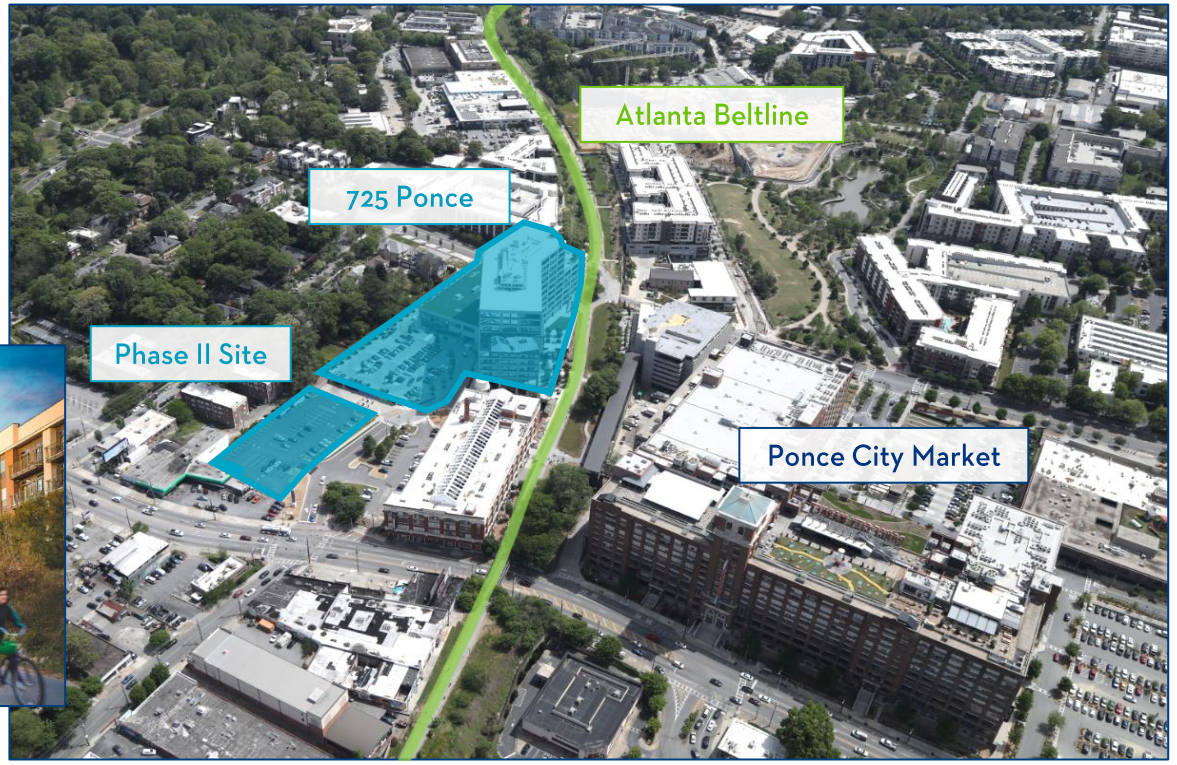
– Decreases lease-up risk and reduces capex requirements –

1 725 PONCE ACQUISITION

PREMIER MIDTOWN OFFICE ASSET ON THE ATLANTA BELTLINE







ACQUISITION PRICE:
$300.2MM

SIZE:
372K SF

COMPLETED:
4Q2019

LEASED/WALT:
100%/12 Years

PROJECTED 12-MONTH CASH/GAAP YIELD:
5.3%/6.1%

- Irreplaceable location on the Atlanta Beltline adjacent to highly-successful Ponce City Market mixed-use redevelopment
- In-place rents approximately 8% below market
- BlackRock leases 35% for its global technology innovation center
- Features an urban-prototype Kroger grocery on the ground floor, owned by Kroger through a condo structure
- Additional development opportunity with phase II office site (acquired 50% ownership interest for $4mm) that can accommodate 150K - 200K SF

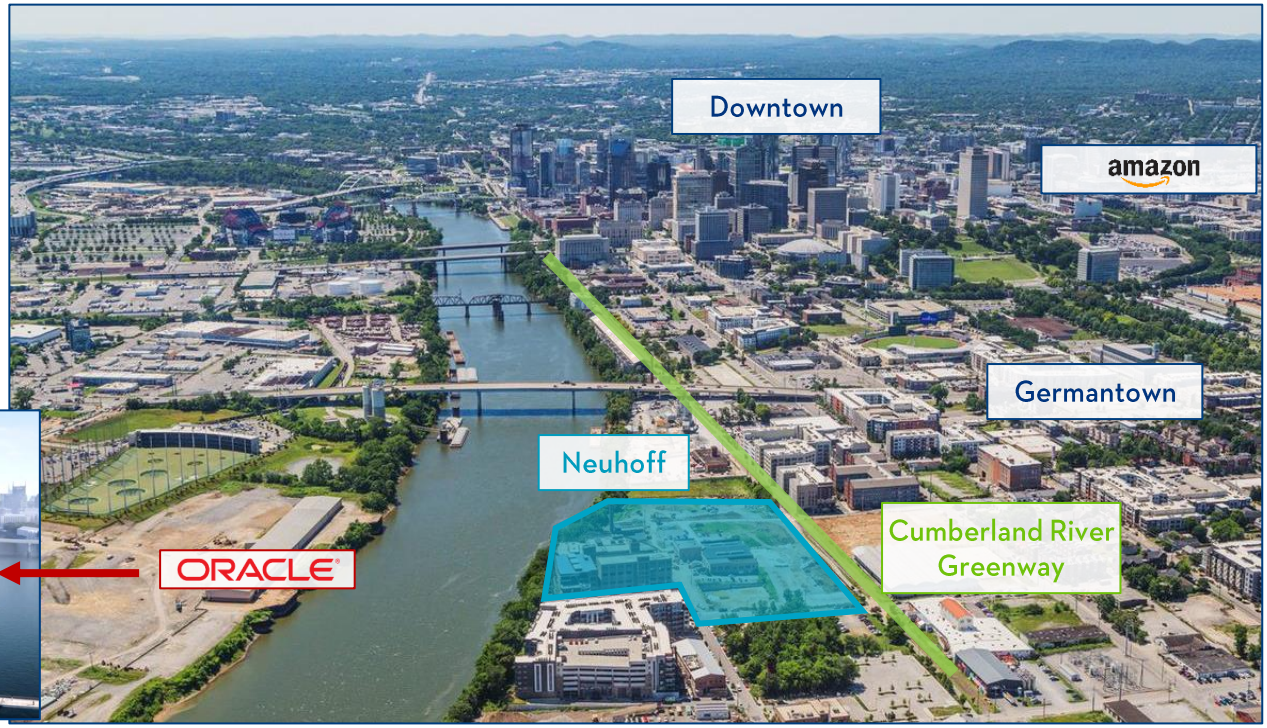
BlackRock. McKinsey&Company Chick-fil-A

2 NEUHOFF DEVELOPMENT

TRANSFORMATIVE MIXED-USE TROPHY ASSET IN NASHVILLE







CUZ INVESTMENT (AT 50% SHARE):
$275MM
SIZE:
388K SF Office
60K SF Retail
542 MF Units
CONSTRUCTION START:
3Q2021
CONSTRUCTION COMPLETION:
4Q2022 – 1Q2024

- Mixed-use development located on the Cumberland River in the Germantown submarket directly across from Oracle's recently announced Nashville campus
  - The adaptive re-use nature of the project is unlike anything currently in the market
  - Features historic structure that will be adapted as creative office and retail
- Fully entitled and designed with GMP contract executed; construction has commenced
- Includes phase II site and associated infrastructure (represents $33mm of $275mm investment) which can accommodate 275K SF of office space as well as the potential to expand the project over time via rights to adjacent land
- Adjacent to the Cumberland River Greenway, an integral segment of the 23-mile City Central Greenway System encircling Nashville

2 NEUHOFF DEVELOPMENT

TRANSFORMATIVE MIXED-USE TROPHY ASSET IN NASHVILLE



3 ONE SOUTH DISPOSITION

1970s ASSET WITH SIGNIFICANT LEASE-UP RISK AND CAPEX REQUIREMENTS

SALES PRICE:
$271.5MM

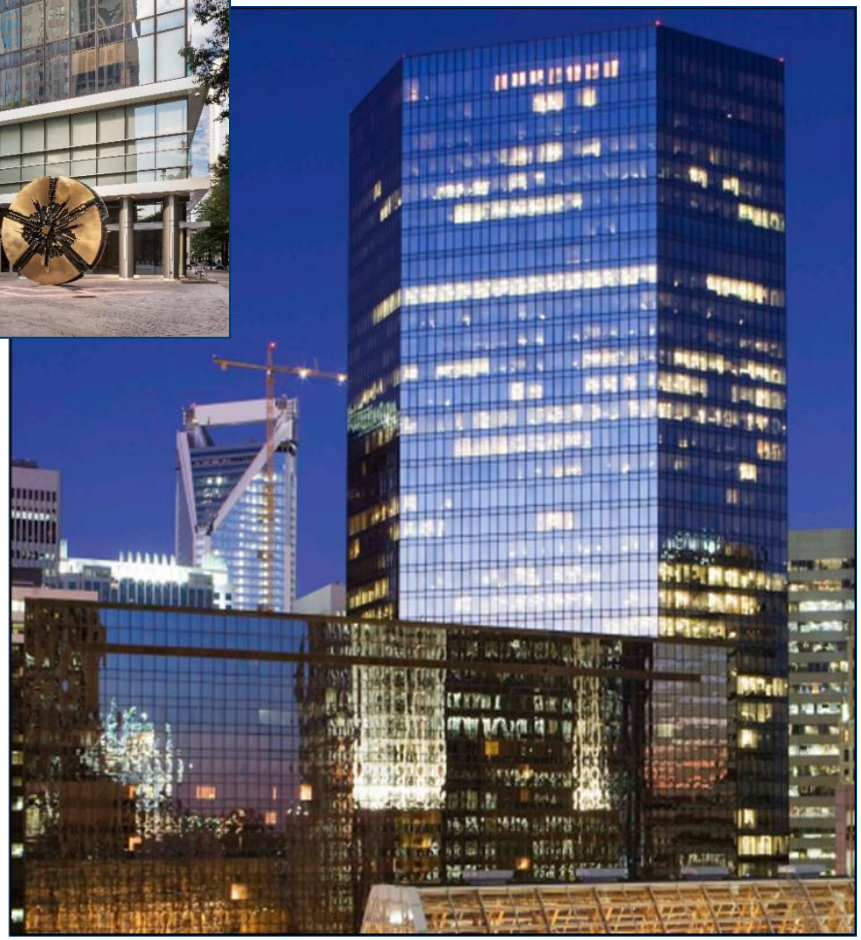
SIZE:
891K SF

YEAR BUILT:
1974

LEASED/WALT:
58%/6 Years

2Q21 ANNUALIZED GAAP YIELD[1]:
4.2%





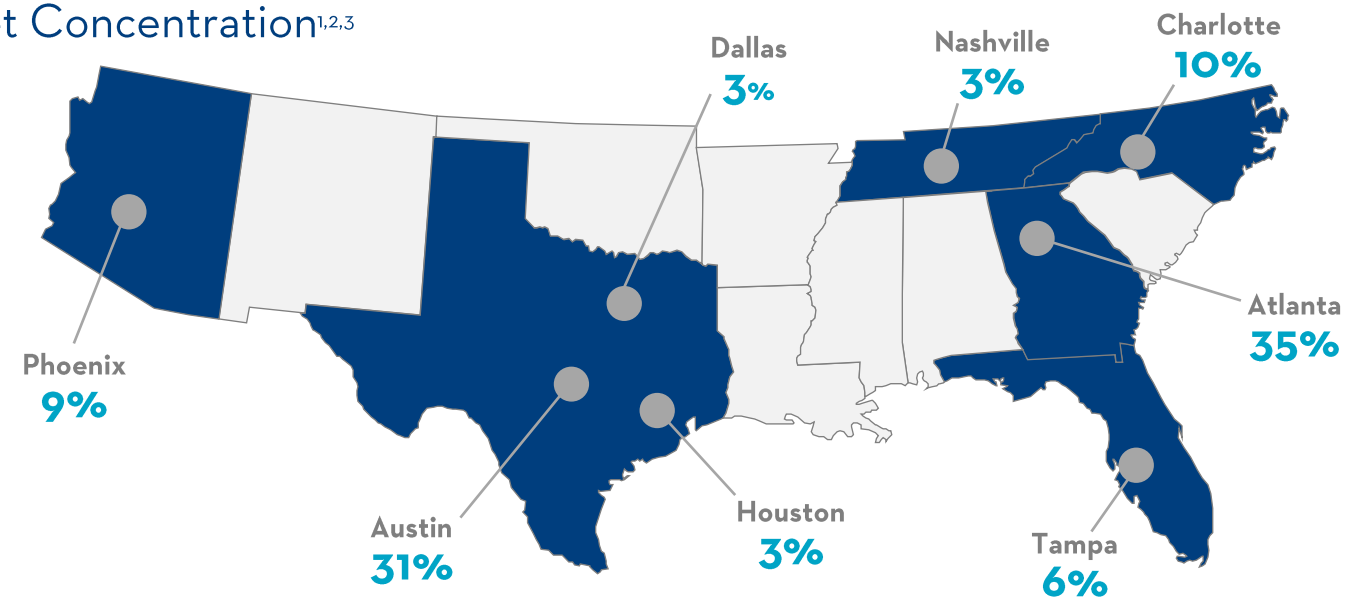
- Older vintage asset acquired via the merger with TIER REIT in mid-2019
- Transaction eliminates significant lease-up risk created by recent Bank of America move-out (350K SF)
  - Sale removes substantial capital requirements necessary for successful re-leasing
  - Price reflects meaningful value for vacant space
- Large retail component (75K SF) is non-core and has been disproportionally affected during COVID
- Transaction does not include the recently acquired adjacent College Street parking deck

[1]Represents One South 2Q21 NOI per company filings. Excludes NOI from adjacent College Street Garage, which is not included in the transaction.

UPDATED PORTFOLIO STATISTICS

TRANSACTIONS IMPROVE OPERATING METRICS AND ENHANCE PORTFOLIO QUALITY

Market Concentration[1,2,3]



PORTFOLIO STATISTICS[2]

OPERATING PORTFOLIO:
19.1MM SF

AVERAGE YEAR BUILT[3]:
2005

% OF PORTFOLIO LESS THAN 5 YEARS OLD[3]:
31%

OFFICE % LEASED:
91%

AVERAGE ANNUAL LEASE EXPIRATIONS 2021-2023:
7%

WALT:
6 Years

DEVELOPMENT PIPELINE:
2.2MM SF

LAND INVENTORY SUPPORTS:
5.3MM SF of new development

[1] Based on Cousins' pro-rata share of second quarter NOI per 30-Jun-2021 filings.
[2] Assumes acquisition of 725 Ponce, disposition of One South and start of Neuhoff development.
[3] Assumes completion of current development pipeline, including Neuhoff.



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Cautionary Note Regarding Forward-Looking Statements

Certain matters contained in this report are “forward-looking statements” within the meaning of the federal securities laws and are subject to uncertainties and risks, as itemized in Item 1A included in the Annual Report on Form 10-K for the year ended December 31, 2020 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. These forward-looking statements include information about possible or assumed future results of the business and our financial condition, liquidity, results of operations, plans, and objectives. They also include, among other things, statements regarding subjects that are forward-looking by their nature, such as the following: guidance and underlying assumptions; business and financial strategy; future acquisitions and dispositions of operating assets or joint venture interests; future acquisitions and dispositions of land, including ground leases; future development and redevelopment opportunities; projected capital expenditures; market and industry trends; and all statements that address operating performance, events, or developments that we expect or anticipate will occur in the future — including statements relating to creating value for stockholders. Any forward-looking statements are based upon management's beliefs, assumptions, and expectations of our future performance, taking into account information that is currently available. These beliefs, assumptions, and expectations may change as a result of possible events or factors, not all of which are known. If a change occurs, our business, financial condition, liquidity, and results of operations may vary materially from those expressed in forward-looking statements. Actual results may vary from forward-looking statements due to, but not limited to, the following: the availability and terms of capital; the failure to achieve anticipated benefits from acquisitions, investments, or dispositions; changes in national and local economic conditions, the real estate industry, and the commercial real estate markets in which we operate, including the impact of high unemployment, volatility in the public equity and debt markets, and international economic and other conditions; the impact of a public health crisis, including the COVID-19 pandemic, and the governmental and third party response to such a crisis, which may affect our key personnel, our major tenants, and the costs of operating our assets; changes to our strategy with regard to land and other non-core holdings that may require impairment losses to be recognized; leasing risks, including the ability to obtain new tenants or renew expiring tenants, the ability to lease newly developed and/or recently acquired space, the failure of a tenant to occupy leased space, and the risk of declining leasing rates; changes in the needs of our tenants brought about by the desire for co-working arrangements, trends toward utilizing less office space per employee, and the effect of telecommuting; any adverse change in the financial condition of one or more of our tenants; competition from other developers or investors; the risks associated with real estate developments (such as zoning approval, receipt of required permits, construction delays, cost overruns, and leasing risk); cyber security breaches; changes in senior management, changes in the Board of Directors, and the loss of key personnel; the potential liability for uninsured losses, condemnation, or environmental issues; the potential liability for a failure to meet regulatory requirements; any failure to comply with debt covenants under credit agreements; any failure to continue to qualify for taxation as a real estate investment trust and meet regulatory requirements; potential changes to state, local, or federal regulations applicable to our business; material changes in the rates, or the ability to pay, dividends on common shares or other securities; potential changes to the tax laws impacting REITs and real estate in general; potential changes to the tax laws impacting REITs and real estate in general; and those additional risks and factors discussed in reports filed with the Securities and Exchange Commission ("SEC") by the Company. The words “believes,” “expects,” “anticipates,” “estimates,” “plans,” “may,” “intend,” “will,” or similar expressions are intended to identify forward-looking statements. Although we believe that our plans, intentions, and expectations reflected in any forward-looking statements are reasonable, we can give no assurance that such plans, intentions, or expectations will be achieved. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information, or otherwise, except as required under U.S. federal securities laws.