

**FOR IMMEDIATE RELEASE**

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## **Highwoods Reports Fourth Quarter and Full Year 2025 Results**

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**\$0.26 Net Income per Share for Fourth Quarter 2025****\$0.90 FFO per Share for Fourth Quarter 2025***(Includes \$0.06 per Share of Land Sale Gains and \$0.01 per Share Dilutive Impact of Investment and Financing Activities Not in Prior Outlook)*

*Signed 526,000 SF of 2<sup>nd</sup> Gen Leases, Including 221,000 SF of New Leases  
Achieved GAAP Rent Growth of 15.4% and Cash Rent Growth of 1.2%*

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**\$1.45 Net Income per Share for Full Year 2025****\$3.48 FFO per Share for Full Year 2025****Sold \$108 Million of Non-Core Properties Since October 2025***Includes \$42 Million Sold Subsequent to Year-End***Current Development Pipeline \$474M, 78% Leased***Signed 95,000 SF of 1<sup>st</sup> Gen Leases*

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**Provides 2026 FFO Outlook of \$3.40 to \$3.68 per Share**

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**RALEIGH, NC – February 10, 2026 – Highwoods Properties, Inc. (NYSE:HIW)** today reported its fourth quarter and full year 2025 financial and operating results.

Ted Klinck, President and Chief Executive Officer, stated, *“We had a strong year and fourth quarter executing on our key priorities and setting the foundation for future growth. First, we made solid progress on key renewals and leasing up pockets of vacancy across the portfolio. Our leased rate of 89.2%, nearly 400 basis points above our year-end occupancy rate, underscores our confidence around occupancy increasing across the portfolio during 2026. Further, our net effective rents in 2025 were 20% higher than 2024 and 19% higher than our prior peak year of 2022. The improvement in net effective rents combined with strong leasing volumes validates the strength of our high-quality BBD-focused portfolio across the Sun Belt.*



*Our investment activity over the last 12 months has significantly improved our portfolio quality through the acquisition of nearly \$800 million (\$580 million at our share) of best-in-class properties across our footprint and the sale of \$270 million of non-core properties. Importantly, this leverage-neutral rotation of capital, when completed and stabilized, is expected to be modestly accretive to near-term FFO and further strengthen our cash flows, while increasing our long-term growth rate.*

*We expect 2026 to be a year when we return to FFO growth. Given our expected occupancy ramp as the year progresses combined with embedded NOI growth from our current development pipeline and the potential to deploy capital into investments with attractive risk-adjusted returns, we believe we are well-positioned for an accelerating growth rate into the future. Given a healthy fundamental backdrop across our Sun Belt markets, strong momentum across our BBD portfolio and our proven track record of deploying capital at attractive returns, we couldn't be more excited about the next several years for Highwoods."*

## **Fourth Quarter 2025 Highlights**

### *Operations:*

- Reported net income of \$0.26 per share
- Earned FFO of \$0.90 per share
  - Includes \$0.01 per share dilutive impact from fourth quarter financing and investment activities not included in prior outlook
  - Includes \$0.06 per share of land sale gains not included in prior outlook
- Reported same property cash NOI growth of 0.0% and same property GAAP NOI growth of 0.4%
- Increased average in-place cash rents 1.6% per square foot year-over-year
- Ended the quarter with in-service occupancy of 85.3% and in-service leased rate of 89.2%
  - In-service occupancy was 70 basis points lower due to the fourth quarter acquisition of 6Hundred at Legacy Union, which was 44% occupied at December 31, 2025

### *Second Generation Leasing Activity:*

- Leased 526,000 square feet, including 221,000 square feet of new leases
- Achieved dollar-weighted average term of 5.6 years
- Delivered GAAP rent growth of 15.4% and cash rent growth of 1.2%
- Achieved net effective rents during the year that were the highest in Company's history and 19% above the prior peak of 2022

### *Development Activity:*

- Current total development pipeline is \$474 million (at HIW share) and 78.0% pre-leased
- Signed 95,000 square feet of first generation leases since the Company's third quarter earnings release provided on October 28, 2025

### *Financing Activity:*

- Ended the quarter with a debt-to-Adjusted EBITDAre ratio of 6.6x
- Ended the quarter with \$725 million of capacity on the Company's \$750 million unsecured revolving line of credit
- Issued 0.3 million shares of common stock through the Company's ATM program at an average gross sales price of \$32.06 per share, raising net proceeds of \$10.7 million
- Issued \$350 million of unsecured notes due January 2033 with an effective rate of 5.43%
- Maintained no consolidated debt maturities until 2027



*Investment Activity:*

- Acquired 6Hundred at Legacy Union, a 411,000 square foot Class AA office building in CBD Charlotte, for \$223.0 million
  - Delivered in 2025, weighted average lease term of 12.2 years, 44% occupied and 89% leased
  - GAAP NOI is projected to be approximately \$10 million in 2026 and more than \$18 million in 2027 upon projected stabilization
  - Increases the Company's presence in Legacy Union to 1.6 million square feet of Class AA office with over 4,200 structured parking spaces
- Sold the following non-core assets for combined gross proceeds of \$65.9 million:
  - 42-year old office building encompassing 27,000 square feet at Century Center in Atlanta
  - 49-year old office building encompassing 57,000 square feet in Tampa's Westshore BBD
  - 2.1-acre surface parking lot in CBD Orlando and 0.7-acre surface parking lot in CBD Raleigh
  - 25-year old office building encompassing 35,000 square feet in the Research Triangle Park submarket of Raleigh
  - the Company's 50% interest in a joint venture that owns three office buildings encompassing 354,000 square feet in the Innsbrook BBD of Richmond

*Subsequent to Quarter-End Investment Activity:*

- Acquired \$108.4 million (at the Company's share) of best-in-class properties in Dallas and Raleigh
  - Acquired The Terraces, a 12-story best-in-class office building encompassing 173,000 square feet located in Dallas, in a joint venture with Granite Properties for a total investment (at 100%) of \$109.3 million. The Company owns an 80% interest in the joint venture.
  - Acquired Bloc83, a 492,000 square foot mixed-use asset that includes two 10-story best-in-class office buildings with 27,000 square feet of ground floor amenity retail located in CBD Raleigh, in a joint venture with the North Carolina Investment Authority for a total investment (at 100%) of \$210.5 million. The Company owns a 10% interest in the joint venture and maintains an option to increase its ownership interest to 50%.
- Sold 357,000 square feet of non-core office buildings in Richmond for \$42.3 million

**First Quarter Leasing Update**

Since January 1, 2026, the Company has signed over 400,000 square feet of second generation leases, including over 150,000 square feet of new leases.

**Fourth Quarter 2025 Financial Results**

Net income available for common stockholders ("net income") was \$28.7 million, or \$0.26 per diluted share, for the fourth quarter of 2025 and \$157.3 million, or \$1.45 per diluted share, for 2025. The Company reported a net loss of \$3.7 million, or \$0.03 per diluted share, for the fourth quarter of 2024. Net income available for common stockholders was \$99.8 million, or \$0.94 per diluted share, for 2024.

Funds from operations available for common stockholders ("FFO") was \$100.8 million, or \$0.90 per diluted share, for the fourth quarter of 2025 and \$385.0 million, or \$3.48 per diluted share, for 2025. FFO was \$92.2 million, or \$0.85 per diluted share, for the fourth quarter of 2024 and \$391.2 million, or \$3.61 per diluted share, for 2024.

Except as noted below, the following items were included in the determination of net income/(loss) and FFO for the three and twelve months ended December 31, 2025 and 2024:



	Three Months Ended		Three Months Ended	
	12/31/2025		12/31/2024	
	(000)	Per Share	(000)	Per Share
Lease Termination Income, Net (1)	\$ 329	\$ 0.003	\$ 1,001	\$ 0.009
Straight-Line Rental Income (1)	4,378	0.039	2,287	0.021
Capitalized Interest	1,480	0.013	1,627	0.015
Land Sale Gains	6,645	0.059	-	-
Gains on Disposition of Depreciable Properties (2)	12,615	0.113	4,236	0.039
Loss on Disposition of investment in Unconsolidated Affiliate (2)	(4,700)	(0.042)	-	-
Impairments of Depreciable Properties (2)	-	-	(24,600)	(0.226)
Year Ended				
12/31/2025		12/31/2024		
(000)	Per Share	(000)	Per Share	
Lease Termination Income, Net (1)	\$ 3,707	\$ 0.034	\$ 2,059	\$ 0.019
Straight-Line Rental Income (1)	15,696	0.142	10,631	0.098
Capitalized Interest	5,969	0.054	8,486	0.078
Loss on Debt Extinguishment	(144)	(0.001)	(173)	(0.002)
Land Sale Gains	6,523	0.059	350	0.003
Gains on Disposition of Depreciable Properties (2)	100,626	0.910	46,467	0.429
Loss on Disposition of investment in Unconsolidated Affiliate (2)	(4,700)	(0.042)	-	-
Impairments of Depreciable Properties (2)	(8,800)	0.080	(24,600)	(0.226)

(1) Credit losses on straight-line rent receivables related to lease terminations are reflected as a reduction of lease termination income.  
(2) Not included in the determination of FFO.

## 2026 Outlook

For 2026, the Company expects FFO per share to be in the range of \$3.40 to \$3.68. This outlook reflects management's view of current and future market conditions, including assumptions such as rental rates, occupancy levels, operating and general and administrative expenses, weighted average diluted shares outstanding and interest rates. Factors that could cause actual results to differ materially from management's current expectations are discussed below and are also detailed in the Company's 2025 Annual Report on Form 10-K and subsequent SEC reports.

The Company noted FFO in 2026 will include the impact of certain temporary or accelerated activities that are projected to reduce 2026 FFO by approximately \$0.09 per share at the midpoint of the outlook, but are not expected to have any impact on the previously unaffected run rate for FFO in 2027 and subsequent years. The Company also expects up to \$0.16 per share of land sale gains in 2026. The combined impact of these activities, which are itemized below on a per share basis, has reduced our 2026 FFO outlook by \$0.01 per share at the midpoint:

	Low	High
6Hundred at Legacy Union Projected GAAP NOI in 2026 Compared to Projected GAAP NOI in 2027 (1)	\$(0.07)	\$(0.07)
Impact from Accelerated Bond Issuance in Fourth Quarter 2025 (2)	(0.03)	(0.03)
Timing Impact from Leverage-Neutral Rotation of Capital (3)	0.01	0.01
<b>Net Impact of Investment and Financing Activities</b>	<b>\$(0.09)</b>	<b>\$(0.09)</b>
Estimated Land Sale Gains	0.00	0.16
<b>Net Impact on Combined Basis</b>	<b>\$(0.09)</b>	<b>\$0.07</b>



- (1) The Company acquired 6Hundred at Legacy Union during the fourth quarter of 2025 for a total investment of \$223 million. The building, which was 44% occupied at December 31, 2025 and is projected to be 90% occupied at December 31, 2026, is expected to generate \$10 million of GAAP net operating income in 2026 and at least \$18 million of GAAP net operating income in 2027. As a result, the acquisition is projected to have an approximate \$0.07 per share dilutive impact on 2026 FFO compared to 2027 and future years.
- (2) The Company issued \$350 million of unsecured notes due January 2033 with an effective interest rate of 5.43% during the fourth quarter of 2025. As a result, the Company expects to have higher-than-typical cash balances and no borrowings outstanding on its revolving credit facility for much of 2026, which is estimated to have an approximate \$0.03 per share dilutive impact on 2026 FFO. The Company ultimately plans to use any excess cash balances and borrowings on its revolving credit facility to repay \$300 million of unsecured notes with an effective interest rate of 3.78% that are scheduled to mature on March 15, 2027.
- (3) The Company plans to fund the acquisitions of 6Hundred at Legacy Union, Bloc83 and The Terraces on a leverage-neutral basis by selling by mid-year 2026 an additional \$190 to \$210 million of non-core assets or properties where the Company believes value has been maximized. The approximate \$0.01 per share accretive impact on 2026 FFO is due to the timing mismatch between the anticipated closing of the projected dispositions by mid-year 2026 and the earlier acquisition closing dates.

Management's outlook for 2026 includes the following additional assumptions:

	Low	High
<b>Effects Assumed in FFO Outlook:</b>		
Growth in Same Property Cash NOI	-1.0%	+1.0%
Growth in Same Property GAAP NOI	0.5%	2.5%
Straight-Line Rental Income	\$40M	\$50M
G&A Expenses (1)	\$40M	\$42M
Year-End Occupancy	86.5%	88.5%
Completed Building Acquisitions (at HIW Share)	\$108M	\$108M
Completed Building Dispositions	\$42M	\$42M
Planned Building Dispositions in Next Six Months	\$190M	\$210M
<b>Effects Not Assumed in FFO Outlook:</b>		
Potential Additional Building Dispositions	Up to \$250M	
Potential Acquisitions	Up to \$250M	
Potential Development Announcements	Up to \$200M	

- (1) Under GAAP, certain annual long-term equity grants must be expensed at the grant date for employees who have met the age and service eligibility requirements under the Company's long-standing retirement plan. As a result, first quarter general and administrative expenses are expected to be about \$4.4 million higher than the run rate for the subsequent three quarters because the Company's annual grants are customarily made in March.

### Supplemental Information

The Company's fourth quarter 2025 Supplemental Information, which includes financial, leasing and operational statistics, is available in the "Investors/Financials" section of the Company's website at [www.highwoods.com](http://www.highwoods.com).



### Conference Call

Tomorrow, Wednesday, February 11<sup>th</sup>, at 11:00 a.m. Eastern time, Highwoods will host a teleconference call to discuss the matters highlighted in this release.

Webcast link: [Highwoods Properties Q4 Earnings Call](#)

### US/Canada

Dial-in: (833) 470-1428  
Dial-in access code: 568513

### International

Dial-in: (646) 844-6383  
Dial-in access code: 568513

A live, listen-only webcast can be accessed on the Company's website at [www.highwoods.com](#) through the "Highwoods Properties Q4 Earnings Call" link under the "Investors" section.

### Planned Dates for 2026 Financial Releases and Conference Calls

The Company has set the following dates in 2026 for the releases of its annual and quarterly financial results. The financial releases will be distributed after the market closes and conference calls will be held at 11:00 a.m. Eastern time.

Quarter	Tuesday Release	Wednesday Call
First	April 28	April 29
Second	July 28	July 29
Third	October 27	October 28

### Non-GAAP Information

FFO: We believe that FFO and FFO per share are beneficial to management and investors and are important indicators of the performance of any equity REIT. Because FFO and FFO per share calculations exclude such factors as depreciation, amortization and impairments of real estate assets and gains or losses from sales of operating real estate assets, which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful life estimates, they facilitate comparisons of operating performance between periods and between other REITs. Management believes that historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, management believes that the use of FFO and FFO per share, together with the required GAAP presentations, provide a more complete understanding of our performance relative to our competitors and a more informed and appropriate basis on which to make decisions involving operating, financing and investing activities.

FFO and FFO per share are non-GAAP financial measures and therefore do not represent net income or net income per share as defined by GAAP. Net income and net income per share as defined by GAAP are the most relevant measures in determining our operating performance because FFO and FFO per share include adjustments that investors may deem subjective, such as adding back expenses such as depreciation, amortization and impairment. Furthermore, FFO per share does not depict the amount that accrues directly to the stockholders' benefit. Accordingly, FFO and FFO per share should never be considered as alternatives to net income or net income per share as indicators of our operating performance.



Our presentation of FFO is consistent with FFO as defined by NAREIT, which is calculated as follows:

- Net income/(loss) computed in accordance with GAAP;
- Less net income, or plus net loss, attributable to noncontrolling interests in consolidated affiliates;
- Plus depreciation and amortization of depreciable operating properties;
- Less gains, or plus losses, from sales of depreciable operating properties, plus impairments on depreciable operating properties and excluding items that are classified as extraordinary items under GAAP;
- Plus or minus our share of adjustments, including depreciation and amortization of depreciable operating properties, for unconsolidated joint venture investments (to reflect funds from operations on the same basis); and
- Plus or minus adjustments for depreciation and amortization and gains/(losses) on sales of depreciable operating properties, plus impairments on depreciable operating properties, and noncontrolling interests in consolidated affiliates related to discontinued operations.

In calculating FFO, the Company includes net income attributable to noncontrolling interests in its operating partnership, which we believe is consistent with standard industry practice for REITs that operate through an UPREIT structure. We believe that it is important to present FFO on an as-converted basis since all of the operating partnership units not owned by the Company are redeemable on a one-for-one basis for shares of the Company's common stock. In calculating FFO available for common stockholders and FFO per diluted share, the Company further deducts dividends on preferred stock. The Company's FFO calculations are reconciled to net income in a table included with this release.

**Net operating income ("NOI"):** We define NOI as "Rental and other revenues" less "Rental property and other expenses". We define cash NOI as NOI less lease termination fees, straight-line rental income, amortization of lease incentives and amortization of acquired above and below market leases. Management believes that NOI and cash NOI are useful supplemental measures of the Company's property operating performance because they provide performance measures of the revenues and expenses directly involved in owning real estate assets and a perspective not immediately apparent from net income or FFO. Other REITs may use different methodologies to calculate NOI and accordingly the Company's NOI may not be comparable to other REITs. The Company's NOI calculations are reconciled to net income in a table included with this release.

**Same property NOI:** We define same property NOI as NOI for in-service wholly-owned and joint venture properties that were owned during the entirety of the periods presented (from January 1, 2024 to December 31, 2025). The Company's same property NOI calculations are reconciled to NOI in a table included with this release.

**Earnings before interest, taxes, depreciation and amortization for real estate ("EBITDAre"):** Our presentation of EBITDAre is consistent with EBITDAre as defined by NAREIT, which is calculated as follows:

- Net income/(loss) computed in accordance with GAAP;
- Plus interest expense;
- Plus income tax expense;
- Plus depreciation and amortization;
- Less gains, or plus losses, from sales of depreciable operating properties, plus impairments on depreciable operating properties; and
- Plus or minus our share of the same adjustments for unconsolidated joint venture investments.



Management believes EBITDAre is an appropriate supplemental measure to use in ratios that evaluate the Company's liquidity and financial condition and ability to service its long-term debt obligations. Other REITs may use different methodologies to calculate EBITDAre and accordingly the Company's EBITDAre may not be comparable to other REITs. The Company's EBITDAre calculations are reconciled to net income in a table included with this release.

Adjusted earnings before interest, taxes, depreciation and amortization for real estate ("Adjusted EBITDAre") is calculated as follows:

- EBITDAre as defined by NAREIT;
- Less gains, or plus losses, on debt extinguishment;
- Less gains, or plus losses, from sales of non-depreciable properties, plus impairments on non-depreciable properties;
- Plus or minus proforma NOI adjustments assuming any acquisitions, dispositions and developments placed in service within the current period had occurred as of the first day of such period; and
- Plus or minus our share of the same adjustments for unconsolidated joint venture investments.

Management believes Adjusted EBITDAre is an appropriate supplemental measure to use in ratios that evaluate the Company's liquidity and financial condition and ability to service its long-term debt obligations. Other REITs may use different methodologies to calculate Adjusted EBITDAre and accordingly the Company's Adjusted EBITDAre may not be comparable to other REITs. The Company's Adjusted EBITDAre calculations are reconciled to net income in a table included with this release.

**Property-level operational information:** Except as otherwise noted, all property-level operational information presented herein includes in-service wholly owned properties and in-service properties owned by consolidated and unconsolidated joint ventures (at our share).

### **About Highwoods**

Highwoods Properties, Inc., headquartered in Raleigh, is a publicly-traded (NYSE:HIW), fully-integrated office real estate investment trust ("REIT") that owns, develops, acquires, leases and manages properties primarily in the best business districts (BBDs) of Atlanta, Charlotte, Dallas, Nashville, Orlando, Raleigh, Richmond and Tampa. Our vision is to be a leader in the evolution of commercial real estate for the benefit of our customers, our communities and those who invest with us. Our mission is to create environments and experiences that inspire our teammates and our customers to achieve more together. We are in the work-placemaking business and believe that by creating exceptional environments and experiences, we can deliver greater value to our customers, their teammates and, in turn, our shareholders. For more information about Highwoods, please visit our website at [www.highwoods.com](http://www.highwoods.com).

### **Forward-Looking Statements**

Some of the information in this press release may contain forward-looking statements. Such statements include, in particular, statements about our plans, strategies and prospects such as the following: the expected financial and operational results and the related assumptions underlying our expected results; the planned sales of non-core assets and expected pricing and impact with respect to such sales, including the tax impact of such sales; the anticipated total investment, projected leasing activity, estimated replacement cost and expected net operating income of acquired properties and properties to be developed; and expected future leverage of the Company. You can identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue" or other similar words. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that our plans, intentions or expectations will be achieved.



Factors that could cause our actual results to differ materially from Highwoods' current expectations include, among others, the following: the financial condition of our customers could deteriorate; our assumptions regarding potential losses related to customer financial difficulties could prove incorrect; counterparties under our debt instruments, particularly our revolving credit facility, may attempt to avoid their obligations thereunder, which, if successful, would reduce our available liquidity; we may not be able to lease or re-lease second generation space, defined as previously occupied space that becomes available for lease, quickly or on as favorable terms as old leases; we may not be able to lease newly constructed buildings as quickly or on as favorable terms as originally anticipated; we may not be able to complete development, acquisition, reinvestment, disposition or joint venture projects as quickly or on as favorable terms as anticipated; development activity in our existing markets could result in an excessive supply relative to customer demand; our markets may suffer declines in economic and/or office employment growth; increases in interest rates could increase our debt service costs; increases in operating expenses could negatively impact our operating results; natural disasters and climate change could have an adverse impact on our cash flow and operating results; we may not be able to meet our liquidity requirements or obtain capital on favorable terms to fund our working capital needs and growth initiatives or repay or refinance outstanding debt upon maturity; and the Company could lose key executive officers.

This list of risks and uncertainties, however, is not intended to be exhaustive. You should also review the other cautionary statements we make in "Risk Factors" set forth in our 2025 Annual Report on Form 10-K. Given these uncertainties, you should not place undue reliance on forward-looking statements. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements to reflect any future events or circumstances or to reflect the occurrence of unanticipated events.

**Tables Follow**



**Highwoods Properties, Inc.**  
**Consolidated Statements of Income**  
*(Unaudited and in thousands, except per share amounts)*

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
<b>Rental and other revenues</b>	\$ 203,356	\$ 205,526	\$ 806,112	\$ 825,862
<b>Operating expenses:</b>				
Rental property and other expenses	66,761	71,473	261,373	272,173
Depreciation and amortization	74,972	72,514	294,954	299,046
Impairments of real estate assets	-	24,600	8,800	24,600
General and administrative	8,536	10,149	40,307	41,903
Total operating expenses	<u>150,269</u>	<u>178,736</u>	<u>605,434</u>	<u>637,722</u>
<b>Interest expense</b>	39,651	37,270	152,433	147,198
<b>Other income</b>	1,580	1,778	9,587	12,337
<b>Gains on disposition of property</b>	19,260	4,236	107,149	46,817
<b>Loss on disposition of investment in unconsolidated affiliate</b>	(4,700)	-	(4,700)	-
<b>Equity in earnings of unconsolidated affiliates</b>	146	1,268	2,369	4,158
<b>Net income/(loss)</b>	<u>29,722</u>	<u>(3,198)</u>	<u>162,650</u>	<u>104,254</u>
Net (income)/loss attributable to noncontrolling interests in the Operating Partnership	(535)	71	(3,112)	(2,040)
Net loss attributable to noncontrolling interests in consolidated affiliates	46	19	74	34
Dividends on Preferred Stock	(576)	(621)	(2,359)	(2,485)
<b>Net income/(loss) available for common stockholders</b>	<u>\$ 28,657</u>	<u>\$ (3,729)</u>	<u>\$ 157,253</u>	<u>\$ 99,763</u>
<b>Earnings per Common Share - basic:</b>				
Net income/(loss) available for common stockholders	\$ 0.26	\$ (0.03)	\$ 1.45	\$ 0.94
Weighted average Common Shares outstanding - basic	<u>109,882</u>	<u>106,851</u>	<u>108,454</u>	<u>106,167</u>
<b>Earnings per Common Share - diluted:</b>				
Net income/(loss) available for common stockholders	\$ 0.26	\$ (0.03)	\$ 1.45	\$ 0.94
Weighted average Common Shares outstanding - diluted	<u>111,926</u>	<u>109,002</u>	<u>110,570</u>	<u>108,319</u>

**Highwoods Properties, Inc.**  
**Consolidated Balance Sheets**  
*(Unaudited and in thousands, except share and per share data)*

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Real estate assets, at cost:		
Land	\$ 609,177	\$ 570,286
Buildings and tenant improvements	6,144,697	5,826,603
Development in-process	6,248	-
Land held for development	214,149	221,048
	<u>6,974,271</u>	<u>6,617,937</u>
Less-accumulated depreciation	(1,902,276)	(1,796,586)
Net real estate assets	<u>5,071,995</u>	<u>4,821,351</u>
Real estate and other assets, net, held for sale	23,201	55,409
Cash and cash equivalents	27,358	22,412
Restricted cash	15,691	11,265
Accounts receivable	28,263	28,287
Mortgages and notes receivable	12,228	11,064
Accrued straight-line rents receivable	318,024	308,853
Investments in and advances to unconsolidated affiliates	471,580	485,726
Deferred leasing costs, net of accumulated amortization of \$169,972 and \$170,312, respectively	244,258	209,967
Prepaid expenses and other assets, net of accumulated depreciation of \$25,144 and \$20,626, respectively	<u>61,240</u>	<u>75,021</u>
<b>Total Assets</b>	<b><u>\$ 6,273,838</u></b>	<b><u>\$ 6,029,355</u></b>
<b>Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:</b>		
Mortgages and notes payable, net	\$ 3,554,178	\$ 3,293,559
Accounts payable, accrued expenses and other liabilities	<u>284,006</u>	<u>304,551</u>
<b>Total Liabilities</b>	<b><u>3,838,184</u></b>	<b><u>3,598,110</u></b>
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	52,777	65,791
Equity:		
Preferred Stock, \$.01 par value, 50,000,000 authorized shares; 8.625% Series A Cumulative Redeemable Preferred Shares (liquidation preference \$1,000 per share), 26,691 and 28,811 shares issued and outstanding, respectively	26,691	28,811
Common Stock, \$.01 par value, 200,000,000 authorized shares; 109,905,241 and 107,623,777 shares issued and outstanding, respectively	1,099	1,076
Additional paid-in capital	3,223,767	3,144,130
Distributions in excess of net income available for common stockholders	(870,083)	(810,608)
Accumulated other comprehensive loss	<u>(2,494)</u>	<u>(2,246)</u>
<b>Total Stockholders' Equity</b>	<b><u>2,378,980</u></b>	<b><u>2,361,163</u></b>
Noncontrolling interests in consolidated affiliates	3,897	4,291
<b>Total Equity</b>	<b><u>2,382,877</u></b>	<b><u>2,365,454</u></b>
<b>Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity</b>	<b><u>\$ 6,273,838</u></b>	<b><u>\$ 6,029,355</u></b>

**Highwoods Properties, Inc.**  
**Funds from Operations**  
*(Unaudited and in thousands, except per share amounts)*

**Funds from operations:**

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net income/(loss)	\$ 29,722	\$ (3,198)	\$ 162,650	\$ 104,254
Net loss attributable to noncontrolling interests in consolidated affiliates	46	19	74	34
Depreciation and amortization of real estate assets	74,206	71,817	292,152	296,277
Impairments of depreciable properties	-	24,600	8,800	24,600
(Gains) on disposition of depreciable properties	(12,615)	(4,236)	(100,626)	(46,467)
Loss on disposition of investments in unconsolidated affiliate	4,700	-	4,700	-
Unconsolidated affiliates:				
Depreciation and amortization of real estate assets	5,325	3,853	19,587	15,001
<b>Funds from operations</b>	<b>101,384</b>	<b>92,855</b>	<b>387,337</b>	<b>393,699</b>
Dividends on Preferred Stock	(576)	(621)	(2,359)	(2,485)
<b>Funds from operations available for common stockholders</b>	<b>\$ 100,808</b>	<b>\$ 92,234</b>	<b>\$ 384,978</b>	<b>\$ 391,214</b>
<b>Funds from operations available for common stockholders per share</b>	<b>\$ 0.90</b>	<b>\$ 0.85</b>	<b>\$ 3.48</b>	<b>\$ 3.61</b>
<b>Weighted average shares outstanding (1)</b>	<b>111,926</b>	<b>109,002</b>	<b>110,570</b>	<b>108,319</b>

(1) Includes assumed conversion of all potentially dilutive Common Stock equivalents.

**Highwoods Properties, Inc.**  
**Net Operating Income Reconciliation**  
*(Unaudited and in thousands)*

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
<b>Net income/(loss)</b>				
Equity in earnings of unconsolidated affiliates	\$ 29,722	\$ (3,198)	\$ 162,650	\$ 104,254
Loss on disposition of investments in unconsolidated affiliate	(146)	(1,268)	(2,369)	(4,158)
Loss on disposition of property	4,700	-	4,700	-
Other income	(19,260)	(4,236)	(107,149)	(46,817)
Interest expense	(1,580)	(1,778)	(9,587)	(12,337)
General and administrative expenses	39,651	37,270	152,433	147,198
Impairments of real estate assets	8,536	10,149	40,307	41,903
Depreciation and amortization	-	24,600	8,800	24,600
<b>Net operating income</b>	<b>74,972</b>	<b>72,514</b>	<b>294,954</b>	<b>299,046</b>
Our share of unconsolidated joint venture same property net operating income	136,595	134,053	544,739	553,689
Partner's share of consolidated joint venture same property net operating income	4,386	4,737	18,512	18,686
Non same property and other net operating income	(275)	(269)	(1,108)	(1,110)
<b>Same property net operating income</b>	<b>(6,640)</b>	<b>(4,385)</b>	<b>(18,341)</b>	<b>(17,928)</b>
Same property net operating income	<b>\$ 134,066</b>	<b>\$ 134,136</b>	<b>\$ 543,802</b>	<b>\$ 553,337</b>
Lease termination fees, straight-line rent and other non-cash adjustments	(3,237)	(3,339)	(17,532)	(14,390)
<b>Same property cash net operating income</b>	<b>\$ 130,829</b>	<b>\$ 130,797</b>	<b>\$ 526,270</b>	<b>\$ 538,947</b>

**Highwoods Properties, Inc.**  
**Net Debt-to-Adjusted EBITDAre**  
*(Unaudited and in thousands, except ratios)*

	<b>Three Months Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net debt-to-Adjusted EBITDAre:</b>		
Net income/(loss)	\$ 29,722	\$ (3,198)
Interest expense (1)	38,186	35,916
Depreciation and amortization	74,972	72,514
(Gains) on disposition of depreciable properties	(12,615)	(4,236)
Loss on disposition of investments in unconsolidated affiliate	4,700	-
Impairments of depreciable properties	-	24,600
Adjustments to reflect our share of EBITDAre from consolidated and unconsolidated affiliates	<u>5,845</u>	<u>3,818</u>
<b>EBITDAre</b>	<u>\$ 140,810</u>	<u>\$ 129,414</u>
(Gains) on disposition of non-depreciable properties	(6,645)	-
Proforma NOI adjustments for property changes within period	<u>(61)</u>	<u>(251)</u>
<b>Adjusted EBITDAre (2)</b>	<u>\$ 134,104</u>	<u>\$ 129,163</u>
 <b>Adjusted EBITDAre (annualized) (2) (3)</b>	 <u>\$ 537,691</u>	 <u>\$ 520,990</u>
 Mortgages and notes payable, net (4)	 <u>\$ 3,600,157</u>	 <u>\$ 3,307,891</u>
Less - cash and cash equivalents, preferred investments and other (5)	<u>(36,986)</u>	<u>(30,908)</u>
<b>Net debt (6)</b>	<u>\$ 3,563,171</u>	<u>\$ 3,276,983</u>
Preferred Stock	<u>26,691</u>	<u>28,811</u>
<b>Net debt plus Preferred Stock</b>	<u>\$ 3,589,862</u>	<u>\$ 3,305,794</u>
 <b>Net debt-to-Adjusted EBITDAre (7)</b>	 <u>6.63x</u>	 <u>6.29x</u>
<b>Net debt plus Preferred Stock-to-Adjusted EBITDAre (8)</b>	<u>6.68x</u>	<u>6.35x</u>

(1) Net of interest income

(2) Adjusted EBITDAre is calculated as EBITDAre adjusted for gains or losses on debt extinguishment and land sales, land impairments, proforma NOI adjustments for property changes within period and our share of the same adjustments for unconsolidated affiliates. "Proforma NOI adjustments for property changes within period" means proforma NOI adjustments assuming any acquisitions, dispositions and developments placed in service within the current period had occurred as of the first day of such period.

(3) Adjusted EBITDAre (annualized) is Adjusted EBITDAre multiplied by four. Certain period specific items are not annualized.

(4) This number as of 12/31/25 represents our consolidated mortgages and notes payable balance from the balance sheet, plus or minus the following adjustments: an increase of \$109.5 million for our share of debt owed by our unconsolidated joint ventures to third parties, a decrease of \$8.8 million for our joint venture partner's 20% share of the debt at our consolidated Midtown West joint venture, and a decrease of \$54.8 million for mortgages and notes receivable from loans to unconsolidated affiliates (after eliminations) and loans to third parties as seller financing.

(5) Includes our share of consolidated and unconsolidated affiliates.

(6) Net debt is calculated as mortgages and notes payable at quarter-end less cash and cash equivalents, preferred investments and 1031 restricted cash at quarter-end.

(7) Net debt at quarter-end divided by Adjusted EBITDAre (annualized).

(8) Net debt plus Preferred Stock at quarter-end divided by Adjusted EBITDAre (annualized).