REFINITIV

DELTA REPORT

10-Q

CUZ - COUSINS PROPERTIES INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	646
CHANGES	163
DELETIONS	235
ADDITIONS	248

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to __________

Commission file number: 001-11312

COUSINS PROPERTIES INCORPORATED

(Exact name of registrant as specified in its charter)

Georgia	**58-0869052**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3344 Peachtree Road NE Suite 1800 Atlanta Georgia	**30326-4802**
(Address of principal executive offices)	(Zip Code)

(404) 407-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value per share	CUZ	New York Stock Exchange ("NYSE")

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 20, 2023 April 19, 2024
Common Stock, $1 par value per share	151,773,774 152,071,718 shares

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, 2022 December 31, 2023, and as itemized herein. These forward-looking statements include information about the Company's possible or assumed future results of the business and the Company's 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:

- guidance and underlying assumptions;
- business and financial strategy;
- future debt financings;
- 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, including fee development opportunities;
- future issuances and repurchases of common stock, limited partnership units, or preferred stock;
- future distributions;
- projected capital expenditures;
- market and industry trends;
- future occupancy or volume and velocity of leasing activity;
- entry into new markets, changes in existing market concentrations, or exits from existing markets;
- future changes in interest rates and liquidity of capital markets; and
- all statements that address operating performance, events, investments, 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 ability to refinance or repay indebtedness as it matures;
- any changes to our credit rating;
- the failure of purchase, sale, or other contracts to ultimately close;
- the failure to achieve anticipated benefits from acquisitions, developments, investments, or dispositions;

- the potential dilutive effect of common stock or operating partnership unit issuances; issuances, including those undertaken on a forward basis;
- the availability of buyers and pricing with respect to the disposition of assets;
- changes in national and local economic conditions, the real estate industry, and the commercial real estate markets in which we operate (including supply and demand changes), particularly in Atlanta, Austin, Phoenix, Tampa, Charlotte, Phoenix, Dallas, and Nashville, 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 and the governmental and third-party response to such a crisis, which may affect our key personnel, our tenants, and the costs of operating our assets;
- threatened terrorist attacks or sociopolitical unrest such as political instability, civil unrest, armed hostilities, or political activism, which may result in a disruption of day-to-day building operations;
- changes to our strategy in regard to our real estate assets may require impairment 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 recently acquired space, the failure of a tenant to commence or complete tenant improvements on schedule or to occupy leased space, and the risk of declining leasing rates;
- changes in the needs preferences of our tenants brought about by the desire for co-working arrangements, trends toward utilizing less office space per employee, and the effect of employees working remotely;
- any adverse change in the financial condition or liquidity of one or more of our tenants;
- volatility in interest rates (including the impact upon the effectiveness of forward interest rate contract arrangements) and insurance rates;
- inflation and continuing increases in the inflation rate; inflation;
- 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);
- supply chain disruptions, labor shortages, and increased construction costs;
- risks associated with security breaches through cyberattacks, cyber security breaches; intrusions or otherwise, as well as other significant disruptions of our information technology networks and related systems, which support our operations and our buildings;

- 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; requirements, including the Americans with Disabilities Act and similar laws or the impact of any investigation regarding the same;

- the financial condition and liquidity of, or disputes with, joint venture partners;
- any failure to comply with debt covenants under credit agreements;
- any failure to continue to qualify for taxation as a real estate investment trust or meet regulatory requirements;
- potential changes to state, local, or federal regulations applicable to our business;
- material changes in the dividend rates on common shares or other securities or the ability to pay dividends on common shares or other securities; those dividends;
- potential changes to the tax laws impacting REITs and real estate in general;
- risks associated with climate change and severe weather events, as well as the regulatory efforts intended to reduce the effects of climate changes and investor and public perception of our efforts to respond to the same;
- the impact of newly adopted accounting principles on our accounting policies and on period-to-period comparisons of financial results;
- risks associated with possible federal, state, local, or property tax audits; and
- those additional risks and environmental or other factors discussed in reports filed with the Securities and Exchange Commission ("SEC") by the Company.

The risks set forth above are not exhaustive. The Annual Report on Form 10-K for the year ended December 31, 2023, including Part 1, Item 1A. Risk Factors, includes additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can we assess the potential impact of all risk factors on our business or the extent to which any factors, or any combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The words “believes,” “expects,” “anticipates,” “estimates,” “plans,” “may,” “intend,” “will,” or similar expressions are intended to identify forward-looking statements. Although we believe that the 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. Given the uncertainties and risks discussed herein, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Investors should also refer to our Quarterly Reports on Form 10-Q and our Annual Reports on Form 10-K for future periods, and our Current Reports on Form 8-K as we file such reports with the SEC, and to other materials we may file with or furnish to the SEC, for a discussion of risks and uncertainties that may cause actual results, performance, or achievements to differ materially from those expressed or implied by any forward-looking statements. 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.

PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	September 30, 2023	December 31, 2022		
March 31, 2024			March 31, 2024	December 31, 2023
	(unaudited)		(unaudited)	

Assets:	**Assets:**			**Assets:**
Real estate assets:	Real estate assets:			Real estate assets:
Operating properties, net of accumulated depreciation of $1,258,003 and $1,079,662 in 2023 and 2022, respectively		**$6,730,434**	$6,738,354	
Operating properties, net of accumulated depreciation of $1,404,568 and $1,329,406 in 2024 and 2023, respectively				
Projects under development	Projects under development	**126,630**	111,400	
Land	Land	**154,729**	158,430	
		7,011,793	7,008,184	
	7,091,938			
Cash and cash equivalents	Cash and cash equivalents	**6,926**	5,145	
Cash and cash equivalents				
Cash and cash equivalents				
Accounts receivable				
Accounts receivable				
Accounts receivable	Accounts receivable	**12,867**	8,653	
Deferred rents receivable	Deferred rents receivable	**203,561**	184,043	
Investment in unconsolidated joint ventures	Investment in unconsolidated joint ventures	**141,250**	112,839	
Intangible assets, net	Intangible assets, net	**116,092**	136,240	
Other assets, net	Other assets, net	**92,820**	81,912	
Total assets	**Total assets**	**$7,585,309**	$7,537,016	
Liabilities:	**Liabilities:**			
Notes payable	Notes payable	**$2,418,403**	$2,334,606	
Notes payable				
Notes payable				
Accounts payable and accrued expenses	Accounts payable and accrued expenses	**266,632**	271,103	
Deferred income	Deferred income	**174,178**	128,636	
Intangible liabilities, net	Intangible liabilities, net	**44,295**	52,280	
Other liabilities	Other liabilities	**104,495**	103,442	
Total liabilities	**Total liabilities**	**3,008,003**	2,890,067	

Total liabilities				
Total liabilities				
Commitments and contingencies	**Commitments and contingencies**			**Commitments and contingencies**
Equity:	**Equity:**			
Stockholders' investment:	Stockholders' investment:			
Stockholders' investment:				
Stockholders' investment:				
Common stock, $1 par value per share, 300,000,000 shares authorized, 154,335,798 and 154,019,214 issued, and 151,773,774 and 151,457,190 outstanding in 2023 and 2022, respectively		**154,336**	154,019	
Common stock, $1 par value per share, 300,000,000 shares authorized, 152,071,718 and 154,335,798 issued, and 152,071,718 and 151,799,215 outstanding in 2024 and 2023, respectively				
Common stock, $1 par value per share, 300,000,000 shares authorized, 152,071,718 and 154,335,798 issued, and 152,071,718 and 151,799,215 outstanding in 2024 and 2023, respectively				
Common stock, $1 par value per share, 300,000,000 shares authorized, 152,071,718 and 154,335,798 issued, and 152,071,718 and 151,799,215 outstanding in 2024 and 2023, respectively				
Additional paid-in capital	Additional paid-in capital	**5,637,406**	5,630,327	
Treasury stock at cost, 2,562,024 shares in 2023 and 2022		**(147,157)**	(147,157)	
Treasury stock at cost, 2,536,583 shares in 2023				
Distributions in excess of cumulative net income	Distributions in excess of cumulative net income	**(1,095,597)**	(1,013,292)	
Accumulated other comprehensive income	Accumulated other comprehensive income	**5,723**	1,767	
Total stockholders' investment	Total stockholders' investment	**4,554,711**	4,625,664	
Nonredeemable noncontrolling interests	Nonredeemable noncontrolling interests	**22,595**	21,285	
Total equity	**Total equity**	**4,577,306**	4,646,949	
Total liabilities and equity	**Total liabilities and equity**	**$7,585,309**	$7,537,016	

See accompanying notes.

See accompanying notes.

See accompanying notes.

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; in thousands, except per share amounts)

Three Months Ended
Three Months Ended
Three Months Ended
March 31,
March 31,
March 31,

Revenues:
Revenues:
Revenues:
Rental property revenues
Rental property revenues
Rental property revenues
Fee income
Fee income
Fee income
Other
Other
Other

Expenses:
Expenses:
Expenses:
Rental property operating expenses
Rental property operating expenses
Rental property operating expenses
Reimbursed expenses
Reimbursed expenses
Reimbursed expenses
General and administrative expenses
General and administrative expenses
General and administrative expenses
Interest expense
Interest expense
Interest expense
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Other
Other
Other

196,239
196,239
196,239

Income from unconsolidated joint ventures
Income from unconsolidated joint ventures
Income from unconsolidated joint ventures
Gain (loss) on investment property transactions
Gain (loss) on investment property transactions
Gain (loss) on investment property transactions
Net income
Net income
Net income
Net income attributable to noncontrolling interests
Net income attributable to noncontrolling interests
Net income attributable to noncontrolling interests
Net income available to common stockholders
Net income available to common stockholders
Net income available to common stockholders

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenues:				
Rental property revenues	**$ 198,429**	$ 193,455	**$ 602,459**	$ 559,856
Fee income	**318**	1,677	**1,044**	5,370
Other	**101**	38	**2,393**	2,522
	198,848	195,170	**605,896**	567,748
Expenses:				
Rental property operating expenses	**64,838**	66,632	**203,150**	193,725
Reimbursed expenses	**149**	418	**515**	1,455
General and administrative expenses	**8,336**	6,498	**24,795**	21,557
Interest expense	**27,008**	18,380	**78,010**	50,454
Depreciation and amortization	**79,492**	79,116	**235,531**	219,721
Other	**623**	231	**1,484**	877
Net income per common share — basic and diluted				
	180,446	171,275	**543,485**	487,789
Income from unconsolidated joint ventures	**582**	634	**2,008**	7,038
Gain on sales of investments in unconsolidated joint ventures	**—**	56,260	**—**	56,260
Gain (loss) on investment property transactions	**507**	(20)	**505**	(61)
Loss on extinguishment of debt	**—**	—	**—**	(100)
Net income	**19,491**	80,769	**64,924**	143,096
Net income attributable to noncontrolling interests	**(130)**	(130)	**(746)**	(421)

Net income available to common stockholders	**$ 19,361**	$ 80,639	**$ 64,178**	$ 142,675
Net income per common share — basic and diluted				
Net income per common share — basic and diluted **Net income per common share — basic and diluted**	**$ 0.13**	$ 0.53	**$ 0.42**	$ 0.95
Weighted average shares — basic **Weighted average shares — basic**	**151,774**	151,435	**151,692**	149,670
Weighted average shares — basic				
Weighted average shares — basic				
Weighted average shares — diluted				
Weighted average shares — diluted				
Weighted average shares — diluted **Weighted average shares — diluted**	**152,048**	151,695	**152,018**	149,946
See accompanying notes. *See accompanying notes.*				
See accompanying notes.				
See accompanying notes.				

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited; in thousands)

	Three Months Ended			
	Three Months Ended			
	Three Months Ended			
	March 31,			
	March 31,			
	March 31,			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2023	**2022**	**2023**	**2022**
Comprehensive Income: **Comprehensive Income:**				
Comprehensive Income:				
Comprehensive Income:				
Net income available to common stockholders				
Net income available to common stockholders				
Net income available to common stockholders Net income available to common stockholders	**$ 19,361**	$ 80,639	**$ 64,178**	$ 142,675
Other comprehensive income (loss): Other comprehensive income (loss):				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
Unrealized gain (loss) on cash flow hedges				
Unrealized gain (loss) on cash flow hedges				
Unrealized gain (loss) on cash flow hedges Unrealized gain (loss) on cash flow hedges	**1,503**	(715)	**6,397**	(715)
Amortization of cash flow hedges Amortization of cash flow hedges	**(1,345)**	63	**(2,441)**	63
Amortization of cash flow hedges				
Amortization of cash flow hedges				

Total other comprehensive income (loss)	**Total other comprehensive income (loss)**	**158**	(652)	**3,956**	(652)

Total other comprehensive income (loss)

Total other comprehensive income (loss)

Total comprehensive income

Total comprehensive income

Total comprehensive income	**Total comprehensive income**	**$ 19,519**	$ 79,987	**$ 68,134**	$ 142,023

See accompanying notes. *See accompanying notes.*

See accompanying notes.

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited; in thousands except per share amounts)

Three Months Ended September 30, 2023

	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Balance June 30, 2023	**$ 154,336**	**$ 5,634,996**	**$ (147,157)**	**$ (1,066,369)**	**$ 5,565**	**$ 4,581,371**	**$ 22,927**	**$ 4,604,298**

Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income

December 31, 2023									
Net income	Net income	—	—	—	19,361	—	19,361	130	19,491
Other comprehensive income	Other comprehensive income	—	—	—	—	158	158	—	158
Common stock issued pursuant to stock-based compensation, net of tax withholding									
Amortization of stock-based compensation, net of forfeitures									
Amortization of stock-based compensation, net of forfeitures									
Amortization of stock-based compensation, net of forfeitures									
Retirement of Treasury Stock									
Distributions to noncontrolling interests									
Distributions to noncontrolling interests									

Distributions to noncontrolling interests								
Common dividends ($0.32 per share)								
Common dividends ($0.32 per share)								
Common dividends ($0.32 per share)								
Balance March 31, 2024								

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	S
Balance December 31, 2022						
Net income						
Other comprehensive loss						
Common stock issued pursuant to stock-based compensation, net of tax withholding						
Common stock issued pursuant to stock-based compensation, net of tax withholding						
Common stock issued pursuant to stock-based compensation, net of tax withholding						

	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Amortization of stock-based compensation, net of forfeitures	—	2,410	—	—	—	2,410	—	2,410
Contributions from noncontrolling interests	—	—	—	—	—	—	56	56
Distributions to noncontrolling interests	—	—	—	—	—	—	(518)	(518)
Common dividends ($0.32 per share)	—	—	—	(48,589)	—	(48,589)	—	(48,589)
Balance September 30, 2023	**$ 154,336**	**$ 5,637,406**	**$ (147,157)**	**$ (1,095,597)**	**$ 5,723**	**$ 4,554,711**	**$ 22,595**	**$ 4,577,306**

Three Months Ended September 30, 2022

	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Balance June 30, 2022	**$ 154,025**	**$ 5,627,133**	**$ (148,473)**	**$ (1,020,590)**	**$ —**	**$ 4,612,095**	**$ 20,600**	**$ 4,632,695**
Net income	—	—	—	80,639	—	80,639	130	80,769
Other comprehensive loss	—	—	—	—	(652)	(652)	—	(652)
Common stock issued under the ATM, net of issuance costs	—	13	—	—	—	13	—	13

Amortization of stock-based compensation, net of forfeitures		(6)	1,805	—	4	—	1,803	—	1,803
Contributions from noncontrolling interests									
Contributions from noncontrolling interests	Contributions from noncontrolling interests	—	—	—	—	—	—	(356)	(356)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	—	(15)	(15)
Common dividends ($0.32 per share)	Common dividends ($0.32 per share)	—	—	—	(48,541)	—	(48,541)	—	(48,541)
Balance September 30, 2022	**Balance $**	**154,019**	**$5,628,951**	**$(148,473)**	**$ (988,488)**	**$ (652)**	**$ 4,645,357**	**$ 20,359**	**$4,665,716**
Balance March 31, 2023									

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(unaudited; in thousands except per share amounts)

	Nine Months Ended September 30, 2023							
	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Balance December 31, 2022	**$ 154,019**	**$ 5,630,327**	**$ (147,157)**	**$ (1,013,292)**	**$ 1,767**	**$ 4,625,664**	**$ 21,285**	**$ 4,646,949**
Net income	—	—	—	64,178	—	64,178	746	64,924
Other comprehensive income	—	—	—	—	3,956	3,956	—	3,956
Common stock issued pursuant to stock-based compensation, net of tax withholding	320	(827)	—	—	—	(507)	—	(507)
Amortization of stock options, restricted stock, and restricted stock units, net of forfeitures	(3)	7,906	—	—	—	7,903	—	7,903
Contributions from noncontrolling interests	—	—	—	—	—	—	1,440	1,440
Distributions to noncontrolling interests	—	—	—	—	—	—	(876)	(876)
Common dividends ($0.96 per share)	—	—	—	(146,483)	—	(146,483)	—	(146,483)
Balance September 30, 2023	**$ 154,336**	**$ 5,637,406**	**$ (147,157)**	**$ (1,095,597)**	**$ 5,723**	**$ 4,554,711**	**$ 22,595**	**$ 4,577,306**

	Nine Months Ended September 30, 2022							
	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Balance December 31, 2021	**$ 151,273**	**$ 5,549,308**	**$ (148,473)**	**$ (985,338)**	**$ —**	**$ 4,566,770**	**$ 33,630**	**$ 4,600,400**
Net income	—	—	—	142,675	—	142,675	421	143,096
Other comprehensive loss	—	—	—	—	(652)	(652)	—	(652)
Common stock issued under the ATM, net of issuance costs	2,632	100,488	—	—	—	103,120	—	103,120
Common stock issued pursuant to stock-based compensation, net of tax withholding	120	490	—	—	—	610	—	610
Amortization of stock-based compensation, net of forfeitures	(6)	6,303	—	8	—	6,305	—	6,305
Acquisition of partners' noncontrolling interest	—	(27,638)	—	—	—	(27,638)	(15,749)	(43,387)
Contributions from noncontrolling interests	—	—	—	—	—	—	2,164	2,164

Distributions to noncontrolling interests	—	—	—	—	—	—	(107)	(107)
Common dividends ($0.96 per share)	—	—	—	(145,833)	—	(145,833)	—	(145,833)
Balance September 30, 2022	**$ 154,019**	**$ 5,628,951**	**$ (148,473)**	**$ (988,488)**	**$ (652)**	**$ 4,645,357**	**$ 20,359**	**$ 4,665,716**

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; in thousands)

		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Three Months Ended March 31, 2024		
			Three Months Ended March 31, 2024 / 2023
CASH FLOWS FROM OPERATING ACTIVITIES:	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
		CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	Net income	**$ 64,924**	$143,096
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sales of investment in unconsolidated joint ventures		**—**	(56,260)
Loss (gain) on investment property transactions	Loss (gain) on investment property transactions	**(505)**	61
Loss (gain) on investment property transactions			
Loss (gain) on investment property transactions			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	**235,531**	219,721
Amortization of deferred financing costs and premium on notes payable	Amortization of deferred financing costs and premium on notes payable	**3,102**	(317)
Equity-classified stock-based compensation expense, net of forfeitures	Equity-classified stock-based compensation expense, net of forfeitures	**9,209**	7,526
Effect of non-cash adjustments to rental revenues	Effect of non-cash adjustments to rental revenues	**(36,679)**	(29,524)
Income from unconsolidated joint ventures	Income from unconsolidated joint ventures	**(2,008)**	(7,038)

Operating distributions from unconsolidated joint ventures	Operating distributions from unconsolidated joint ventures	**2,869**	4,584
Loss on extinguishment of debt		**—**	100
Changes in other operating assets and liabilities:	Changes in other operating assets and liabilities:		
Changes in other operating assets and liabilities:			
Changes in other operating assets and liabilities:			
Change in receivables and other assets, net			
Change in receivables and other assets, net			
Change in receivables and other assets, net	Change in receivables and other assets, net	**(6,979)**	487
Change in operating liabilities, net	Change in operating liabilities, net	**8,054**	(10,088)
Net cash provided by operating activities	Net cash provided by operating activities	**277,518**	272,348
CASH FLOWS FROM INVESTING ACTIVITIES:	**CASH FLOWS FROM INVESTING ACTIVITIES:**		**CASH FLOWS FROM INVESTING ACTIVITIES:**
Proceeds from investment property sales, net		**3,917**	—
Proceeds from sale of interest in unconsolidated joint ventures, net		**—**	38,831
Property acquisition, development, and tenant asset expenditures	Property acquisition, development, and tenant asset expenditures	**(198,254)**	(262,822)
Return of capital distributions from unconsolidated joint ventures		**10,924**	10,752
Property acquisition, development, and tenant asset expenditures			
Property acquisition, development, and tenant asset expenditures			
Contributions to unconsolidated joint ventures	Contributions to unconsolidated joint ventures	**(28,681)**	(35,193)
Contributions to unconsolidated joint ventures			
Contributions to unconsolidated joint ventures			
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities	Net cash used in investing activities	**(212,094)**	(248,432)
CASH FLOWS FROM FINANCING ACTIVITIES:	**CASH FLOWS FROM FINANCING ACTIVITIES:**		**CASH FLOWS FROM FINANCING ACTIVITIES:**
Proceeds from credit facility	Proceeds from credit facility	**291,300**	340,000
Repayment of credit facility	Repayment of credit facility	**(203,400)**	(267,300)

Repayment of mortgages	Repayment of mortgages	**(6,178)**	(12,719)
Common stock issued under the ATM		**—**	103,120
Repayment of mortgages			
Repayment of mortgages			
Payment of deferred financing costs			
Payment of deferred financing costs			
Payment of deferred financing costs	Payment of deferred financing costs	**(71)**	(5,299)
Purchase of partners' interest in consolidated joint venture		**—**	(43,387)
Repurchase of shares withheld for taxes on restricted stock vestings			
Repurchase of shares withheld for taxes on restricted stock vestings			
Repurchase of shares withheld for taxes on restricted stock vestings			
Common dividends paid	Common dividends paid	**(145,858)**	(143,818)
Contributions from noncontrolling interests	Contributions from noncontrolling interests	**1,440**	2,164
Distributions to noncontrolling interests	Distributions to noncontrolling interests	**(876)**	(107)
Net cash used in financing activities		**(63,643)**	(27,346)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		**1,781**	(3,430)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD		**5,145**	10,168
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD		**$ 6,926**	$ 6,738
Net cash provided by financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
CASH AND CASH EQUIVALENTS AT END OF PERIOD			

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023 March 31, 2024
(Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business**:** Cousins Properties Incorporated (“Cousins”), a Georgia corporation, is a fully integrated, self-administered, and self-managed real estate investment trust (“REIT”). Cousins conducts substantially all of its business through Cousins Properties LP ("CPLP"). Cousins owns in excess of 99% of CPLP and consolidates CPLP. CPLP wholly owns Cousins TRS Services LLC ("CTRS"), a taxable entity which owns and manages its own real estate portfolio and performs certain real estate-related services for other parties.

Cousins, CPLP, CTRS, and their subsidiaries (collectively, the “Company”) develop, acquire, lease, manage, and own primarily Class A office properties and opportunistic mixed-use developments in the Sun Belt markets of the United States with a focus on Atlanta, Austin, Tampa, Phoenix, Tampa, Charlotte, Dallas, and Nashville. Cousins has elected to be taxed as a REIT and intends to, among other things, distribute at least 100% of its net taxable income to stockholders, thereby eliminating any liability for federal income taxes under current law. Therefore, the results included herein do not include a federal income tax provision for Cousins. As of September 30, 2023 March 31, 2024, the Company's operating portfolio of real estate assets consisted of interests in 18.8 million square feet of office space and 310,000 square feet of multi-family space.

Basis of Presentation: The condensed consolidated financial statements are unaudited and were prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, these financial statements reflect all adjustments necessary (which adjustments are of a normal and recurring nature) for the fair presentation of the Company's financial position as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and the results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. The results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of results expected for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the rules and regulations of the SEC. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The accounting policies employed are substantially the same as those shown in note 2 of the notes to consolidated financial statements included therein.

The Company evaluates all partnerships, joint ventures, and other arrangements with variable interests to determine if the entity or arrangement qualifies as a variable interest entity ("VIE"), as defined in the Financial Accounting Standard Board's ("FASB") Accounting Standards Codification ("ASC"). If the entity or arrangement qualifies as a VIE and the Company is determined to be the primary beneficiary, the Company is required to consolidate the assets, liabilities, and results of operations of the VIE. The Company had no investments or interests in any VIEs as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

2. <u>REAL ESTATE</u>

In September 2023, For the three months ended March 31, 2024 and March 31, 2023, the Company sold a 10.4 acre land parcel in Atlanta for a gross sales price of $4.25 million and recorded a gain of $507,000. had no real estate transactions.

<u>Impairment</u>

The Company tests buildings held for investment, by disposal asset groups, for impairment whenever changes in circumstances indicate a disposal an asset group’s carrying value may not be recoverable. The test is conducted using undiscounted cash flows for the shorter of the building’s estimated hold period or its remaining useful life. When testing for recoverability of value of buildings held for investment, projected cash flows are used over its expected hold period. If the expected hold period includes some likelihood of shorter-term hold period from a potential sale, the probability of a sale is layered into the analysis. If any building's held-for-investment analysis were to fail the impairment test, its book value would be written down to its then current estimated fair value, before any selling expense, and that building would continue to depreciate over its remaining useful life. None of the Company’s held-for-investment buildings were impaired during any periods presented in the accompanying condensed consolidated statement of operations while under the held-for-investment classification. operations.

The Company also reviews held-for-sale buildings, if any, for impairments. In order to be considered a real estate asset held-for-sale, the Company must, among other things, have the authority to commit to a plan to sell the asset in its current condition, have commenced the plan to sell the asset, and have determined that it is probable that the asset will sell within one year. If book value is in excess of estimated fair value less estimated selling costs, we impair those assets to fair value less estimated selling costs. There were

no held-for-sale buildings as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023 or during any periods presented in the accompanying condensed consolidated statements of operations.

The Company also reviews land and projects under development for impairment whenever changes in circumstances indicate the assets' carrying value may not be recoverable. None of the Company's investments in land, including accumulated predevelopment costs, or projects under development were impaired as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023 or during any periods presented in the accompanying condensed consolidated statement of operations.

The Company may record impairment charges in future periods if the economy and the office industry weakens, the operating results of individual buildings are materially different from our forecasts, or we shorten our contemplated hold period for any operating buildings.

3. <u>INVESTMENT IN UNCONSOLIDATED JOINT VENTURES</u>

The following information summarizes financial data and principal activities of the Company's unconsolidated joint ventures. The information included in the following table entitled summary of financial position is as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 ($ in thousands).

SUMMARY OF FINANCIAL POSI

	Total Assets		Total Debt		Total Equity (Deficit)		Company's Investment	
	2023	2022	2023	2022	2023	2022	2023	2022

				To
Total Assets		Total Assets	Total Debt	

	2024										2024			2023	2024		2023		202
Operating Properties:	**Operating Properties:**																		
AMCO 120 WT Holdings, LLC	AMCO 120 WT Holdings, LLC	**$ 80,362**	$ 81,136	**$ —**	$ —	**$ 79,203**	$ 80,509	**$ 14,526**	$ 14,856										
AMCO 120 WT Holdings, LLC																			
AMCO 120 WT Holdings, LLC																			
Crawford Long - CPI, LLC (1)																			
Crawford Long - CPI, LLC (1)																			
Crawford Long - CPI, LLC (1)	Crawford Long - CPI, LLC (1)	**22,435**	22,857	**82,296**	62,856	**(62,593)**	(39,691)	**(30,686)** (2)	(19,173) (2)	**20,639**	22,001	22,001	**82,336**	**82,336**	82,316	82,316	**(63,638)**	**(63,638)**	(62,5
Under Development:	**Under Development:**																		
Neuhoff Holdings LLC (3)	Neuhoff Holdings LLC (3)	**455,070**	321,338	**200,640**	115,940	**225,130**	177,734	**122,391**	93,647										
Neuhoff Holdings LLC (3)																			
Neuhoff Holdings LLC (3)																			
Land:																			
Land:																			
Land:	**Land:**																		
715 Ponce Holdings LLC	715 Ponce Holdings LLC	**8,610**	8,333	**—**	—	**8,477**	8,332	**4,333**	4,261										
Sold and Other:																			
HICO Victory Center LP		—	158	—	—	—	5,818	—	75										
715 Ponce Holdings LLC																			
715 Ponce Holdings LLC																			
		$566,477	$433,822	**$282,936**	$178,796	**$250,217**	$232,702	**$ 110,564**	$ 93,666										
		$																	
		$																	
		$																	

(1) In May 2023, Crawford Long - CPI, LLC refinanced the has a mortgage loan for the Medical Offices at Emory Hospital property. This $83.0 million interest-only mortgage loan has a fixed interest rate of 4.80% and matures in June 2032.

(2) Negative investment basis included in deferred income on the condensed consolidated balance sheets.

(3) Neuhoff Holdings LLC has a construction loan with a borrowing capacity up to $312.7 million, of which the Company's share is $156.4 million, that matures in September 2025. on September 30, 2025. The interest rate applicable to the construction loan is based on the Secured Overnight Financing Rate ("SOFR") plus 3.45% with a minimum rate of 3.60%. The Joint Venture has one option, subject to certain conditions, to extend the maturity date for an additional 12 months from the initial maturity date.

The information included in the summary of operations table is for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 ($ in thousands).

SUMMARY OF OPERATIONS

SUMMARY OF OPERATIONS

SUMMARY OF OPERATIONS

Total Revenues	Total Revenues	Net Income (Loss)	Company's Income from Investment
2024			
Operating Properties:			
Operating Properties:			
Operating Properties:			
AMCO 120 WT Holdings, LLC			
AMCO 120 WT Holdings, LLC			
AMCO 120 WT Holdings, LLC			
Crawford Long - CPI, LLC			
Crawford Long - CPI, LLC			
Crawford Long - CPI, LLC			
Under Development:			
Under Development:			
Under Development:			
Neuhoff Holdings LLC			
Neuhoff Holdings LLC			
Neuhoff Holdings LLC			
Land:			
Land:			
Land:			
715 Ponce Holdings LLC			
715 Ponce Holdings LLC			
715 Ponce Holdings LLC			
Sold:			
Sold:			
Sold:			

Total Revenues		Net Income (Loss)		Company's Income from Investment	
2023	2022	2023	2022	2023	2022

Operating Properties:						
AMCO 120 WT Holdings, LLC	**$ 8,337**	$ 8,005	**$ 2,698**	$ 2,335	**$ 537**	$ 454
Crawford Long - CPI, LLC	**9,754**	9,811	**2,911**	3,419	**1,352**	1,603
Under Development:						
Neuhoff Holdings LLC	**105**	107	**59**	79	**30**	39
Land:						
715 Ponce Holdings LLC	**210**	220	**145**	156	**72**	78
Sold and Other:						
Carolina Square Holdings LP	**—**	12,140	**48**	600	**24**	215
HICO Victory Center LP	**—**	6,873	**(14)**	6,871	**(7)**	4,546
Other Other	**—**	28	**—**	(12)	**—**	103
	$ 18,406	$ 37,184	**$ 5,847**	$ 13,448	**$ 2,008**	$ 7,038

Other

Other

—

$

$

$

In May 2023, Crawford Long refinanced the mortgage loan for the Medical Offices at Emory Hospital property. Proceeds from the refinancing were used to repay in full its $62.4 million mortgage loan that was set to mature in June 2023. The new $83.0 million mortgage loan has a fixed interest rate of 4.80% and matures in June 2032.

In September 2022, the Company sold its 50% joint venture interest in Carolina Square Holdings LP ("Carolina Square"), which owned a mixed-used property in Chapel Hill, to its partner for a gross sales price of $105.0 million. The Company recognized a gain of $56.3 million on the sale of its interest in Carolina Square.

In June 2022, HICO Victory Center LP sold a 3.0 acre land parcel, in Uptown Dallas, held in an unconsolidated joint venture for a gross price of $23.1 million. The Company's share of the gain from the transaction was $4.5 million and is included in income from unconsolidated joint ventures on the statements of operations.

4. INTANGIBLE ASSETS AND LIABILITIES

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, intangible assets included the following ($ in thousands):

	2023	2022
In-place leases, net of accumulated amortization of $132,411 and $131,021 in 2023 and 2022, respectively	**$ 84,762**	$ 102,080
Below-market ground leases, net of accumulated amortization of $2,160 and $1,860 in 2023 and 2022, respectively	**17,092**	17,393
Above-market leases, net of accumulated amortization of $24,273 and $25,085 in 2023 and 2022, respectively	**12,564**	15,093
Goodwill	**1,674**	1,674
	$ 116,092	$ 136,240

	2024	2023
In-place leases, net of accumulated amortization of $136,067 and $135,433 in 2024 and 2023, respectively	**$ 75,715**	$ 80,117
Below-market ground leases, net of accumulated amortization of $2,360 and $2,260 in 2024 and 2023, respectively	**16,892**	16,992

Above-market leases, net of accumulated amortization of $25,272 and $24,918 in 2024 and 2023, respectively	**11,278**	11,884
Goodwill	**1,674**	1,674
	$ 105,559	$ 110,667

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, intangible liabilities were the following ($ in thousands):

	2023	2022
Below-market leases, net of accumulated amortization of $49,540 and $48,994 in 2023 and 2022, respectively	**$ 44,295**	$ 52,280

	2024	2023
Below-market leases, net of accumulated amortization of $52,345 and $50,475 in 2024 and 2023, respectively	**$ 40,115**	$ 42,193

The amortization of the above asset and liabilities are recorded as follows ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	2024			
	2024			
	2024			
Revenues: **Revenues:**				
Revenues:				
Revenues:				
Rental property revenues, net (Below-market and Above-market leases)				
Rental property revenues, net (Below-market and Above-market leases)				
Rental property revenues, net (Below-market and Above-market leases) Rental property revenues, net (Below-market and Above-market leases)	**$ 1,371**	$ 1,538	**$ 5,455**	$ 4,979
Expenses: **Expenses:**				
Expenses:				
Expenses:				
Depreciation and amortization (In-place leases)				
Depreciation and amortization (In-place leases)				
Depreciation and amortization (In-place leases) Depreciation and amortization (In-place leases)	**4,849**	7,274	**17,319**	21,664
Rental property operating and other expenses (Below-market ground leases) Rental property operating and other expenses (Below-market ground leases)	**100**	100	**300**	310
Rental property operating and other expenses (Below-market ground leases)				

Rental property operating and other expenses
(Below-market ground leases)

Over the next five years and thereafter, aggregate amortization of these intangible assets and liabilities is anticipated to be as follows ($ in thousands):

		In-Place Leases	Below-Market Ground Leases	Above-Market Leases	Below-Market Leases
2023 (three months)		$ 4,531	$ 100	$ 646	$ (2,104)
2024		17,069	400	2,425	(8,234)
		In-Place Leases			
		In-Place Leases			
		In-Place Leases			
2024 (9 months)					
2024 (9 months)					
2024 (9 months)					
2025					
2025					
2025	2025	14,782	400	2,119	(7,728)
2026	2026	12,382	400	1,726	(6,509)
2026					
2026					
2027	2027	9,799	400	1,317	(4,973)
2027					
2027					
2028					
2028					
2028					
Thereafter	Thereafter	26,199	15,392	4,331	(14,747)
		$ 84,762	$ 17,092	$ 12,564	$ (44,295)
Thereafter					
Thereafter					
		$			
		$			
		$			

5. OTHER ASSETS

Other assets on the condensed consolidated balance sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 included the following ($ in thousands):

	2023	2022
Predevelopment costs	**$ 55,562**	$ 50,009
Prepaid expenses and other assets	**13,961**	6,438
Furniture, fixtures and equipment and other deferred costs, net of accumulated depreciation of $18,994 and $18,860 in 2023 and 2022, respectively	**10,586**	11,824
Lease inducements, net of accumulated amortization of $5,740 and $5,129 in 2023 and 2022, respectively	**8,117**	8,091
Credit Facility deferred financing costs, net of accumulated amortization of $1,809 and $135 in 2023 and 2022, respectively	**4,594**	5,550
	$ 92,820	$ 81,912

	2024		2023	
Predevelopment costs	$	57,394	$	56,600
Prepaid expenses and other assets		14,818		8,704
Lease inducements, net of accumulated amortization of $6,460 and $5,860 in 2024 and 2023, respectively		12,254		10,537
Furniture, fixtures and equipment and other deferred costs, net of accumulated depreciation of $18,937 and $18,564 in 2024 and 2023, respectively		10,331		10,631
Credit Facility deferred financing costs, net of accumulated amortization of $2,452 and $2,131 in 2024 and 2023, respectively		3,964		4,273
	$	98,761	$	90,745

Predevelopment costs represent amounts that are capitalized related to predevelopment projects that on land owned by the Company that has been determined are to be probable of future development.

Lease inducements are incentives paid to tenants in conjunction with leasing space, such as moving costs, sublease arrangements of prior space, and other costs. These amounts are amortized into rental revenues over the individual underlying lease terms.

6. NOTES PAYABLE

The following table summarizes the terms of notes payable outstanding at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 ($ in thousands):

Description	Description	Interest Rate (1)	Maturity (2)		2023	2022	Description	Interest Rate (1)	Maturity (2)	2024	2023
Unsecured Notes:	**Unsecured Notes:**										
Credit Facility											
Credit Facility											
Credit Facility	Credit Facility	6.31%	April 2027		$ **144,500**	$ 56,600					
Term Loan	Term Loan	(3)	March 2025		**400,000**	400,000					
Term Loan	Term Loan	5.38%	August 2024		**350,000**	350,000					
Senior Note	Senior Note	3.95%	July 2029		**275,000**	275,000					
Senior Note	Senior Note	3.91%	July 2025		**250,000**	250,000					
Senior Note	Senior Note	3.86%	July 2028		**250,000**	250,000					
Senior Note	Senior Note	3.78%	July 2027		**125,000**	125,000					
Senior Note	Senior Note	4.09%	July 2027		**100,000**	100,000					
					1,894,500	1,806,600					
				2,042,200							
Secured Mortgage Notes:	**Secured Mortgage Notes:**										
Terminus (4)		6.34%	January 2031		**221,000**	221,000					
Terminus (3)											
Terminus (3)											
Terminus (3)											
Fifth Third Center	Fifth Third Center	3.37%	October 2026		**127,464**	130,168					

Colorado Tower	Colorado Tower	3.45%	September 2026	**107,543**	109,552
Domain 10	Domain 10	3.75%	November 2024	**73,056**	74,521
Domain 10					
Domain 10					
				524,855	
				529,063	535,241
				524,855	
				524,855	
				$2,423,563	$2,341,841
Unamortized loan costs	Unamortized loan costs			**(5,160)**	(7,235)
Unamortized loan costs					
Unamortized loan costs					
Total Notes Payable	**Total Notes Payable**			**$2,418,403**	$2,334,606

(1) Interest rate as of September 30, 2023 March 31, 2024.

(2) Weighted average maturity of notes payable outstanding at September 30, 2023 March 31, 2024 was 3.3 2.8 years. Extension options are not included.

(3) In April 2023, the Company entered into a floating-to-fixed interest rate swap with respect to $200 million of the $400 million Term Loan. As of September 30, 2023, the fixed interest rate was 5.45%, and the floating interest rate was 6.46%.

(4) Represents $123.0 million and $98.0 million non-cross-collateralized mortgages secured by the Terminus 100 and Terminus 200 buildings, respectively.

Credit Facility

On May 2, 2022, the Company entered into a Fifth Amended and Restated Credit Agreement (the "Credit Facility") under which the Company may borrow up to $1 billion if certain conditions are satisfied. The Credit Facility contains financial covenants that require, among other things, the maintenance of unencumbered interest coverage ratio of at least 1.75x; a fixed charge coverage ratio of at least 1.50x; a secured leverage ratio of no more than 50%; and an overall leverage ratio of no more than 60%. The Credit Facility matures on April 30, 2027.

The interest rate applicable to the Credit Facility varies according to the Company's leverage ratio and may, at the election of the Company, be determined based on either (1) the Daily SOFR or Term SOFR, plus a SOFR adjustment of 0.10% ("Adjusted SOFR") and a spread of between 0.90% and 1.40%, or (2) the greater of (i) Bank of America's prime rate, (ii) the federal funds rate plus 0.50%, (iii) Term SOFR, plus a SOFR adjustment of 0.10%, and 1.00%, or (iv) 1.00%, plus a spread of between 0.00% and 0.40%, based on leverage. In addition to the interest rate, the Credit Facility is also subject to a facility fee of 0.15% to 0.30%, depending on leverage, on the entire $1 billion capacity.

At September 30, 2023 March 31, 2024, the Credit Facility's interest rate spread over Adjusted SOFR was 0.90%, and the facility fee spread was 0.15%. The amount that the Company may draw under the Credit Facility is a defined calculation based on the Company's unencumbered assets and other factors. The total available borrowing capacity under the Credit Facility was $855.5 million $707.8 million at September 30, 2023 March 31, 2024. The amounts outstanding under the Credit Facility may be accelerated upon the occurrence of any events of default.

The Subsequent to quarter end, the Company noticed the administrative agent of the Credit Facility replaced a $1 billion prior of corporate investment grade ratings received. In accordance with the terms of the Credit Facility, these ratings reduce the Credit Facility's current applicable Adjusted SOFR spread to 0.775%. Changes in the Company's investment grade ratings may result in additional adjustments to the applicable spread which will now range from 0.725% to 1.40%. While our current facility that was set to expire in January 2023. The rate paid fee remains at 0.15% under the prior facility from January 1, 2022 through May 1, 2022 was LIBOR plus 1.05% received rating, it will now be subject to a range of 0.125% to 0.30%.

Term Loans

On October 3, 2022, the Company entered into a Delayed Draw Term Loan Agreement (the "2022 Term Loan") and borrowed the full $400 million available under the loan. The loan matures on March 3, 2025 with four consecutive options to extend the maturity date for an additional six months. months each. The interest rate provisions are the same as the 2021 Term Loan, and the covenants are the same as the Credit Facility. On April 19, 2023, the Company entered into a floating-to-fixed rate swap with respect to $200 million of the $400 million 2022 Term Loan through the maturity date of March 3, 2025. This swap fixed the underlying SOFR rate at 4.298%. On January 26, 2024, the Company entered into a floating-to-fixed rate swap with respect to remaining $200 million of the $400 million 2022 Term Loan through the maturity date of March 3, 2025. This swap fixed the underlying SOFR rate at 4.6675% (see note 7). These two swaps fix the underlying SOFR rate for the full $400 million at a weighted average of 4.48%.

On June 28, 2021, the Company entered into an Amended and Restated Term Loan Agreement (the "2021 Term Loan") that amended the former term loan agreement. Under the 2021 Term Loan, the Company has borrowed $350 million that matures on August 30, 2024 with four consecutive options to extend the maturity date for an additional 180 days. On September 19, 2022, the Company entered into the First Amendment to the 2021 Term Loan. This amendment aligns covenants and available interest rates, including the addition of SOFR, to that of the Credit Facility. Under the terms of this First Amendment the interest rate applicable to the 2021 Term Loan varies according to the Company's leverage ratio and may, at the election of the Company, be determined based on either (1) the Daily SOFR or Term SOFR, plus a SOFR adjustment of 0.10% ("Adjusted SOFR") and a spread of between 1.05% and 1.65%, or (2) the greater of (i) Bank of America's prime rate, (ii) the federal funds rate plus 0.50%, (iii) Term SOFR, plus a SOFR adjustment of 0.10%, and 1.00%, (iv) or 1.00%, plus a spread of between 0.05% and 0.65%, based on leverage. On September 19, 2022, the Company provided notice of our election of the Daily SOFR Rate Loan provisions. On September 27, 2022, the Company entered into a floating-to-fixed interest rate swap with respect to the $350 million 2021 Term Loan through the maturity date of August 30, 2024. This swap effectively fixed the underlying SOFR rate at 4.234% (see note 7).

At September 30, 2023 March 31, 2024, the Term Loans' spread over the underlying SOFR rates was 1.05%.

Subsequent to quarter end, the Company noticed the administrative agent of the 2022 and 2021 Term Loans of corporate investment grade ratings received. In accordance with the terms of the Term Loans, these ratings reduce the 2022 and 2021 Term Loans' current applicable Adjusted SOFR spreads to 0.85% and 1.00%, respectively. Changes in the Company's investment grade ratings may result in additional adjustments to the applicable spread which will now range from 0.80% to 1.60% for the 2022 Term Loan and 0.85% to 1.65% for the 2021 Term Loan.

Unsecured Senior Notes

The Company has unsecured senior notes of $1.0 billion that were funded in five tranches. The first tranche of $100 million is due in 2027 and has a fixed annual interest rate of 4.09%. The second tranche of $250 million is due in 2025 and has a fixed annual interest rate of 3.91%. The third tranche of $125 million is due in 2027 and has a fixed annual interest rate of 3.78%. The fourth tranche of $250 million is due in 2028 and has a fixed annual interest rate of 3.86%. The fifth tranche of $275 million is due in 2029 and has a fixed annual interest rate of 3.95%.

The unsecured senior notes contain financial covenants that are consistent with those of our Credit Facility, with the exception of a secured leverage ratio of no more than 40%. The senior notes also contain customary representations and warranties and affirmative and negative covenants, as well as customary events of default.

Secured Mortgage Notes

In December 2022, As of March 31, 2024, the Company refinanced mortgages had $524.9 million outstanding on the Company's two Terminus properties in Atlanta five non-recourse mortgage notes with the existing lender. Under the new mortgages, the maturities were extended from January 2023 to January 2031, the combined principal increased to $221.0 million, up from $178.9 million. The interest rate for each mortgage is 6.34%, up from a combined weighted average interest rate of 4.67% 4.69%. These mortgages are neither cross-collateralized nor cross-defaulted.

In October 2022, the Company paid off, in full, its Legacy Union One and Promenade Tower mortgages with remaining principal balances of $66.0 million and $86.3 million, respectively. These mortgages had interest rates of 4.24% and 4.27%, respectively.

As of September 30, 2023, the Company had $529.1 million outstanding on five non-recourse mortgage notes. All interest rates on the secured mortgage notes are fixed. Assets with depreciated carrying values of $894.3 $883.8 million are pledged as security on these mortgage notes payable. For each non-recourse mortgage loan, the Company provides a customary "non-recourse carve-out guaranty." Additional guarantees related to re-leasing costs may also apply.

Other Debt Information

The Company is in compliance with all of the covenants related to its unsecured and secured debt.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the estimated fair value of the Company's notes payable was $2.2 billion, $2.5 billion and $2.4 billion, respectively, calculated by discounting the debt's remaining contractual cash flows at estimated current market rates at which similar loans could have been obtained at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The estimate of the current market rates, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value

relationship. These fair value calculations are considered to be Level 2 under the guidelines as set forth in ASC 820, as the Company utilizes market rates for similar type loans from third party brokers.

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, interest expense was recorded as follows ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			

			Three Months Ended March 31,						
			Three Months Ended March 31,						
			2024						
			2024						
			2024						
Total interest incurred									
Total interest incurred									
Total interest incurred	Total interest incurred	$	31,180	$	22,406	$	92,278	$	61,522
Interest capitalized	Interest capitalized		(4,172)		(4,026)		(14,268)		(11,068)
Interest capitalized									
Interest capitalized									
Total interest expense	Total interest expense	$	27,008	$	18,380	$	78,010	$	50,454
Total interest expense									
Total interest expense									

7. DERIVATIVE FINANCIAL INSTRUMENTS

On January 26, 2024, the Company entered into a floating-to-fixed interest rate swap ("2024 Swap") with respect to the unhedged $200 million of the $400 million 2022 Term Loan through the maturity date of March 3, 2025, fixing the underlying SOFR rate for this portion of the loan at 4.6675%. Previously, on April 19, 2023, the Company entered into a floating-to-fixed interest rate swap ("2023 Swap") with respect to $200 million of the $400 million 2022 Term Loan through the maturity date of March 3, 2025, fixing the underlying SOFR rate for this portion of the loan at 4.298%. This swap These swaps effectively fixed fix the underlying SOFR rate at 4.298%. a weighted average of 4.48% for the entire $400 million through the initial maturity.

On September 27, 2022, the Company entered into a floating-to-fixed interest rate swap ("2022 Swap") with respect to the $350 million 2021 Term Loan through the initial maturity date of August 30, 2024. This swap effectively fixed the underlying SOFR rate at 4.234%.

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During 2022 and 2023, such Such derivatives were are used to hedge the variable cash flows associated with the 2021 and 2022 Term Loans (referred to as "cash flow hedges").

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income and subsequently reclassified into interest expense in the same periods during which the hedged transaction affects earnings.

The counterparties under these swaps are major financial institutions, and the swaps contain provisions whereby if the Company defaults on certain of its indebtedness, and such default results in repayment of such indebtedness being, or becoming capable of being, accelerated by the lender, then the Company could also be declared in default under the swaps. There are no collateral requirements related to these swaps.

As of September 30, 2023 March 31, 2024, the fair values of the 2023 Swap and 2024 Swap with respect to the 2022 Term Loan were $1.2 million and $544,000, respectively, and are included in other assets on the Company's condensed consolidated balance sheets. As of December 31, 2023, the fair value of the swap 2023 Swap with respect to the 2022 Term Loan was $2.3 million $555,000 and is included in other assets on the Company's condensed consolidated balance sheets.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair values value of the swap 2022 Swap with respect to the 2021 Term Loan were $3.5 was $1.4 million and $1.8 $1.7 million, respectively, and are is included in other assets on the Company's condensed consolidated balance sheets.

The table below presents the effect of the Company's derivative financial instruments on the condensed consolidated statements of operations for the three and nine months ended September 30, March 31, 2024 and 2023 and 2022 ($ in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
Cash Flow Hedges:					
Cash Flow Hedges:					
Cash Flow Hedges:	**Cash Flow Hedges:**	2023	2022	2023	2022

Amount of income (loss) recognized in accumulated other comprehensive income on interest rate derivatives	Amount of income (loss) recognized in accumulated other comprehensive income on interest rate derivatives	**$ 1,503**	$ (715)	**$ 6,397**	$ (715)
Amount of loss (income) reclassified from accumulated other comprehensive income into income as a reduction of interest expense		**$ (1,345)**	$ 63	**$ (2,441)**	$ 63
Total amount of interest expense presented in the consolidated statements of operations		**$ 27,008**	$ 18,380	**$ 78,010**	$ 50,454
Amount of income (loss) recognized in accumulated other comprehensive income on interest rate derivatives					
Amount of income (loss) recognized in accumulated other comprehensive income on interest rate derivatives					
Amount of income reclassified from accumulated other comprehensive income into income as a reduction of interest expense					
Amount of income reclassified from accumulated other comprehensive income into income as a reduction of interest expense					
Amount of income reclassified from accumulated other comprehensive income into income as a reduction of interest expense					
Total amount of interest expense presented in the condensed consolidated statements of operations					
Total amount of interest expense presented in the condensed consolidated statements of operations					
Total amount of interest expense presented in the condensed consolidated statements of operations					

Over the next twelve months, the Company estimates that $3.2 million will be reclassified out of accumulated other comprehensive income as a reduction of interest expense.

The fair value of these hedges is determined using observable inputs other than quoted prices in active markets, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities. These inputs are considered Level 2 inputs in the fair value hierarchy, and the Company engages a third-party expert to determine these inputs. The fair value of the cash flow hedges is determined using the conventional industry methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts made between the Company and its counterparties to the cash flow hedges. These variable cash receipts are based on the expectation of future interest rates which are derived from observed market interest rate curves.

In addition, any credit valuation adjustments are considered in the fair values to account for potential nonperformance risk to the extent they would be significant inputs to the calculations. For the periods presented, credit valuation adjustments were not considered to be significant inputs.

8. OTHER LIABILITIES

Other liabilities on the condensed consolidated balance sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 included the following ($ in thousands):

		2023	2022		
		2024		2024	2023
Ground lease liability	Ground lease liability	**$ 53,416**	$ 53,129		
Prepaid rent	Prepaid rent	**34,684**	33,165		

Security deposits	Security deposits	**14,953**	14,635
Restricted stock unit liability		**—**	1,048
Other liabilities	Other liabilities	**1,442**	1,465
		$ 104,495	$103,442
Other liabilities			
Other liabilities		—	
		$	

9. COMMITMENTS AND CONTINGENCIES

Commitments

The Company had outstanding performance bonds totaling $1.3 million $1.1 million at September 30, 2023 March 31, 2024. As a lessor, the Company had $161.7 million $111.3 million in future obligations under leases to fund tenant improvements and other future construction obligations at September 30, 2023 March 31, 2024.

Litigation

The Company is subject to various legal proceedings, claims, and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters using the latest information available. The Company records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, the Company accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, the Company discloses the nature and estimate of the possible loss of the litigation. The Company does not disclose information with respect to litigation where an unfavorable outcome is considered to be remote or where the estimated loss would not be material. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on the liquidity, results of operations, business, or financial condition of the Company.

10. STOCKHOLDERS' EQUITY

In the third quarter of 2021, the Company entered into an Equity Distribution Agreement ("EDA") with six financial institutions known as an at-the-market stock offering program ("ATM Program"), under which the Company may offer and sell shares of its common stock from time to time in "at-the-market" offerings with an aggregate gross sales price of up to $500 million. In connection with the ATM Program, Cousins may, at its discretion, enter into forward equity sale agreements. The use of a forward equity sale agreement ("Forward Sales") would allow the Company to lock in a share price on the sale of shares of its common stock at the time the agreement is executed but defer receiving the proceeds from the sale of shares until a later date, allowing the Company to better align such funding with its capital needs. Sales of shares of Cousins' stock through its banking relationships, if any, are made in amounts and at times to be determined by Cousins from time to time, but the Company has no obligation to sell any of the shares in the offering and may suspend sales in connection with the offering at any time. Sales of Cousins' common stock under Forward Sales, if undertaken, meet the derivatives and hedging guidance scope exception as the contracts are related to the Company's own stock. On February 17, 2023, the Company filed a Form S-3 to renew the registration of its authorized shares. In conjunction with that Form S-3 filing, the Company entered into an Amendment to the EDA to allow for the continued issuance of shares under this ATM Program.

On April 21, 2022, the Company purchased its partner's 10% joint venture interest in HICO Avalon, LLC and HICO Avalon II, LLC, which consisted of the 8000 and 10000 Avalon office properties. This transaction did not result in a change in control and the difference between the $43.4 million purchase price of our partner's interest, which included a promote related to increases in fair value in excess of cost, and the $15.7 million book value of the outside partner's non-controlling interest was recorded as additional

paid-in capital in the equity section of the Company's consolidated balance sheet. The Company's consolidated basis in Avalon's assets and liabilities was unchanged by this transaction.

On June 29, 2022, the Company issued 2.6 million shares of common stock under Forward Sales contracts executed in December 2021 at an average price of $39.92 per share, for gross proceeds of $105.1 million. To date, the Company has issued 2.6 million shares under the ATM Program and has generated cash proceeds of $101.4 million, net of $1.1 million of compensation to be paid with respect to such Forward Sales, $1.7 million of dividends owed during the period the Forward Sales were outstanding, and $900,000 of other transaction related costs. To the extent, prior to settlement, shares sold under Forward Sales were potentially dilutive during the period under the treasury stock method, the impact of such dilution is disclosed in the calculation included in note 13. The Company did not issue any shares under the ATM Program during the tninehree months ended

September 30, 2023 March 31, 2024 and did not have any outstanding Forward Sales contracts for the sale of its common stock as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

On February 6, 2024, the Company retired all 2,536,583 shares of Treasury Stock outstanding. These treasury shares had an average cost basis of $57.44 per share.

11. REVENUE RECOGNITION

The Company categorizes its primary sources of revenue into revenue from contracts with customers and other revenue accounted for as leases under ASC 842 as follows:

- Rental property revenues consist of (1) contractual revenues from leases recognized on a straight-line basis over the term of the respective lease; (2) percentage rents recognized once a specified sales target is achieved; (3) parking revenues; (4) termination fees; and (5) the reimbursement of the tenants' share of real estate taxes, insurance, and other operating expenses. The Company's leases typically include renewal options and are classified and accounted for as operating leases. Rental property revenues are accounted for in accordance with the guidance set forth in ASC 842.
- Fee income consists of development fees, management fees, and leasing fees earned from unconsolidated joint ventures and from third parties. Fee income is accounted for in accordance with the guidance set forth in ASC 606.

For the three and nine months ended September 30, 2023 March 31, 2024, the Company recognized rental property revenues of $198.4 208.8 million, and $602.5 million, respectively of, of which $52.9 60.7 million and $174.3 million, respectively, represented variable rental revenue. For the three and nine months ended September 30, 2022 March 31, 2023, the Company recognized rental property revenues of $193.5 $200.1 million, and $559.9 million, respectively, of which $54.7 $59.1 million and $157.7 million, respectively, represented variable rental revenue.

For the three and nine months ended September 30, 2023 March 31, 2024, the Company recognized fee and other revenue of $419,000 and $3.4 million, respectively 423,000. For the three and nine months ended September 30, 2022 March 31, 2023, the Company recognized fee and other revenue of $1.7 million and $7.9 million, respectively. For the three and nine months ended September 30, 2022, fee and other revenue includes $1.0 million and $3.2 million, respectively, related to the Company's consulting and development contracts with Norfolk Southern Railway Company, as discussed in note 3 of the notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. For the three and nine months ended September 30, 2023, none of the fee and other revenue related to Norfolk Southern Railway Company. $2.7 million.

The Company had a lease with SVB Financial Group ("SVB Financial") at its Hayden Ferry property in Phoenix, Arizona. SVB Financial's primary subsidiary, Silicon Valley Bank ("SVB"), was placed in receivership by the Federal Deposit Insurance Corporation ("FDIC") on March 10, 2023; and on March 17, 2023, SVB Financial filed a voluntary petition for a court-supervised reorganization under Chapter 11 of the US Bankruptcy Code. On March 27, 2023, First Citizen's BancShares, Inc. ("FCB") announced it had purchased SVB Financial's subsidiary, SVB, the primary user of the leased space. In June 2023, the Bankruptcy court approved SVB Financial's request for an order rejecting the lease, with an effective date no later than September 30, 2023. In June 2023, the Company recorded a reduction of revenue of $1.6 million related to the write-down of net assets associated with this lease at the time that the collection of rents for the term of the lease no longer remained probable. During the three months ended September 30, 2023, the Company recognized $2.3 million of rental revenue on a cash basis related to base rent lease payments made through September 30, 2023, the effective date of the termination.

On August 8, 2023, WeWork Inc. ("WeWork"), disclosed in its Quarterly Report filed on Form 10-Q for the period ending June 30, 2023 that substantial doubt exists as to its ability to continue as a going concern. The Company, through wholly owned subsidiaries, is the landlord under leases totaling approximately 162,000 square feet with subsidiaries of WeWork at three of the Company's properties, two in the Atlanta market and one in the Charlotte market. These WeWork leases comprised $6.5 million of the Company's annual rental property revenue in the accompanying statements of operations for the nine months ended September 30, 2023. The Company also has a 20% interest in an unconsolidated joint venture that is the landlord under a lease for approximately 33,000 square feet with a subsidiary of WeWork at one property in the Atlanta market. The Company's income from unconsolidated joint ventures related to that lease is not significant. Currently, the Company does not expect any potential bankruptcy filing by WeWork to have a material impact on the Company's 2023 financial results. As of October 26, 2023, the Company has not received the October 2023 rent payments at two of the four properties, one wholly owned and the other unconsolidated, but has letter of credit enhancements that substantially support the Company's current balance sheet exposure and revenue for the remainder of 2023 for those two leases. For the other two properties, both wholly owned, the Company has received the October 2023 rent payments and

does not expect that these leases will be rejected during any bankruptcy proceedings. If the Company subsequently determines that lease rejection at these two properties is probable, the net balance sheet exposure and related revenue reduction would be $1.2 million (as of the date of this filing, which reflects the October 2023 payments). The timing of recognizing this $1.2 million is subject to when the respective lease rejections become probable as well as the date on which WeWork vacates its leased space at each respective property. The Company's total projected November and December 2023 WeWork revenue at these two properties is $902,000.

12. STOCK-BASED COMPENSATION

The Company currently has several types of employee stock-based compensation — restricted stock, restricted stock units ("RSUs"), and the Employee Stock Purchase Plan ("ESPP"). While the Company's plans also allow for the issuance of stock options, none had been exercised or were outstanding as of or during any of the periods presented. A portion of the Company's independent directors' compensation is also provided in the form of company stock.

The Company's compensation expense for the three and nine months ended September 30, 2023 March 31, 2024 relates to restricted stock, and stock-settled RSUs, awarded in 2023, 2022, 2021, and 2020, and the ESPP. Compensation expense for the three and nine months ended September 30, 2022 relates to restricted stock and RSUs awarded in 2022, 2021, 2020, and 2019, and the ESPP. Restricted stock the 2023 RSUs, 2022 RSUs, 2021 RSUs, and the 2020 stock-settled RSUs are equity-classified awards (settled in shares of the Company) for which compensation expense per share is fixed. The 2019 Cash-settled RSUs were are liability-classified awards (settled in cash) for which the expense fluctuated fluctuates from period to period dependent, in part, on the Company's stock price. Cash-settled RSUs were last awarded in 2019 and were fully expensed as of March 31, 2023. For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, stock-based compensation expense, net of forfeitures, was recorded as follows ($ in thousands):

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	2024
	2024
	2024
Equity-classified awards:	
Equity-classified awards:	
Equity-classified awards:	
Restricted stock	
Restricted stock	
Restricted stock	
Market-based RSUs	
Market-based RSUs	
Market-based RSUs	
Performance-based RSUs	
Performance-based RSUs	
Performance-based RSUs	
Director grants	
Director grants	
Director grants	
Employee Stock Purchase Plan	
Employee Stock Purchase Plan	
Employee Stock Purchase Plan	
Total equity-classified award expense, net of forfeitures	
Total equity-classified award expense, net of forfeitures	
Total equity-classified award expense, net of forfeitures	
Liability-classified awards	
Liability-classified awards	
Liability-classified awards	
Time-vested RSUs	
Time-vested RSUs	
Time-vested RSUs	

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Equity-classified awards:				
Restricted stock	$ 930	$ 779	$ 2,715	$ 2,348
Market-based RSUs	1,095	917	3,954	3,065
Performance-based RSUs	350	179	1,133	863
Director grants	408	385	1,193	1,086
Employee Stock Purchase Plan	34	39	104	133
Total equity-classified award expense, net of forfeitures	2,817	2,299	9,099	7,495
Total liability-classified award expense, net of forfeitures				
Liability-classified awards				
Time-vested RSUs	—	(116)	61	(136)
Dividend equivalent units	—	34	—	53

Total liability-classified award expense, net of forfeitures					
Total liability-classified award expense, net of forfeitures	Total liability-classified award expense, net of forfeitures	—	(82)	**61**	(83)
Total stock-based compensation expense, net of forfeitures	**Total stock-based compensation expense, net of forfeitures**	**$ 2,817**	$ 2,217	**$ 9,160**	$ 7,412
Total stock-based compensation expense, net of forfeitures					
Total stock-based compensation expense, net of forfeitures					

Information on the Company's stock compensation plan, including information on the Company's equity-classified and liability-classified awards is discussed in note 15 14 of the notes to condensed consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Grants of Equity-Classified Awards

Under the 2019 Plan, in February 2024, the Company granted three types of equity-classified awards to key employees: (1) RSUs based on the Total Stockholder Return ("TSR") of the Company, as defined in the award documents, relative to that of office peers included in the Nareit Office Index (the "Market-based RSUs"), (2) RSUs based on the ratio of cumulative funds from operations per share to targeted cumulative funds from operations per share (the “Performance-based RSUs”), and (3) restricted stock.

The RSU awards are equity-classified awards to be settled in common stock with issuance dependent upon the attainment of required service, market, and performance criteria. For the Market-based RSUs the Company expenses an estimate of the fair value of the awards on the grant date, calculated using a Monte Carlo valuation at grant date, ratably over the vesting period, adjusting only for forfeitures when they occur. The expense of these Market-based RSUs is not adjusted for the number of awards that actually vest. For the Performance-based RSUs, the Company expenses the awards over the vesting period using the fair market value of the Company's stock on the grant date. The expense is recognized ratably over the vesting period and adjusted each quarter based on the number of shares expected to vest and for forfeitures when they occur. The performance period for the Performance-based RSUs and TSR measurement period for the Market-based RSUs awarded is three years starting on January 1 of the year of issuance and ending on December 31. The ultimate settlement of these awards can range from zero percent to 200% of the targeted number of units depending on the achievement of the market and performance metrics described above.

The restricted stock vests ratably over three years from the grant date. The Company records restricted stock in common stock and additional paid-in capital at fair value on the grant date, with the offsetting deferred compensation also recorded in additional paid-in capital. The Company records compensation expense over the vesting period.

The following table summarizes the grants of equity-classified awards made by the Company in the first quarter of 2024 and 2023:

	Shares and Targeted Units Granted in	
	2024	**2023**
Market-based RSUs	205,129	164,430
Performance-based RSUs	87,912	70,472
Restricted stock	203,158	164,221

The Monte Carlo valuation used to determine the grant date fair value of the equity-classified Market-based RSUs included the following assumptions for those RSUs granted in the first quarter of 2024 and 2023:

		Assumptions for RSUs Granted in	
		2024	**2023**
Volatility	(1)	30.5 %	40.5 %
Risk-free rate	(2)	4.43 %	4.35 %
Stock beta	(3)	0.96 %	1.03 %

(1) Based on historical volatility over three years using daily stock price.
(2) Reflects the yield on three-year Treasury bonds.
(3) Betas are calculated with up to three years of daily stock price data.

13. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 ($ in thousands, except per share amounts):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2023	2022	2023	2022
Earnings per common share - basic:	**Earnings per common share - basic:**				
Earnings per common share - basic:					
Earnings per common share - basic:					
Numerator:					
Numerator:					
Numerator:	**Numerator:**				
Net income	Net income	**$ 19,491**	$ 80,769	**$ 64,924**	$ 143,096
Net income					
Net income					
Net income attributable to noncontrolling interests in CPLP from continuing operations					
Net income attributable to noncontrolling interests in CPLP from continuing operations					
Net income attributable to noncontrolling interests in CPLP from continuing operations	Net income attributable to noncontrolling interests in CPLP from continuing operations	**(4)**	(26)	**(11)**	(38)
Net income attributable to other noncontrolling interests	Net income attributable to other noncontrolling interests	**(126)**	(104)	**(735)**	(383)
Net income attributable to other noncontrolling interests					
Net income attributable to other noncontrolling interests					
Net income available to common stockholders					
Net income available to common stockholders					
Net income available to common stockholders	Net income available to common stockholders	**$ 19,361**	$ 80,639	**$ 64,178**	$ 142,675
Denominator:	**Denominator:**				
Denominator:					
Denominator:					
Weighted average common shares - basic					

Weighted average common shares - basic					
Weighted average common shares - basic	**Weighted average common shares - basic**	**151,774**	151,435	**151,692**	149,670
Net income per common share - basic	**Net income per common share - basic**	**$ 0.13**	$ 0.53	**$ 0.42**	$ 0.95
Net income per common share - basic					
Net income per common share - basic					
Earnings per common share - diluted:					
Earnings per common share - diluted:					
Earnings per common share - diluted:	**Earnings per common share - diluted:**				
Numerator:	**Numerator:**				
Numerator:					
Numerator:					
Net income					
Net income					
Net income	Net income	**$ 19,491**	$ 80,769	**$ 64,924**	$ 143,096
Net income attributable to other noncontrolling interests	Net income attributable to other noncontrolling interests	**(126)**	(104)	**(735)**	(383)
Net income attributable to other noncontrolling interests					
Net income attributable to other noncontrolling interests					
Net income available for common stockholders before allocation of net income attributable to noncontrolling interests in CPLP					
Net income available for common stockholders before allocation of net income attributable to noncontrolling interests in CPLP					
Net income available for common stockholders before allocation of net income attributable to noncontrolling interests in CPLP	Net income available for common stockholders before allocation of net income attributable to noncontrolling interests in CPLP	**$ 19,365**	$ 80,665	**$ 64,189**	$ 142,713
Denominator:	**Denominator:**				
Denominator:					
Denominator:					

Weighted average common shares - basic	Weighted average common shares - basic	**151,774**	151,435	**151,692**	149,670
Weighted average common shares - basic					
Weighted average common shares - basic					
Add:					
Add:					
Add:	Add:				
Potential dilutive common shares - restricted stock units, less shares assumed purchased at market price	Potential dilutive common shares - restricted stock units, less shares assumed purchased at market price	**249**	235	**301**	251
Potential dilutive common shares - restricted stock units, less shares assumed purchased at market price					
Potential dilutive common shares - restricted stock units, less shares assumed purchased at market price					
Weighted average units of CPLP convertible into common shares	Weighted average units of CPLP convertible into common shares	**25**	25	**25**	25
Weighted average units of CPLP convertible into common shares					
Weighted average units of CPLP convertible into common shares					
Weighted average common shares - diluted					
Weighted average common shares - diluted					
Weighted average common shares - diluted	**Weighted average common shares - diluted**	**152,048**	151,695	**152,018**	149,946
Net income per common share - diluted	**Net income per common share - diluted**	**$ 0.13**	$ 0.53	**$ 0.42**	$ 0.95
Net income per common share - diluted					
Net income per common share - diluted					

The treasury stock method resulted in no dilution from shares expected to be issued under the ESPP or forward contracts for the future sales of common stock under the Company's ATM Program during the respective periods presented.

14. CONSOLIDATED STATEMENTS OF CASH FLOWS - SUPPLEMENTAL INFORMATION

Supplemental information related to the cash flows, including significant non-cash activity affecting the condensed consolidated statements of cash flows, for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows ($ in thousands):

	2023	**2022**
2024	**2024**	**2023**

Interest paid, net of amounts capitalized	Interest paid, net of amounts capitalized	**$ 84,205**	$ 58,865
Income taxes paid	Income taxes paid	**—**	—
Non-Cash Activity:	Non-Cash Activity:		
Retirement of treasury stock			
Retirement of treasury stock			
Retirement of treasury stock			
Tenant improvements funded by tenants			
Common stock dividends declared and accrued	Common stock dividends declared and accrued	**49,296**	48,459
Accrued capital expenditures included in accounts payable and accrued expenses	Accrued capital expenditures included in accounts payable and accrued expenses	**81,707**	93,528
Tenant improvements funded by tenants		**48,120**	56,727

15. REPORTABLE SEGMENTS

The Company's segments are based on the method of internal reporting, which classifies operations by property type and geographical region. The segments by property type are Office and Non-Office. The segments by geographical region are Atlanta, Austin, Charlotte, Dallas, Phoenix, Tampa, and other markets. Included in other markets are properties located in Chapel Hill (sold in September 2022), Houston and Nashville. Included in Non-Office are retail and apartments in Chapel Hill (sold in September 2022) and Atlanta, as well as the College Street Garage in Charlotte. These reportable segments represent an aggregation of operating segments reported to the Chief Operating Decision Maker based on similar economic characteristics that include the type of property and the geographical location. Each segment includes both consolidated operations and the Company's share of joint venture operations.

On November 27, 2023 the Financial Accounting Standards Board issued Accounting Standards Update 2023-07 "ASU 2023-07", "Segment Reporting" which amends the existing standard's disclosure requirements. Among other things, ASU 2023-07 will require companies to disclose significant segment expenses by reportable segment if they are regularly provided to the Chief Operating Decision Maker ("CODM") and disclosures of the CODM's title and position as well as details of how the CODM uses the reported measures. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023 and for interim periods beginning after December 15, 2024. The adoption of ASU 2023-07 will not have any material impact on the Company's financial statements.

Company management evaluates the performance of its reportable segments based in part on net operating income (“NOI”). NOI represents rental property revenues, less termination fees, less rental property operating expenses. NOI is not a measure of cash flows or operating results as measured by GAAP, is not indicative of cash available to fund cash needs, and should not be considered an alternative to cash flows as a measure of liquidity. All companies may not calculate NOI in the same manner. The Company considers NOI to be an appropriate supplemental measure to net income as it helps both management and investors understand the core operations of the Company's operating assets. NOI excludes fee income, termination fee income, other income, corporate general and administrative expenses, interest expense, depreciation and amortization, reimbursed expenses, other expenses, impairments, gains/losses on sales of real estate, gains/losses on extinguishment of debt, transaction costs, and other non-operating items.

Segment net income, amount of capital expenditures, and total assets are not presented in the following tables because management does not utilize these measures when analyzing its segments or when making resource allocation decisions. Information on the Company's segments along with a reconciliation of NOI to net income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows ($ in thousands):

Three Months Ended September 30, 2023	**Office**	**Non-Office**	**Total**
Three Months Ended March 31, 2024			
Three Months Ended March 31, 2024	**Office**	**Non-Office**	**Total**
Revenues:	Revenues:		

Atlanta

Atlanta

Atlanta	Atlanta	$ 75,857	$ 479	$ 76,336
Austin	Austin	62,250	—	62,250
Charlotte	Charlotte	14,338	1,711	16,049
Dallas	Dallas	4,280	—	4,280
Phoenix	Phoenix	16,339	—	16,339
Tampa	Tampa	18,797	—	18,797
Other markets	Other markets	6,669	—	6,669
Total segment revenues	**Total segment revenues**	198,530	2,190	200,720
Less: Company's share of rental property revenues from unconsolidated joint ventures	Less: Company's share of rental property revenues from unconsolidated joint ventures	(1,812)	(479)	(2,291)
Total rental property revenues	**Total rental property revenues**	$196,718	$1,711	$198,429

Three Months Ended September 30, 2022	Office	Non-Office	Total
Revenues:			
Atlanta	$ 70,708	$ 461	$ 71,169
Austin	64,522	—	64,522
Charlotte	14,343	1,316	15,659
Dallas	4,240	—	4,240
Phoenix	15,135	—	15,135
Tampa	18,229	—	18,229
Other markets	7,476	1,419	8,895
Total segment revenues	194,653	3,196	197,849
Less: Company's share of rental property revenues from unconsolidated joint ventures	(2,514)	(1,880)	(4,394)
Total rental property revenues	$ 192,139	$ 1,316	$ 193,455

Nine Months Ended September 30, 2023	Office	Non-Office	Total
Revenues:			
Atlanta	$ 221,149	$ 1,405	$ 222,554
Austin	198,294	—	198,294
Charlotte	43,831	5,253	49,084
Dallas	12,692	—	12,692
Phoenix	50,142	—	50,142
Tampa	56,286	—	56,286
Other markets	20,027	—	20,027
Total segment revenues	602,421	6,658	609,079
Less: Company's share of rental property revenues from unconsolidated joint ventures	(5,215)	(1,405)	(6,620)
Total rental property revenues	$ 597,206	$ 5,253	$ 602,459

Nine Months Ended September 30, 2022		Office	Non-Office	Total
Three Months Ended March 31, 2023	Three Months Ended March 31, 2023	Office	Non-Office	Total
Revenues:	Revenues:			
Atlanta				
Atlanta				
Atlanta	Atlanta	$207,582	$1,323	$208,905
Austin	Austin	184,800	—	184,800
Charlotte	Charlotte	41,776	3,604	45,380
Dallas	Dallas	12,568	—	12,568
Phoenix	Phoenix	42,098	—	42,098
Tampa	Tampa	52,369	—	52,369
Other markets	Other markets	22,423	3,957	26,380
Total segment revenues	**Total segment revenues**	563,616	8,884	572,500
Less: Company's share of rental property revenues from unconsolidated joint ventures	Less: Company's share of rental property revenues from unconsolidated joint ventures	(7,364)	(5,280)	(12,644)
Total rental property revenues	**Total rental property revenues**	$556,252	$3,604	$559,856

NOI by reportable segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows ($ in thousands):

Three Months Ended September 30, 2023		Office	Non-Office	Total
Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Office	Non-Office	Total
Net Operating Income:	Net Operating Income:			
Atlanta				
Atlanta				
Atlanta	Atlanta	$ 48,806	$ 316	$ 49,122
Austin	Austin	43,376	—	43,376
Charlotte	Charlotte	10,947	1,150	12,097
Dallas	Dallas	3,235	—	3,235
Phoenix	Phoenix	11,950	—	11,950
Tampa	Tampa	11,444	—	11,444
Other markets	Other markets	3,660	—	3,660
Total Net Operating Income	**Total Net Operating Income**	$133,418	$1,466	$134,884

Three Months Ended September 30, 2022	Office		Non-Office		Total	
Net Operating Income:						
Atlanta	$	46,678	$	280	$	46,958
Austin		39,564		—		39,564
Charlotte		10,587		935		11,522
Dallas		3,197		—		3,197
Phoenix		11,145		—		11,145
Tampa		11,254		—		11,254
Other markets		4,879		881		5,760
Total Net Operating Income	$	127,304	$	2,096	$	129,400

Nine Months Ended September 30, 2023	Office		Non-Office		Total	
Net Operating Income:						
Atlanta	$	144,564	$	870	$	145,434
Austin		126,179		—		126,179
Charlotte		32,473		3,475		35,948
Dallas		9,678		—		9,678
Phoenix		33,973		—		33,973
Tampa		34,816		—		34,816
Other markets		10,836		—		10,836
Total Net Operating Income	$	392,519	$	4,345	$	396,864

Nine Months Ended September 30, 2022	Office		Non-Office		Total	
Net Operating Income:						
Atlanta	$	137,357	$	765	$	138,122
Austin		112,496		—		112,496
Charlotte		30,845		2,549		33,394
Dallas		9,696		—		9,696
Phoenix		29,988		—		29,988
Tampa		32,588		—		32,588
Other markets		13,319		2,455		15,774
Total Net Operating Income	$	366,289	$	5,769	$	372,058

Three Months Ended March 31, 2023	Office		Non-Office		Total	
Net Operating Income:						
Atlanta	$	47,389	$	270	$	47,659
Austin		40,273		—		40,273
Charlotte		10,762		1,162		11,924
Dallas		3,225		—		3,225
Phoenix		11,773		—		11,773
Tampa		11,711		—		11,711
Other markets		3,571		—		3,571
Total Net Operating Income	$	128,704	$	1,432	$	130,136

The following reconciles Net Operating Income from net income for each of the periods presented ($ in thousands):

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Net Income	**Net Income**	**$ 19,491**	$ 80,769	**$ 64,924**	$ 143,096
Net Income					
Net Income					
Fee income					
Fee income					
Fee income	Fee income	**(318)**	(1,677)	**(1,044)**	(5,370)
Termination fee income	Termination fee income	**(271)**	(242)	**(6,977)**	(2,153)
Termination fee income					
Termination fee income					
Other income					
Other income					
Other income	Other income	**(101)**	(38)	**(2,393)**	(2,522)
General and administrative expenses	General and administrative expenses	**8,336**	6,498	**24,795**	21,557
General and administrative expenses					
General and administrative expenses					
Interest expense					
Interest expense					
Interest expense	Interest expense	**27,008**	18,380	**78,010**	50,454
Depreciation and amortization	Depreciation and amortization	**79,492**	79,116	**235,531**	219,721
Depreciation and amortization					
Depreciation and amortization					
Reimbursed expenses					
Reimbursed expenses					
Reimbursed expenses	Reimbursed expenses	**149**	418	**515**	1,455
Other expenses	Other expenses	**623**	231	**1,484**	877
Other expenses					
Other expenses					
Income from unconsolidated joint ventures					
Income from unconsolidated joint ventures					
Income from unconsolidated joint ventures	Income from unconsolidated joint ventures	**(582)**	(634)	**(2,008)**	(7,038)
Net operating income from unconsolidated joint ventures	Net operating income from unconsolidated joint ventures	**1,564**	2,819	**4,532**	8,080
Gain on sales of investments in unconsolidated joint ventures		**—**	(56,260)	**—**	(56,260)
Loss (gain) on investment property transactions		**(507)**	20	**(505)**	61
Loss on extinguishment of debt		**—**	—	**—**	100

Net operating income from unconsolidated joint ventures					
Net operating income from unconsolidated joint ventures					
Loss on investment property transactions					
Loss on investment property transactions					
Loss on investment property transactions					
Net Operating Income	**Net Operating Income**	**$ 134,884**	$ 129,400	**$ 396,864**	$ 372,058
Net Operating Income					
Net Operating Income					

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview of 2023 2024 Performance and Company and Industry Trends

Cousins Properties Incorporated ("Cousins") (and collectively, with its subsidiaries, the "Company," "we," "our," or "us") is a publicly traded (NYSE: CUZ), self-administered, and self-managed real estate investment trust, or REIT. Cousins conducts substantially all of its business through Cousins Properties LP ("CPLP"). Cousins owns in excess of 99% of CPLP and consolidates CPLP. CPLP owns Cousins TRS Services LLC, a taxable entity that owns and manages its own real estate portfolio and performs certain real estate related services for other parties. Our strategy is to create value for our stockholders through ownership of the premier urban office portfolio in the Sun Belt markets, with a particular focus on Atlanta, Austin, Phoenix, Tampa, Charlotte, Dallas, and Nashville. This strategy is based on a disciplined approach to capital allocation that includes opportunistic acquisitions, selective developments, and timely dispositions of non-core assets with a goal of maintaining a portfolio of newer and more efficient properties with lower capital expenditure requirements. This strategy is also based on a simple, flexible, and low-leveraged balance sheet that allows us to pursue compelling growth opportunities at the most advantageous points in the cycle. To implement this strategy, we leverage our strong local operating platforms within each of our major markets.

During the first quarter of 2024, we leased or renewed 548,000 404,000 square feet of office space. space, including 286,000 of new and expansion leases representing 71% of the total leasing activity. Straight-line basis net rent per square foot increased 28.7% 20.1% for those office spaces that were under lease within the past year. Same property net operating income (defined below) for consolidated properties and our share of unconsolidated properties increased 4.1% 6.6% between the three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

For Even amidst economic headwinds, we believe the nine months ended September 30, 2023, Sun Belt, and in particular the seven Sun Belt markets in which we leased or renewed 1.2 million square feet of office space, including 691,000 (56%) of new and expansion leases. Straight-line basis net rent per square foot increased 24.8% for those office spaces that were under lease within the past year. Same property net operating income (defined below) for consolidated properties and our share of unconsolidated properties increased 5.3% between the nine months ended September 30, 2023 and 2022.

As noted above, we operate, will continue to execute new, renewal, outperform the broader office sector evidenced by a clear bifurcation between Sun Belt and expansion leases with net rent increases during this current period of several socio-economic challenges. While policies and practices of employers regarding hybrid work arrangements continue Gateway market fundamentals. In addition, as the flight to evolve, quality trend accelerates among office users, we believe our customers will prioritize a culture that fosters collaboration, innovation, trophy portfolio is well positioned to benefit from, and productivity, and that our customers will, accordingly, expect their employees to be present ultimately outperform in, person on a more consistent basis within our high-quality and well-amenitized properties. We have seen an increase in physical occupancy in 2023, which has driven an increase in parking revenue and certain operating expenses. Although difficult to estimate, we expect this gradual increase will continue. Factors that could cause actual results to differ materially from our the current expectations are set forth under "Disclosure Regarding Forward Looking Statements." real estate environment.

Results of Operations For The Three and Nine Months Ended September 30, 2023 March 31, 2024

General

Net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 was $19.4 million and $64.2 million, respectively. $13.3 million. For the three and nine months ended September 30, 2022 March 31, 2023, the net income available to common stockholders was $80.6 million and $142.7 million, respectively. $22.2 million. We detail below material changes in the components of net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 compared to 2022. 2023.

Rental Property Revenue, Rental Property Operating Expenses, and Net Operating Income

The following results include the performance of our Same Property portfolio. Our Same Property portfolio includes office properties that were stabilized and owned by us for the entirety of each comparable reporting period presented. A project is stabilized when it is substantially complete and held for occupancy, which is the earlier of (1) the date on which the project achieves 90% economic occupancy or (2) one year from cessation of major construction activity on the core building development or redevelopment. Same Property amounts for the 2023 2024 versus 2022 2023 comparison are from properties that were stabilized and owned as of January 1, 2022 January 1, 2023 through September 30, 2023 March 31, 2024.

We use Net Operating Income

Company management evaluates the performance of its property portfolio, in part, based on Net Operating Income ("NOI"), a non-GAAP financial measure, to assess the operating performance of our properties. . NOI is also widely used by industry analysts and investors to evaluate performance. NOI, which is represents rental property revenues, (excluding less termination fees) fees, less rental property operating expenses, excludes certain components from expenses. NOI is not a measure of cash flows or operating results as measured by GAAP, is not indicative of cash available to fund cash needs, and should not be considered an alternative to cash flows as a measure of liquidity. All companies may not calculate NOI in the same manner. We consider NOI to be an appropriate supplemental measure to net income in order to provide results that are more closely related to a property's results as it helps both management and investors understand the core operations of operations. Certain items, such as our operating assets. NOI excludes corporate general and administrative expenses, interest expense, while included in net income, do not affect the operating performance depreciation and amortization, impairments, gains/losses on sales of a real estate, asset and are often incurred at the corporate level as opposed to the property level. other non-operating items. As a result, we use only those income and expense items that are incurred at the property level to evaluate a property's performance. Depreciation, amortization, as well as gains or losses on sales of depreciated investment assets and impairment are also excluded from NOI. Same Property NOI allows analysts, investors, and management to analyze continuing operations and evaluate the growth trend of our portfolio.

The following table reconciles NOI for consolidated properties from net income for each of the periods presented ($ in thousands):

	Three Months Ended March 31,	
	2024	**2023**
Net Income	**$ 13,451**	$ 22,356
Fee income	**(379)**	(374)
Termination fee income	**(470)**	(136)
Other income	**(44)**	(2,278)
General and administrative expenses	**9,214**	8,438
Interest expense	**28,908**	25,030
Depreciation and amortization	**86,230**	75,770
Reimbursed expenses	**140**	207
Other expenses	**672**	385
Income from unconsolidated joint ventures	**(348)**	(673)
Loss (gain) on investment property transactions	**(101)**	2
Net Operating Income	**$ 137,273**	$ 128,727

Consolidated rental property revenues, rental property operating expenses, and NOI changed between the 2023 2024 and 2022 2023 periods as follows ($ in thousands):

		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**
			Three Months Ended March 31,						
			Three Months Ended March 31,						
			Three Months Ended March 31,						
		2024							
		2024							
		2024							
Rental Property Revenues									
Rental Property Revenues									
Rental Property Revenues	**Rental Property Revenues**								
Same Property	Same Property	**$ 184,478**	$ 183,551	$ 927	0.5 %	**$ 558,515**	$ 535,152	$ 23,363	4.4 %
Same Property									
Same Property									
Non-Same Property	Non-Same Property	**13,680**	9,662	4,018	41.6 %	**36,967**	22,551	14,416	63.9 %
Non-Same Property									
Non-Same Property									
		208,348							
		208,348							
		208,348							
		198,158	193,213	4,945	2.6 %	**595,482**	557,703	37,779	6.8 %

Termination Fee Income									
Termination Fee Income									
Termination Fee Income	Termination Fee Income	**271**	242	29		**6,977**	2,153	4,824	
Total Rental Property Revenues	**Total Rental Property Revenues**	**$ 198,429**	$ 193,455	$ 4,974		**$ 602,459**	$ 559,856	$ 42,603	
Total Rental Property Revenues									
Total Rental Property Revenues									
Rental Property Operating Expenses									
Rental Property Operating Expenses									
Rental Property Operating Expenses	**Rental Property Operating Expenses**								
Same Property	Same Property	**$ 61,153**	$ 65,051	$ (3,898)	(6.0) %	**$ 193,194**	$ 188,260	$ 4,934	2.6 %
Same Property									
Same Property									
Non-Same Property									
Non-Same Property									
Non-Same Property	Non-Same Property	**3,685**	1,581	2,104	133.1 %	**9,956**	5,465	4,491	82.2 %
Total Rental Property Operating Expenses	**Total Rental Property Operating Expenses**	**$ 64,838**	$ 66,632	$ (1,794)	(2.7) %	**$ 203,150**	$ 193,725	$ 9,425	4.9 %
Total Rental Property Operating Expenses									
Total Rental Property Operating Expenses									
Net Operating Income									
Net Operating Income									
Net Operating Income	**Net Operating Income**								
Same Property NOI	Same Property NOI	**$ 123,325**	$ 118,500	$ 4,825	4.1 %	**$ 365,321**	$ 346,892	$ 18,429	5.3 %
Same Property NOI									
Same Property NOI									
Non-Same Property NOI									
Non-Same Property NOI									
Non-Same Property NOI	Non-Same Property NOI	**9,995**	8,081	1,914	23.7 %	**27,011**	17,086	9,925	58.1 %
Total NOI	**Total NOI**	**$ 133,320**	$ 126,581	$ 6,739	5.3 %	**$ 392,332**	$ 363,978	$ 28,354	7.8 %
Total NOI									
Total NOI									

Same Property NOI represents Net Operating Income for those office properties that were stabilized and owned by the Company for the entirety of all comparable reporting periods presented. Same Property NOI allows analysts, investors, and management to analyze continuing operations and evaluate the growth trend of the Company's portfolio.

Same Property Rental Property Revenues increased for the nine three months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year primarily due to an increase in economic occupancy at our Domain 300 Colorado, BriarLake Plaza, and Buckhead Plaza San Jacinto Center office properties and related increases in revenues recognized from tenant funded improvements owned by us. Our tenants are increasingly funding capital improvements at In addition, parking revenue from our buildings Same Property portfolio increased compared to the same period in excess of their tenant improvement allowances as they look to highly amenitized and creative office spaces to attract employees back into the office. prior year.

Same Property Operating Expenses decreased for the three months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year primarily due to decreases in real estate tax expense. This decrease in real estate tax expense also results in a related decrease in recoveries from tenants included Same Property revenues for the three months ended September 30, 2023.

Non-Same Property Rental Property Revenues operating expenses, and NOI increased for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year primarily due to the commencement of operations at our 100 Mill Domain 9 building in the first quarter of 2024

and Heights Union increased economic occupancy at our Promenade Central operating properties as they reached stabilization in 2022 and commencement of operations following property. This increase is partially offset by a full building redevelopment project at Promenade Central in November 2022. These increases are partially offset by a decrease in revenues related to the write-down of net assets associated with SVB Financial Group's ("SVB Financial") bankruptcy and the impact of the rejection in bankruptcy of SVB Financial's lease at our Hayden Ferry 1 building. For more information related to this write-down, see note 11 of the notes to condensed consolidated financial statements. Hayden Ferry 1 was moved to Non-Same Property during the three months ended June 30, 2023, due to the lack of comparability driven by the financial disruption related to SVB lease rejection and our plans to remove the property from operations building, which began in the fourth quarter of 2023 for redevelopment. 2023.

Termination Fee income increased for the nine months ended September 30, 2023 compared to the same period in the prior year and is recorded based on the timing of termination notices or negotiated agreements and expected move outs. The increase in termination fee income is driven by an increase in negotiated early terminations that were largely contemporaneous with the timing of leases executed with replacement tenants for the same leased space.

Fee Income

Fee income decreased $1.4 million, or 81.0%, and $4.3 million, or 80.6%, for the three and nine months ended September 30, 2023 compared to the same period in the prior year. The decrease is primarily due to the completion of the Norfolk Southern transactions during the third quarter of 2022. For more information related to the Norfolk Southern transactions, see note 3 of the notes to consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

Interest Expense

Interest expense, net of amounts capitalized, increased $8.6 million $3.9 million, or 46.9%, and $27.6 million, or 54.6% 15.5%, for the three and nine months ended September 30, 2023 March 31, 2024, compared to the same period in the prior year. This increase is primarily due to decreases in capitalized interest as we finished construction on the issuance core building and began operations at our Domain 9 building in the first quarter of 2024. In addition to the 2022 Term Loan decreases in October of 2022, refinancing of the mortgage loans on our Terminus operating properties in December 2022, capitalized interest, increases in the variable interest rates on other variable rate debt, and an contributed to the increase in average outstanding balance interest expense on our line of credit. These increases were partially offset by the repayment of our mortgage loans at Promenade Tower and Legacy Union One in October 2022.

floating rate debt.

Depreciation and Amortization

Depreciation and amortization changed between the 2023 2024 and 2022 2023 periods as follows ($ in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
	2024							
	2024							
	2024							
Depreciation and Amortization								
Depreciation and Amortization								
Depreciation and Amortization / Depreciation and Amortization								
Same Property / Same Property	$ 72,364	$ 75,207	$ (2,843)	(3.8) %	$ 214,623	$ 210,012	$ 4,611	2.2 %
Same Property								
Same Property								
Non-Same Property								
Non-Same Property								

Non-Same Property	Non-Same Property	**7,015**	3,771	3,244	86.0 %	**20,576**	9,258	11,318	122.3 %
Non-Real Estate Assets	Non-Real Estate Assets	**113**	138	(25)	(18.1) %	**332**	451	(119)	(26.4) %
Non-Real Estate Assets									
Non-Real Estate Assets									
Total Depreciation and Amortization	**Total Depreciation and Amortization**	**$ 79,492**	$ 79,116	$ 376	0.5 %	**$ 235,531**	$ 219,721	$ 15,810	7.2 %
Total Depreciation and Amortization									
Total Depreciation and Amortization									

Same Property depreciation and amortization decreased increased for the three months ended September 30, 2023 and increased for the nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in the prior year primarily due to an increase of assets in service during the timing of accelerated depreciation related to shortening of current period, primarily from tenant improvements, as well as a change in the estimated useful lives life of lease related assets, including tenant improvements, resulting from early termination a building at one of leases. our operating properties.

Non-Same Property depreciation and amortization increased for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year. The increase is year primarily due to increased depreciation the completion of development and commencement of operations at our 100 Mill and Heights Union operating properties as they reached stabilization in 2022, and at Promenade Central following a full building redevelopment project completed in November 2022. Domain 9 building.

Income and Net Operating Income from Unconsolidated Joint Ventures

Income from unconsolidated joint ventures consisted of the Company's share of the following ($ in thousands):

		Three Months Ended March 31,
		Three Months Ended March 31,
		Three Months Ended March 31,
	2024	
	2024	
	2024	
Income from unconsolidated joint ventures		
Income from unconsolidated joint ventures		
Income from unconsolidated joint ventures		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		

		Three Months Ended September 30,				**Nine Months Ended September 30,**			
Interest expense									
		2023	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**
Income from unconsolidated joint ventures		**$ 582**	$ 634	$ (52)	(8.2) %	**$ 2,008**	$ 7,038	$ (5,030)	(71.5) %
Depreciation and amortization		**485**	1,189	(704)	(59.2) %	**1,440**	3,424	(1,984)	(57.9) %
Gain on sale of depreciated investment property		**—**	—	—	— %	**—**	(84)	84	(100.0) %
Loss (gain) on sale of undepreciated property		**—**	22	(22)	(100.0) %	**—**	(4,478)	4,478	(100.0) %
Interest expense	Interest expense	**508**	1,010	(502)	(49.7) %	**1,150**	2,316	(1,166)	(50.3) %
Interest expense									
Other expense									
Other expense									
Other expense	Other expense	**24**	19	5	26.3 %	**44**	46	(2)	(4.3) %
Other income	Other income	**(35)**	(55)	20	(36.4) %	**(110)**	(182)	72	(39.6) %
Other income									
Other income									

Net operating income from unconsolidated joint ventures									
Net operating income from unconsolidated joint ventures									
Net operating income from unconsolidated joint ventures	**Net operating income from unconsolidated joint ventures**	**$ 1,564**	$ 2,819	$ (1,255)	(44.5) %	**$ 4,532**	$ 8,080	$ (3,548)	(43.9) %
Net operating income:	Net operating income:								
Net operating income:									
Net operating income:									
Same Property									
Same Property									
Same Property	Same Property	**1,235**	1,197	38	3.2 %	**3,601**	3,588	13	0.4 %
Non-Same Property	Non-Same Property	**329**	1,622	(1,293)	(79.7) %	**931**	4,492	(3,561)	(79.3) %
Non-Same Property									
Non-Same Property									
Net operating income from unconsolidated joint ventures	**Net operating income from unconsolidated joint ventures**	**$ 1,564**	$ 2,819	$ (1,255)	(44.5) %	**$ 4,532**	$ 8,080	$ (3,548)	(43.9) %
Net operating income from unconsolidated joint ventures									
Net operating income from unconsolidated joint ventures									

Income from unconsolidated joint ventures decreased and interest from unconsolidated debt increased for the three and nine months ended September 30, 2023 March 31, 2024 primarily due to an increase in interest expense driven by the gain on sale June 2023 refinancing of land parcel a mortgage by a our Crawford Long joint venture in 2022 and due to a decrease in income and decrease in depreciation and amortization as a result of the sale of our interest in the Carolina Square joint venture in September 2022. venture.

Non-Same Property NOI from unconsolidated joint ventures decreased for the three and nine months ended September 30, 2023 primarily due to the sale of our interest in the Carolina Square joint venture in September 2022.

Gain on Sales of Investments in Unconsolidated Joint Ventures and Investment Properties

In September 2022, we sold our 50% joint venture interest in Carolina Square Holdings LP ("Carolina Square") for a gross sales price of $105.0 million and recognized a gain of $56.3 million on the sale.

Funds From Operations

The table below shows Funds from Operations (“FFO”) and the related reconciliation from net income available to common stockholders. We calculate FFO in accordance with the Nareit definition, which is net income available to common stockholders (computed in accordance with GAAP), excluding extraordinary items, cumulative effect of change in accounting principle, and gains

on sale or impairment losses on depreciable property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

FFO is used by industry analysts and investors as a supplemental measure of a REIT’s operating performance. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, Nareit created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from GAAP net income. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial, improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Company management evaluates operating performance, in part, based on FFO. Additionally, we use FFO, along with other measures, to assess performance in connection with evaluating and granting incentive compensation to our officers and other key employees.

The reconciliation of net income to FFO is as follows for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 ($ in thousands, except per share information):

		Three Months Ended September 30,					
		2023			2022		
		Dollars	Weighted Average Common Shares	Per Share Amount	Dollars	Weighted Average Common Shares	Per Share Amount
		2024					
		2024					
		2024					
		Dollars					
		Dollars					
		Dollars					
Net Income Available to Common Stockholders	**Net Income Available to Common Stockholders**	**$ 19,361**	**151,774**	**$ 0.13**	$ 80,639	151,435	$ 0.53
Net Income Available to Common Stockholders							
Net Income Available to Common Stockholders							
Noncontrolling interest related to unitholders							
Noncontrolling interest related to unitholders							
Noncontrolling interest related to unitholders	Noncontrolling interest related to unitholders	**4**	**25**	**—**	26	25	—
Conversion of unvested restricted stock units	Conversion of unvested restricted stock units	**—**	**249**	**—**	—	235	—
Conversion of unvested restricted stock units							
Conversion of unvested restricted stock units							
Net Income — Diluted							
Net Income — Diluted							
Net Income — Diluted	**Net Income — Diluted**	**19,365**	**152,048**	**0.13**	80,665	151,695	0.53
Depreciation and amortization of real estate assets:	Depreciation and amortization of real estate assets:						
Depreciation and amortization of real estate assets:							
Depreciation and amortization of real estate assets:							
Consolidated properties							
Consolidated properties							
Consolidated properties	Consolidated properties	**79,379**	**—**	**0.52**	78,978	—	0.52

Share of unconsolidated joint ventures	Share of unconsolidated joint ventures	**485**	**—**	**—**	1,189	—	0.01

Share of unconsolidated joint ventures

Share of unconsolidated joint ventures

Partners' share of real estate depreciation

Partners' share of real estate depreciation

Partners' share of real estate depreciation	Partners' share of real estate depreciation	**(257)**	**—**	**—**	(182)	—	—
Loss (gain) on sale of depreciated properties:	Loss (gain) on sale of depreciated properties:						

Loss (gain) on sale of depreciated properties:

Loss (gain) on sale of depreciated properties:

Consolidated properties

Consolidated properties

Consolidated properties	Consolidated properties	**—**	**—**	**—**	20	—	—
Investments in unconsolidated joint ventures		**—**	**—**	**—**	(56,260)	—	(0.37)
Funds From Operations	**Funds From Operations**	**$ 98,972**	**152,048**	**$ 0.65**	$ 104,410	151,695	$ 0.69

Funds From Operations

Funds From Operations

	Nine Months Ended September 30,					
	2023			2022		
	Dollars	Weighted Average Common Shares	Per Share Amount	Dollars	Weighted Average Common Shares	Per Share Amount
Net Income Available to Common Stockholders	**$ 64,178**	**151,692**	**$ 0.42**	$ 142,675	149,670	$ 0.95
Noncontrolling interest related to unitholders	**11**	**25**	**—**	38	25	—
Conversion of unvested restricted stock units	**—**	**301**	**—**	—	251	—
Net Income — Diluted	**64,189**	**152,018**	**0.42**	142,713	149,946	0.95
Depreciation and amortization of real estate assets:						
Consolidated properties	**235,199**	**—**	**1.55**	219,270	—	1.46
Share of unconsolidated joint ventures	**1,440**	**—**	**—**	3,424	—	0.02
Partners' share of real estate depreciation	**(813)**	**—**	**—**	(558)	—	—
Loss (gain) on sale of depreciated properties:						
Consolidated properties	**2**	**—**	**—**	61	—	—
Share of unconsolidated joint ventures	**—**	**—**	**—**	(84)	—	—
Investments in unconsolidated joint ventures	**—**	**—**	**—**	(56,260)	—	(0.37)
Funds From Operations	**$ 300,017**	**152,018**	**$ 1.97**	$ 308,566	149,946	$ 2.06

Net Operating Income

Company management evaluates the performance of its property portfolio, in part, based on NOI. NOI represents rental property revenues, less termination fees, less rental property operating expenses. NOI is not a measure of cash flows or operating results as measured by GAAP, is not indicative of cash available to fund cash needs, and should not be considered an alternative to cash flows as a measure of liquidity. All companies may not calculate NOI in the same manner. We consider NOI to be an appropriate supplemental measure to net income as it helps both management and investors understand the core operations of our operating assets. NOI excludes corporate general and administrative expenses, interest expense, depreciation and amortization, impairments, gains/losses on sales of real estate, and other non-operating items.

The following table reconciles NOI for consolidated properties from net income for each of the periods presented ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net Income	**$ 19,491**	$ 80,769	**$ 64,924**	$ 143,096
Fee income	**(318)**	(1,677)	**(1,044)**	(5,370)
Termination fee income	**(271)**	(242)	**(6,977)**	(2,153)
Other income	**(101)**	(38)	**(2,393)**	(2,522)
General and administrative expenses	**8,336**	6,498	**24,795**	21,557
Interest expense	**27,008**	18,380	**78,010**	50,454
Depreciation and amortization	**79,492**	79,116	**235,531**	219,721
Reimbursed expenses	**149**	418	**515**	1,455
Other expenses	**623**	231	**1,484**	877
Income from unconsolidated joint ventures	**(582)**	(634)	**(2,008)**	(7,038)
Gain on sale of investment in unconsolidated joint ventures	**—**	(56,260)	**—**	(56,260)
Loss (gain) on investment property transactions	**(507)**	20	**(505)**	61
Loss on extinguishment of debt	**—**	—	**—**	100
Net Operating Income	**$ 133,320**	$ 126,581	**$ 392,332**	$ 363,978

Liquidity and Capital Resources

Our primary short-term and long-term liquidity needs include the following:

- property operating expenses;
- property and land acquisitions;
- expenditures on development and redevelopment projects;
- building improvements, tenant improvements, and leasing costs;
- principal and interest payments on indebtedness;
- general and administrative costs; and
- common stock dividends and distributions to outside unitholders of CPLP.

We may satisfy these needs with one or more of the following:

- cash and cash equivalents on hand;
- net cash from operations;
- proceeds from the sale of assets;
- borrowings under our credit facility;
- proceeds from mortgage notes payable;
- proceeds from construction loans;
- proceeds from unsecured loans;
- proceeds from offerings of equity securities;
- proceeds from offerings of debt securities; and
- joint venture formations.

Our material capital expenditure commitments as of September 30, 2023 March 31, 2024 include $161.7 million $111.3 million of unfunded tenant improvements and construction costs. As of September 30, 2023 March 31, 2024, we had $144.5 million $292.2 million drawn under our credit facility with the ability to borrow the remaining $855.5 million $707.8 million, as well as $6.9 million $5.5 million of cash and cash equivalents. We expect to have sufficient liquidity to meet our obligations for the foreseeable future.

Other Debt Information

In addition to our $1 billion unsecured Credit Facility (with $144.5 million $292.2 million outstanding as of September 30, 2023 March 31, 2024), we also have unsecured debt from two term loans totaling $750 million and five tranches of unsecured senior notes totaling $1 billion. Under our Credit Facility and our 2022 and 2021 Term Loans, the interest rates applicable vary according to the Company's leverage ratio, provided that after the Company obtains an investment grade credit rating, the Company may permanently elect to base the applicable spread and facility fees based on the applicable credit ratings. Subsequent to quarter end, the Company noticed the administrative agent of the Credit Facility and the terms loans of corporate investment grade ratings received. These ratings reduce the Credit Facility's current applicable spread to 0.775% and 2022 and 2021 Term Loans' current applicable spreads to 0.85% and 1.00%, respectively. There can be no assurance that the Company will maintain any particular rating in the future and if our credit ratings decrease, then we may be subject to higher applicable spreads.

Our existing mortgage debt is comprised of non-recourse, fixed-rate mortgage notes secured by various real estate assets. We expect to either refinance our non-recourse mortgage loans at maturity or repay the mortgage loans with other capital resources, including our credit facility, unsecured debt, non-recourse mortgages, construction loans, the sale of assets, joint venture equity, the issuance of common stock, the issuance of preferred stock, or the issuance of units of CPLP. For each non-recourse mortgage loan, the Company provides a customary "non-recourse carve-out guaranty." Additional guarantees related to re-leasing costs may also apply. Many of our non-recourse mortgages contain covenants that, if not satisfied, could result in acceleration of the maturity of the debt. We expect to either refinance the non-recourse mortgages at maturity or repay the mortgages with proceeds from asset sales, debt, or other capital resources. 86%The portion of our consolidated debt bears bearing interest at a fixed rate. rate is 89%. The 14% 11% of consolidated debt that bears interest at a floating rate is based on SOFR.

We are in compliance with all covenants of our existing unsecured and secured debt.

Future Capital Requirements

To meet capital requirements for future investment activities over the long-term, we intend to actively manage our portfolio of properties and strategically sell assets to exit our non-core holdings and reposition our portfolio of income-producing assets. We expect to continue to utilize cash retained from operations, as well as third-party sources of capital such as indebtedness, to fund future commitments as well as utilize construction facilities for some development assets, if available and under appropriate terms.

We may also generate capital through the issuance of securities that include common or preferred stock, warrants, debt securities, depository shares, or the issuance of CPLP limited partnership units.

Our business model also includes raising or recycling capital, which can assist in meeting obligations and funding development and acquisition activity. If one or more sources of capital are not available when required, we may be forced to reduce the number of projects we acquire or develop and/or raise capital on potentially unfavorable terms, or we may be unable to raise capital, which could have an adverse effect on our financial position or results of operations.

Cash Flows

We report and analyze our cash flows based on operating activities, investing activities, and financing activities. The following table sets forth the changes in cash flows ($ in thousands):

		Nine Months Ended September 30,		
		2023	2022	Change
	Three Months Ended March 31,			
	2024			
Net cash provided by operating activities	Net cash provided by operating activities	**$277,518**	$272,348	$ 5,170
Net cash used in investing activities	Net cash used in investing activities	**(212,094)**	(248,432)	36,338
Net cash used in financing activities		**(63,643)**	(27,346)	(36,297)
Net cash provided by financing activities				

Three Months Ended March 31,		
2024	2023	Change

The reasons for significant increases and decreases in cash flows between the periods are as follows:

Cash Flows from Operating Activities. Cash flows provided by operating activities increased $5.2 million $1.8 million between the 2024 and 2023 and 2022 nine three month periods primarily due to the following: timing of receipt of prepaid rents from tenants; increase rent abatements ending at

our 100 Mill property; and the commencement of operations in physical occupancy the first quarter of 2024 at our Domain and Buckhead Plaza properties; 9 property; partially offset by the stabilization full building redevelopment of Hayden Ferry 1 in 2022 the fourth quarter of 100 Mill and Heights Union. 2023.

Cash Flows from Investing Activities. Cash flows used in investing activities decreased $36.3 million $9.9 million between the 2024 and 2023 and 2022 nine three month periods primarily due to a decrease in capital expenditures related to our 2022 redevelopment activity at two of our operating properties, including a full building redevelopment of Promenade Central, and a decrease in contributions to our Neuhoff Holdings LLC ("Neuhoff") joint venture needed to fund our equity share of the development of the Nashville mixed-used project. project, which was partially offset by an increase in capital expenditures (see table below).

Cash Flows from Financing Activities. Cash flows used in provided by financing activities increased $36.3 million decreased $10.7 million between the 2024 and 2023 and 2022 nine three month periods primarily due to cash provided by the settlement of forward contracts sold under our Equity Distribution Agreement known as at-the-market stock offering program ("ATM Program") in June 2022, partially offset by cash used for the purchase of our partner's 10% interest in a joint venture in April 2022 and an increase in net borrowings on repayments of our credit facility. Credit Facility.

Capital Expenditures. We incur costs related to our real estate assets that include acquisition of properties, development of new properties, redevelopment of existing or newly purchased properties, leasing costs (including tenant improvements) for new or replacement tenants, and ongoing property repairs and maintenance.

Capital expenditures for assets we develop or acquire and then hold and operate are included in the property acquisition, development, and tenant asset expenditures line item within investing activities on the condensed consolidated statements of cash flows. The change in amounts accrued are removed from the table below to show the components of these costs on a cash basis. Components of costs included in this line item for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows ($ in thousands):

	Nine Months Ended September 30,	
	2023	**2022**
Operating — leasing costs	**$ 102,768**	$ 153,321
Operating — building improvements	**49,636**	68,491
Development	**15,825**	75,094
Capitalized interest	**10,093**	8,801
Capitalized personnel costs	**5,678**	6,136
Change in accrued capital expenditures	**14,254**	(49,021)
Total property acquisition, development, and tenant asset expenditures	**$ 198,254**	$ 262,822

	Three Months Ended March 31,	
	2024	**2023**
Projects under development (1)	**$ 13,350**	19,486
Operating properties—redevelopment	**10,884**	18,724
Operating properties—building improvements	**7,419**	6,405
Operating properties—leasing costs	**37,498**	18,514
Capitalized interest and salaries	**3,166**	6,734
Total property acquisition, development, and tenant asset expenditures	**$ 72,317**	$ 69,863

(1) Includes initial leasing costs.

Capital expenditures decreased $64.6 million increased $2.5 million between the 2023 2024 and 2022 2023 periods primarily due to increased spending on leasing costs. The primary driver in increased leasing costs is spending on tenant improvements as economic occupancy increased at our Briarlake Plaza operating property. This increase in leasing costs is partially offset by decreases in development, redevelopment, and related capitalized interest and salaries due to the following: (i) the Domain 9 development commenced initial operations in the first quarter of 2024 primarily driving the decreased spending (i) on leasing costs from commissions projects under development and tenant improvements, a related decrease in capitalized interest and salaries and (ii) spending on building improvements largely related operating properties for redevelopments decreased compared to 2023 as the renovations at 3350 Peachtree and Promenade Central and Promenade Tower were substantially completed in 2022, and (iii) on developments driven 2023, offset by the approaching completion commencement of development activities at Domain 9 and completion a full building redevelopment of development activities at our 100 Mill property that stabilized Hayden Ferry 1 in the fourth quarter of 2022. These decreases were partially offset by a decrease in accrued capital expenditures during the year.

2023.

The amounts of tenant improvement and leasing costs for our office portfolio on a per square foot basis for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

		2023	2022		2024	2023
		2024				
New leases	New leases	$12.64	$12.33	New leases	$13.53	$14.55
Renewal leases	Renewal leases	$9.12	$8.74	Renewal leases	$7.54	$6.12
Expansion leases	Expansion leases	$11.07	$12.63	Expansion leases	$13.79	$11.60
Total				Total	$11.86	$11.19

The amounts of tenant improvement and leasing costs on a per square foot basis vary by lease and by market.

Dividends. We paid common dividends of $145.9 million $48.6 million and $143.8 million $48.4 million in the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. We expect to fund our future quarterly common dividends with cash provided by operating activities, also using proceeds from any investment property sales, distributions from unconsolidated joint ventures, indebtedness, and proceeds from offerings of equity and other securities, if necessary.

On a quarterly basis, we review the amount of the common dividend in light of current and projected future cash flows from the sources noted above and also consider the requirements needed to maintain our REIT status. In addition, we have certain covenants under credit agreements that could limit the amount of common dividends paid. In general, common dividends of any amount can be paid as long as leverage, as defined in our credit agreements, is less than 60% and we are not in default. Certain conditions also apply in which we can still pay common dividends if leverage is above that amount. We routinely monitor the status of our common dividend payments in light of the covenants of our credit agreements.

Off Balance Sheet Arrangements

General. We have a number of off balance sheet joint ventures with varying structures, as described in note 6 5 of the notes to consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and in note 3 of the notes to condensed condensed consolidated financial statements. statements for the three months ended March 31, 2024. The joint ventures in which we have an interest are involved in the ownership, acquisition, and/or development of real estate. A venture will fund capital requirements or operational needs with cash from operations or financing proceeds, if possible. If additional capital is deemed necessary, a venture may request a contribution from the partners, and we will evaluate such request.

Debt. At September 30, 2023 March 31, 2024, our unconsolidated joint ventures had aggregate outstanding indebtedness to third parties of $282.9 million $321.3 million. These loans are generally mortgage or construction loans, which are generally non-recourse to us. In addition, in certain instances, we provide "non-recourse carve-out guarantees" on these non-recourse loans. Certain of these loans have variable interest rates, which creates exposure to the ventures in the form of market risk from interest rate changes.

Critical Accounting Policies

There have been no material changes in the critical accounting policies from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in the market risk associated with our notes payable at September 30, 2023 March 31, 2024 compared to that as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 4. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding our control objectives.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer along with the Chief Financial Officer, of the effectiveness, design, and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon the foregoing, the Chief Executive Officer along with the Chief Financial Officer concluded that our disclosure controls and procedures were effective. In addition, based on such evaluation, we have identified no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information regarding legal proceedings is described under the subheading "Litigation" in note 9 of the notes to condensed consolidated financial statements.

Item 1A. Risk Factors.

Risk factors that affect our business and financial results are discussed in Part I, "Item 1A. Risk Factors," of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition, or future results. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or

results of operations could be negatively affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

For information on our equity compensation plans, see note 15 14 of the notes to consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and note 12 of the notes to condensed consolidated financial statements. statements for the three months ended March 31, 2024. We did not make any sales of unregistered securities or purchase any common shares during the third first quarter of 2023. 2024.

The table below reflects purchases of common stock made during the three month period ended March 31, 2024.

Period	Total Number of Shares of Stock Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased Under Announced Programs	Approximate Dollar value of Shares That May Yet be Purchased Under Announced Programs
February 2024	47,882	$ 23.22	—	$ —
Total	**47,882**	**$ 23.22**	**—**	**$ —**

(1) Represents shares of common stock remitted to the Company to satisfy tax withholding requirements related to the vesting of restricted stock awards.

(2) The value of the shares is based on the closing price of the Company's common stock on the applicable withholding date.

Item 5. Other Information.

Results of 2024 Annual Meeting of Stockholders

On April 23, 2024, the Company held its annual meeting of stockholders. Proxies for the meeting were solicited pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended. The following matters were submitted to a vote of the stockholders:

Proposal 1 - the votes regarding the election of nine directors for a term expiring in 2024 were as follows:

Name	For	Against	Abstentions	Broker Non-Votes
Charles T. Cannada	129,223,559	1,371,662	111,063	5,996,851
Robert M. Chapman	130,209,974	383,682	112,628	5,996,851
M. Colin Connolly	130,146,679	448,134	111,471	5,996,851
Scott W. Fordham	129,502,826	1,091,557	111,901	5,996,851
Lillian C. Giornelli	125,021,860	5,563,232	121,192	5,996,851
R. Kent Griffin, Jr.	127,599,129	2,995,316	111,839	5,996,851
Donna W. Hyland	129,080,267	1,505,537	120,480	5,996,851
Dionne Nelson	129,429,446	1,152,144	124,694	5,996,851
R. Dary Stone	127,962,641	2,631,015	112,628	5,996,851

Proposal 2 - the advisory votes on executive compensation, often referred to as "say on pay," were as follows:

For	Against	Abstentions	Broker Non-Votes
118,604,919	11,973,850	127,515	5,996,851

Proposal 3 - the votes to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accountant firm for the fiscal year ending December 31, 2024 were as follows:

For	Against	Abstentions
129,921,932	6,677,229	103,974

Item 6. Exhibits.

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2.1		Agreement and Plan of Merger, dated March 25, 2019, by and among the Registrant, Murphy Subsidiary Holdings Corporation, and TIER REIT, Inc., filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on March 25, 2019, and incorporated herein by reference.
3.1		Restated and Amended Articles of Incorporation of the Registrant, as amended August 9, 1999, filed as Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended June 30, 2002, and incorporated herein by reference.
3.1.1		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended July 22, 2003, filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2003, and incorporated herein by reference.
3.1.2		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended December 15, 2004, filed as Exhibit 3(a)(i) to the Registrant's Form 10-K for the year ended December 31, 2004, and incorporated herein by reference.
3.1.3		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended May 4, 2010, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed May 10, 2010, and incorporated herein by reference.
3.1.4		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended May 9, 2014, filed as Exhibit 3.1.4 to the Registrant's Form 10-Q for the quarter ended June 30, 2014, and incorporated herein by reference.
3.1.5		Articles of Amendment to Restated and Amended Articles of Incorporation of Cousins, as amended October 6, 2016 (incorporated by reference from Exhibit 3.1 and Exhibit 3.1.1 to the Registrant's Current Form 8-K filed on October 7, 2016).
3.1.6		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on June 14, 2019, and incorporated herein by reference.
3.1.7		Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on June 14, 2019, and incorporated herein by reference.
3.2		Bylaws of the Registrant, as amended and restated December 4, 2012, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 7, 2012, and incorporated herein by reference.
3.2.1		Bylaws of the Registrant, as amended and restated July 26, 2022, filed as Exhibit 3.2.1 to the Registrant's Form 10-Q for the quarter ended June 30, 2022, and incorporated herein by reference.
3.2.2		Bylaws of the Registrant, as amended and restated July 25, 2023, filed as Exhibit 3.2.2 to the Registrant's Form 10-Q for the quarter ended June 30, 2023, and incorporated herein by reference. reference.
31.1	†	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	†	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	†	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	†	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	†	The following financial information for the Registrant, formatted in inline XBRL (Extensible Business Reporting Language): (i) the consolidated balance sheets, (ii) the consolidated statements of operations, (iii) the consolidated statements of equity, (iv) the consolidated statements of cash flows, and (v) the notes to condensed consolidated financial statements.
104	†	Cover page interactive data file (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibit 101).

† Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COUSINS PROPERTIES INCORPORATED

/s/ Gregg D. Adzema

Gregg D. Adzema

Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: October 26, 2023 April 25, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, M. Colin Connolly, certify that:

1. I have reviewed this quarterly report Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ M. Colin Connolly

M. Colin Connolly
Chief Executive Officer, President, and Director
Date: October 26, 2023 April 25, 2024

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Gregg D. Adzema, certify that:

1. I have reviewed this quarterly report Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Gregg D. Adzema

Gregg D. Adzema
Executive Vice President and Chief Financial Officer
Date: October 26, 2023 April 25, 2024

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the "Registrant") for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the President and Chief Executive Officer of the Registrant, certifies that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ M. Colin Connolly

M. Colin Connolly
Chief Executive Officer, President, and Director
Date: October 26, 2023 April 25, 2024

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the "Registrant") for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Executive Vice President and Chief Financial Officer of the Registrant, certifies that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Gregg D. Adzema

Gregg D. Adzema
Executive Vice President and Chief Financial Officer
Date: October 26, 2023 April 25, 2024

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